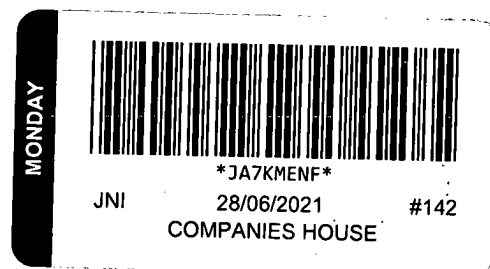


Registered Number: 11493249

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

**DIRECTOR'S REPORT AND**  
**FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM 1<sup>ST</sup> APRIL 2019 TO**  
**31<sup>ST</sup> MARCH 2020**



# **PETERBOROUGH LIMITED**

## **Company Information**

---

**Directors:** Mohammed Farooq (Chairman)  
Kirsty Nutton  
Nigel Simmons  
Kitran Eastman

**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**

---

	<b>Page</b>
<b>Directors' Report</b>	<b>4 – 6</b>
<b>Directors' Responsibilities Statement</b>	<b>7</b>
<b>Independent Auditor's Report</b>	<b>8 - 10</b>
<b>Statement of Comprehensive Loss</b>	<b>11</b>
<b>Statement of Financial Position</b>	<b>12</b>
<b>Statement of Changes in Equity</b>	<b>13</b>
<b>Cash Flow Statement</b>	<b>14</b>
<b>Notes to the Financial Statements</b>	<b>15 - 31</b>

## **PETERBOROUGH LIMITED (Formally Live Peterborough Limited)**

### **Directors' Report for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020**

---

The directors present their report and the audited financial statements of the Company for the period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020.

In the period the principal activity was providing services to Peterborough City Council as requested, including but not specifically restricted to Refuse & Recycling collections, Street care & Grounds Maintenance, Cleaning and Maintenance of Council buildings, provision of Transport to & from schools and maintenance of the company's fleet.

#### **Directors**

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

Paul Sutton (Resigned 20<sup>th</sup> December 2019)

Anthony Fuller (Resigned 25<sup>th</sup> June 2019)

Kirsty Nutton

Mohammed Farooq

Nigel Simmons (appointed 25<sup>th</sup> June 2019)

Kitran Eastman (appointed 1<sup>st</sup> October 2019)

#### **Events since the Balance Sheet Date**

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on 30<sup>th</sup> January 2020.

Given the nature of Peterborough Limited, an environmental company, performing key services as required by local government, Peterborough Limited has not been materially impacted by the coronavirus and does not foresee it negatively impacting our financial operations and results. The Company will continue to monitor the situation closely as we progress throughout the year.

From 1<sup>st</sup> October 2020, the business took over the operation of the City's Leisure sites, including swimming pools, gyms and outdoor sporting facilities. This contract will run until 2024, to rationalise and reorganise service delivery in the light of the effects of COVID-19. This period will give time to properly reorganise, and allow time for the leisure sector to rebuild in time for future delivery options to be explored, including direct provision, working with partners, the establishment of a cooperative delivery model, or a public tender exercise.

## **PETERBOROUGH LIMITED (Formally Live Peterborough Limited)**

**Directors' Report (Continued) for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020**

---

### **Events since the Balance Sheet Date (Continued)**

On 31<sup>st</sup> March 2021, the Company made an early repayment to the amount of £825,000 of the outstanding loan amount due to Peterborough City Council.

### **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 and parent, Peterborough City Council, which is expected to continue for the foreseeable future to enable it to continue operating and to meet its liabilities as they fall due.

However, the ability of Peterborough City Council to continue in operation and provide this financial support is dependent on its ability to meet its cash flow forecasts and raise the necessary financing to cover its costs. Being a council, this is 100% underwritten by Statute by the Government, which has not yet confirmed sufficient funding. Consequently, material uncertainties exist on maintaining current levels of service provision in the next 12 months and beyond.

The directors have prepared the financial statements on a going concern basis as the company does not intend to either liquidate or to cease trading and the directors believe that Peterborough Limited can obtain such financing based on their track record of obtaining financing from the ultimate parent and from external sources.

## **PETERBOROUGH LIMITED (Formally Live Peterborough Limited)**

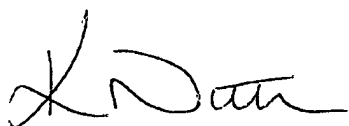
**Directors' Report (Continued) for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020**

---

### **Going Concern (continued)**

There can be no assurance that Peterborough Limited will be able to obtain the necessary funding and as such the directors consider that this constitutes a material uncertainty which casts significant doubt over the company's ability to continue as a going concern for the foreseeable future. The Financial Statements do not contain the adjustments that would result if the Company was unable to continue as a going concern.

