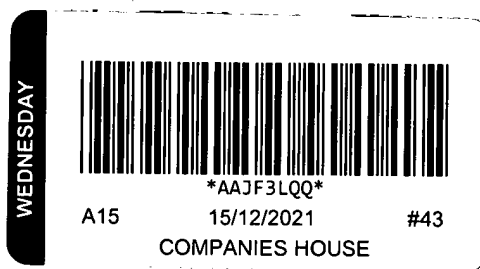


Company Registration No. 11493249 (England and Wales)

**PETERBOROUGH LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**



# PETERBOROUGH LIMITED

## COMPANY INFORMATION

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**Directors**

Mr M Farooq (Chairman)  
Miss K A Eastman  
Mrs K M Nutton  
Mr L J Sharp (Appointed 24 June 2021)

**Company number**

11493249

**Registered office**

Town Hall  
Bridge Street  
Peterborough  
Cambridgeshire  
United Kingdom  
PE1 1HF

**Auditor**

Azets Audit Services  
Ruthlyn House  
90 Lincoln Road  
Peterborough  
United Kingdom  
PE1 2SP

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# **PETERBOROUGH LIMITED**

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# PETERBOROUGH LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present the strategic report for the year ended 31 March 2021.

### 1. Introduction

Peterborough Limited (P-Ltd) is a company which is at the start of its journey. We started on the ground services in February 2019 and have grown in size and scope since. Our purpose is to make Peterborough the best place we can, and ultimately aid making its residents happier. We have further ambitions to grow and become an established part of the Peterborough community.

Our company delivers a diverse range of interconnected services. Our staff have many skills, but we specialise in:

- Making and keeping places and spaces special both in the natural and built environment.
- Helping people stay or keep fit and healthy.

Our second full year of operation has been one of challenges and achievements, hard work and new beginnings. The year started with the first COVID-19 lock down, as a business the majority of staff were classed as key workers due to the essential nature of the services. Our staff worked tirelessly to deliver essential frontline services, in challenging and frightening times. They were a credit to the company and to Peterborough.

In October 2020 the business expanded by 350 staff, when we took over the Council's leisure provision when its incumbent provider handed back the service. This has changed the course of the company and its remit, as well as providing new opportunities.

### 2. Our Vision and Values

#### Vision

In 2018 PCC set the vision for P-Ltd during its set up:

*Peterborough Limited's vision is to support the aims of the Council in delivering high quality sustainable services in a socially responsible and environmentally friendly way.*

*At the same time, it will maximise commercial opportunities that will provide funding for the Company, meaning reduced reliance on taxpayers' funding that would in turn protect other valuable Council services.*

This remains the Vision of the company. It clearly sets out the balance which we will try and strike between quality of service, positive environmental and social impact, and commercialisation.

#### Values

Pre-go live the Council set out values for the P-Ltd as:

- **Staff:** We will value staff, developing, promoting and rewarding people in line with their performance. We will protect their health and safety, encourage their career development and participation and involvement in the future management of Peterborough Limited.
- **Ethics:** We will maintain the highest ethical standards through our staff and for our customers. We will be accountable for our decisions and actions and endeavour to keep the promises we make.
- **Health & Safety:** We will adopt the best Health & Safety practices and seek to continually to improve them. We will have zero tolerance to non-compliance with Health & Safety policies and procedures by our employees. We will conduct our operating activities at our sites and in the public realm with the Health & Safety of the public, of visitors and of our employees in mind at all times.
- **The Environment:** We will ensure that Peterborough is a clean, safe and hazard free place to live in, work in or visit. We will implement Circular Economy thinking in the way we procure and operate, endeavouring to minimise negative environmental impacts whilst maximising positive ones, whilst endeavouring to ensure focus on priorities such as increasing recycling rates.

# PETERBOROUGH LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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- **The Economy:** Driven by "Localism", we will have a positive impact on the economy, ensuring Peterborough is a place people wish to visit, stay in and live in. Our values will include supporting businesses and the commercial sector in realising their ambitions for the wider good. We will encourage them to spend with goods and services providers whose profits and wages paid contribute to the welfare of the city and its residents.
- **The Council's / Residents' money:** We will ensure that every penny spent is spent well, endeavouring to providing value for money to the Council and our residents.

In 2020/21 P-Ltd planned to update and refine these, engaging staff from all areas of the business. Due to the challenges of the year, this update and work to embed these values across the organisation, will be done in 2022.

### 3. Our Operating Context

In February 2019 P-Ltd operating as Aragon Direct Services commenced delivery of some services for Peterborough City Council. Over the following months more services were transferred into the company. P-Ltd is wholly owned by Peterborough City Council (PCC) and was formed as a Teckal compliant Local Authority Trading Company (LATCo). This means that the company is autonomous from the Council but does require a Council appointed board. The company can trade, however, with the wider market and does not need to rely solely on income from services provided to the Council.

#### a) Vivacity

On 1st October 2020 following a request from PCC, P-Ltd transferred approximately 350 leisure staff from the Vivacity Trust, following it having financial troubles during COVID. The Vivacity name was kept as a trading name, along with its branding and assets. These services included:

- Regional Fitness & Swimming Centre
- Vivacity Premier Fitness
- Hampton Leisure Centre
- Werrington Leisure Centre
- Bushfield Leisure Centre
- Jack Hunt Pool & Gym
- St George's Community Hydrotherapy Pool
- Peterborough Lido
- Bretton Water Park
- Health and Wellbeing Services
- Club Viva (childcare)
- Swim Academy /Swim School

The initial contract was for a year to be able to review and understand the services, and the impact which COVID had on them. This has been extended for a further three years, following the review.

Staff from both the front-line services, management and corporate services transferred from Vivacity. The corporate staff has since been restructured to be combined with the team who already support Aragon.

#### b) Finance Team

As part of the Vivacity transfer and building on a review undertaken on Aragon's finance contract with Serco, in December 2020 Accounts Payable and Accounts receivable services were in-sourced from Serco to P-Ltd, to be delivered direct. This was possible due to the increased volume of transactions which the Vivacity business brought to the company.

#### c) Team Peterborough!

P-Ltd, Aragon and Vivacity are fully part of Team Peterborough, this means that although we are a private company everything we do is, ultimately, to make Peterborough the best place we can, to help make its residents happier. This means that our business plan closely aligns to the ambitions and strategic directions of PCC.