This report was approved by the Board of Directors on 24 June 2021 and signed on its behalf.



25 June 2021

Kirsty Nutton  
Director

## **PETERBOROUGH LIMITED (Formally Live Peterborough Limited)**

### **Directors' Responsibilities Statement for the year ended 31 March 2020**

---

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the Companies Act 2006. 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 or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 international accounting standards in conformity with the Companies Act 2006 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the financial position and financial performance;
- in respect of the financial statements, state whether international accounting standards in conformity with the Companies Act 2006 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 appropriate to presume that the company will not 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.

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

## **PETERBOROUGH LIMITED**

### **Auditor's Report to the Shareholder of Peterborough Limited**

---

#### **Opinion**

We have audited the financial statements of Peterborough Limited for the year ended 31 March 2020 which comprise the Statement of Comprehensive Loss, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement, and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; 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.

#### **Material uncertainty related to Going Concern**

We draw attention to Note 3.3 in the financial statements, which indicates that the company is dependent on support from its parent undertaking, Peterborough City Council, to enable it to continue operating and to meet its liabilities as they fall due. However, Peterborough City Council needs to raise additional funding within 12 months of the date of approval of its financial statements.

As stated in Note 3.3, these events or conditions, along with other matters indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **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 directors are responsible for the other information.



## **PETERBOROUGH LIMITED**

### **Auditor's Report to the Shareholder of Peterborough Limited**

---

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 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 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' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

## **PETERBOROUGH LIMITED**

Auditor's Report to the Shareholder of Peterborough Limited

---

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

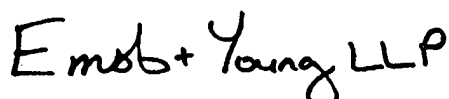
### **Auditor's responsibilities for the audit of the financial statements**

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  
25 June 2021*

**PETERBOROUGH LIMITED (Registered Number 11493249)**

Statement of Comprehensive Loss  
for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

	Note	2020 £	2019 £
<b>CONTINUING OPERATIONS</b>			
Revenue from Services	4	14,314,252	111,637
Cost of Sales		13,625,783	97,721
<b>Gross Profit</b>		<b>688,469</b>	<b>13,916</b>
Administrative Expenses		1,041,406	124,191
<b>Operating Loss</b>	5	<b>(352,937)</b>	<b>(110,275)</b>
Interest Payable and Similar Charges	9	62,619	6,375
<b>Loss before taxation</b>		<b>(415,556)</b>	<b>(116,650)</b>
Tax on Loss	6	-	-
<b>Total comprehensive loss for the period net of tax (415,556)</b>			<b>(116,650)</b>

There were no recognised gains and losses from 2020 and 2019 other than those included in the Statement of Comprehensive Loss.

The notes on pages 15 – 31 form part of these financial statements.

**PETERBOROUGH LIMITED (Registered Number 11493249)****Statement of Financial Position  
as at 31<sup>st</sup> March 2020**

	Note	2020 £	2019 £
<b>Non-Current Assets</b>			
Property, Plant & Equipment	10	32,692	-
<b>Current Assets</b>			
Inventories	11	222,156	7,567
Trade and Other Receivables	12	1,294,538	380,009
Cash at bank and in hand	13	1,293,514	747,495
<b>Total Assets</b>		<b>2,842,900</b>	<b>1,135,071</b>
<b>Current Liabilities</b>			
Trade and Other Payables	14	1,625,105	311,720
<b>Total Assets less Current Liabilities</b>		<b>1,217,795</b>	<b>823,351</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities – Borrowing	14	1,750,000	940,000
<b>Net Liabilities</b>		<b>(532,205)</b>	<b>(116,649)</b>
<b>Equity</b>			
Called Up Share Capital	16	1	1
Profit and Loss Account		(532,206)	(116,650)
<b>Shareholders Deficit</b>		<b>(532,205)</b>	<b>(116,649)</b>

The notes on pages 15 – 31 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: 25 June 2021

**PETERBOROUGH LIMITED (Registered Number 11493249)****Statement of Changes in Equity****for the Period from 31<sup>st</sup> July 2018 to 31<sup>st</sup> March 2020**

	<b>Called up Share Capital £</b>	<b>Profit and Loss Account £</b>	<b>Shareholders' Deficit £</b>
<b>Balance as at 31<sup>st</sup> July 2018</b>	-	-	-
<b>Transactions with Owners</b>			
Shares Issued in the period	1	-	1
<b>Comprehensive Loss</b>			
Loss for the period	-	(116,650)	(116,650)
<b>Total Comprehensive Loss</b>	-	<b>(116,650)</b>	<b>(116,650)</b>
<b>Balance as at 31<sup>st</sup> March 2019</b>	<b>1</b>	<b>(116,650)</b>	<b>(116,649)</b>
<b>Comprehensive Loss</b>			
Loss for the period	-	(415,556)	(415,556)
<b>Total Comprehensive Loss</b>	-	<b>(532,206)</b>	<b>(532,206)</b>
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>1</b>	<b>(532,206)</b>	<b>(532,205)</b>

The notes on pages 15 – 31 form part of these financial statements.

**PETERBOROUGH LIMITED (Registered Number 11493249)****Cash Flow Statement**for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Operating loss before Tax		(352,937)	(110,275)
Interest Expense		-	(6,375)
(Increase) in Inventories	11	(214,589)	(7,567)
(Increase) in Trade and Other Receivables	12	(914,529)	(380,009)
Decrease in Trade and Other Payables	14	1,313,385	311,720
<b>Net outflows from operating activities</b>		<b>(168,670)</b>	<b>(192,506)</b>
<b>Cash flows from investing activities</b>			
Purchase of Property, Plant and Equipment	10	(32,692)	-
<b>Net outflows from investing activities</b>		<b>(32,692)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds of share issuance	16	-	1
Interest Expense	9	(62,619)	-
Loan Received	14	810,000	940,000
<b>Net inflows from financing activities</b>		<b>747,381</b>	<b>940,001</b>
<b>Opening cash balance as at 1<sup>st</sup> April 2019</b>	13	<b>747,495</b>	<b>-</b>
<b>Net Increase in cash and cash equivalents</b>		<b>546,019</b>	<b>747,495</b>
<b>Cash and Cash Equivalents as at 31<sup>st</sup> March 2020</b>	13	<b>1,293,514</b>	<b>747,495</b>

The notes on pages 15 – 31 form part of these financial statements.

# **PETERBOROUGH LIMITED**

## **Notes to the Financial Statements**

**for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020**

---

### **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 Accounting Standards in conformity with the requirements of the Companies Act 2006. They have been prepared using historical cost convention unless disclosed in the accounting policies below. These policies have been consistently applied to all the years presented.

#### **New standards applied**

IFRS 16 "Leases" and IFRIC 23 "Uncertainty over Income Tax Treatments" have had no impact on the Company's retained earnings or balance sheet as at 1 April 2019.

### **3. Accounting Policies**

The financial statements are presented in sterling, which is the functional currency of the Company and rounded to the nearest £. The reporting period is to the financial year ended 31<sup>st</sup> March 2020.

#### **3.1. Critical Accounting Estimates and Judgments**

The presentation of the financial statements requires management to make judgments, 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.

## **PETERBOROUGH LIMITED**

### **Notes to the Financial Statements**

for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

---

#### **3.2. Compliance with Accounting Standards**

These financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to reporting entities under International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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 and parent, Peterborough City Council, which is expected to continue for the foreseeable future to enable it to continue operating and to meet its liabilities as they fall due.

However, the ability of Peterborough City Council to continue in operation and provide this financial support is dependent on its ability to meet its cash flow forecasts and raise the necessary financing to cover its costs. Being a council, this is 100% underwritten by Statute by the Government, which has not yet confirmed sufficient funding. Consequently, material uncertainties exist on maintaining current levels of service provision in the next 12 months and beyond.

The directors have prepared the financial statements on a going concern basis as the company does not intend to either liquidate or to cease trading and the directors believe that Peterborough Limited can obtain such financing based on their track record of obtaining financing from the ultimate parent and from external sources.

There can be no assurance that Peterborough Limited will be able to obtain the necessary funding and as such the directors consider that this constitutes a material uncertainty which casts significant doubt over the company's ability to continue as a going concern for the foreseeable future. The Financial Statements do not contain the adjustments that would result if the Company was unable to continue as a going concern.



## **PETERBOROUGH LIMITED**

### **Notes to the Financial Statements**

for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

---

#### **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

#### **3.5. Property, Plant and Equipment**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Plant, equipment, fixtures and fittings – between 4 and 10 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

## **PETERBOROUGH LIMITED**

### **Notes to the Financial Statements**

for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

---

#### **3.6. 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. 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.

#### **3.7. 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.

#### **3.8. 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.

#### **3.9. 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 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

---

#### **3.10. 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.

#### **3.11. 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.

#### **3.12. 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 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020**

---

#### **3.13. 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.

#### **3.14. 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 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

---

#### 3.15. 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 standards and interpretations that are issued, but not yet effective, up to the date of issuance of the

company's financial statements are disclosed below. the company intends to adopt these standards if applicable,

when they become effective. These standards become applicable as per the dates stated below.

##### Effective for financial periods beginning on or after 1 June 2020

Amendments to IFRS 16	Leases – COVID-19 (Related Rent Concessions)
-----------------------	--

##### Effective for financial periods beginning on or after 1 January 2022

Amendments to IFRS 9	Financial Instruments
----------------------	-----------------------

Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use
----------------------	--

Amendments to IAS 1	Classification of Liabilities as Current or Non-Current
---------------------	---

IFRS 1, 9, 16 and IAS 41	Annual Improvements to IFRS Standards 2018-2020
--------------------------	---

##### Effective for financial periods beginning on or after 1 January 2023

Amendments to IAS 1	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
---------------------	---

## PETERBOROUGH LIMITED

### Notes to the Financial Statements

for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

---

#### 4. Revenue

Revenue is accrued on the services to the parent to the value of £252,138 (2019: £111,637) in the period, relating to services performed in March. All other revenue has been invoiced, to the value of £14,062,114 (2019: £nil).

#### 5. Operating Loss

This is stated after charging;

	Period to 31 <sup>st</sup> March 2020 £	Period to 31 <sup>st</sup> March 2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	21,950	15,000
Depreciation	1,110	-

#### 6. Income Tax

The tax charge for the period is;

	2020 £	2019 £
Current Tax Expense/(Benefit)		
Current tax on loss for the period	-	-
Adjustment relating to prior periods	-	-
Total Current Tax Expense/(Benefit)	-	-
Deferred Tax Expense/(Benefit)		
Origination and reversal of temporary differences	-	-
Adjustment relating to prior periods	-	-
Write-downs of deferred tax liabilities	-	-
Total Deferred Tax Expense/(Benefit)	-	-
Total Tax Expense/(Benefit)	-	-
Other Comprehensive Income Items		
Deferred tax current year charge	-	-

## PETERBOROUGH LIMITED

### Notes to the Financial Statements

for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

---

#### 6. Income Tax (continued)

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;

	2020 £	2019 £
Loss before tax	(415,556)	(116,650)
Expected tax credit based on the standard rate of United Kingdom corporation tax at the domestic rate of 19%	(78,955)	(22,163)
Effects of unused tax losses and attributes not recognised as deferred tax assets	78,955	22,163
Total Tax Benefit	-	-

The Company has estimated total losses of £532,206 (2019: £116,650) consisting entirely of trade losses, available for carry forward against future profits.

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023.

## **PETERBOROUGH LIMITED**

### **Notes to the Financial Statements**

for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

---

#### **7. Staff Costs**

The aggregate payroll costs during the period were:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and Salaries	5,568,061	76,283
Social Security	410,243	2,471
Other Pension Costs	449,755	6,055
<b>TOTAL</b>	<b>6,428,059</b>	<b>84,809</b>

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Operational	338	62

#### **8. Directors' Remuneration**

The directors' remuneration for the year was as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	88,216	-
Other	8,000	-
	<b>96,216</b>	<b>-</b>

#### **9. Interest Payable and Similar Charges**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loan Interest	<b>62,619</b>	<b>6,375</b>



## PETERBOROUGH LIMITED

### Notes to the Financial Statements for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

#### 10. Property, Plant and Equipment

	Plant equipment, Fixtures & fittings £	Total £
Cost;		
At 1 April 2019	-	-
Additions	33,802	33,802
At 31 March 2020	33,802	33,802
Accumulated depreciation;		
At 1 April 2019	-	-
Charge for the year	1,110	1,110
At 31 March 2020	1,110	1,110
Net Book Value		
At 31 March 2019	-	-
At 31 March 2020	32,692	32,692

#### 11. Inventories

	2020 £	2019 £
Stock of Materials	<u>222,156</u>	<u>7,567</u>

#### 12. Trade and Other Receivables

	2020 £	2019 £
Trade Receivables	86,322	-
Amount owed by parent	328,522	-
Other Receivables	-	5,576
Prepayments and Accrued income	879,694	374,433
Total	<u>1,294,538</u>	<u>380,009</u>

## PETERBOROUGH LIMITED

### Notes to the Financial Statements for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

#### 13. Cash and Cash Equivalents

	2020 £	2019 £
Cash at Bank	<u>1,293,514</u>	<u>747,495</u>

#### 14. Trade and Other Payables

	2020 £	2019 £
<u>Current</u>		
Pensions	59,553	199,115
Other taxation and social security	582,536	5,563
Trade Payables	262,756	-
Accruals and deferred Income	697,001	30,156
Amount owed to parent	23,259	76,887
<b>Total</b>	<b>1,625,105</b>	<b>311,720</b>

#### Non-Current

	2020 £	2019 £
Amount owed to parent	<u>1,750,000</u>	<u>940,000</u>

On 21<sup>st</sup> 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. As at 31<sup>st</sup> March 2020, the Company has borrowed a total of £1,750,000 which is outstanding and included within Non-Current Amounts owed to parent. This amount will not be due for payment until 1<sup>st</sup> February 2024. On 31<sup>st</sup> March 2021, the Company made an early repayment to the amount of £825,000 of the outstanding loan amount.

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.

## PETERBOROUGH LIMITED

### Notes to the Financial Statements for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

#### 15. 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.

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

	2020	2019
	£	£
<b>Financial assets</b>		
Trade Receivables	414,844	-
Other receivables	-	5,576
Cash	1,293,514	747,494
	<b>1,708,358</b>	<b>753,070</b>
<b>Financial liabilities</b>		
Owed to group undertakings (borrowing)	1,750,000	940,000
Accruals	720,260	30,156
Trade Payables	239,497	-
Amount owed to parent	23,259	76,887
	<b>2,733,016</b>	<b>1,047,043</b>

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 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

---

#### 15. 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.

#### 16. Called up Share Capital

	2020 £	2019 £
<u>Share Classified as Equity</u>		
<u>Allotted, called up and fully paid</u>		
1 Ordinary share of £1	1	1
	2020 No.	2019 No.
As at 31 <sup>st</sup> March 2019	1	-
Issued in Year	-	1
As at 31 <sup>st</sup> March 2020	1	1

## **PETERBOROUGH LIMITED**

### **Notes to the Financial Statements**

**for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020**

---

#### **17. Reserves**

Called up share capital represents the nominal value of shares that have been issued.

Profit and Loss Account included all current year and prior year accumulated losses.

#### **18. 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 £449,755 (2019: £6,055).

Contributions totalling £59,553 (2019: £6,055) were payable to the fund at the balance sheet date and are included in Creditors.

## PETERBOROUGH LIMITED

### Notes to the Financial Statements

for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

---

#### 19. 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 31<sup>st</sup> March 2020 with related parties, are as follows;

	Invoiced to Related Party £	Purchases from Related Party £	Amounts owed by Related Party £	Amounts owed to Related Party £
2020	13,450,783	1,261,203	328,522	1,773,259
2019	-	119,115	-	1,139,155

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. 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. Amounts owed by the parent relate to services performed in the normal course of business for the parent by 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 14. This amount does not become due until 1<sup>st</sup> February 2024.

#### 20. 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.

## **PETERBOROUGH LIMITED**

### **Notes to the Financial Statements**

**for the Period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020**

---

#### **21. Subsequent Events**

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020.

Given the nature of Peterborough Limited, an environmental company, performing key services as required by local government, Peterborough Limited has not been materially impacted by the coronavirus and does not foresee it negatively impacting our financial operations and results. The Company will continue to monitor the situation closely as we progress throughout the year.

From 1st October 2020, the business took over the operation of the City's Leisure sites, including swimming pools, gyms and outdoor sporting facilities. This contract will run until 2024, to rationalise and reorganise service delivery in the light of the effects of COVID-19. This period will give time to properly reorganise, and allow time for the leisure sector to rebuild in time for future delivery options to be explored, including direct provision, working with partners, the establishment of a cooperative delivery model, or a public tender exercise.

On 31<sup>st</sup> March 2021, the Company made an early repayment to the amount of £825,000 of the outstanding loan amount due to Peterborough City Council.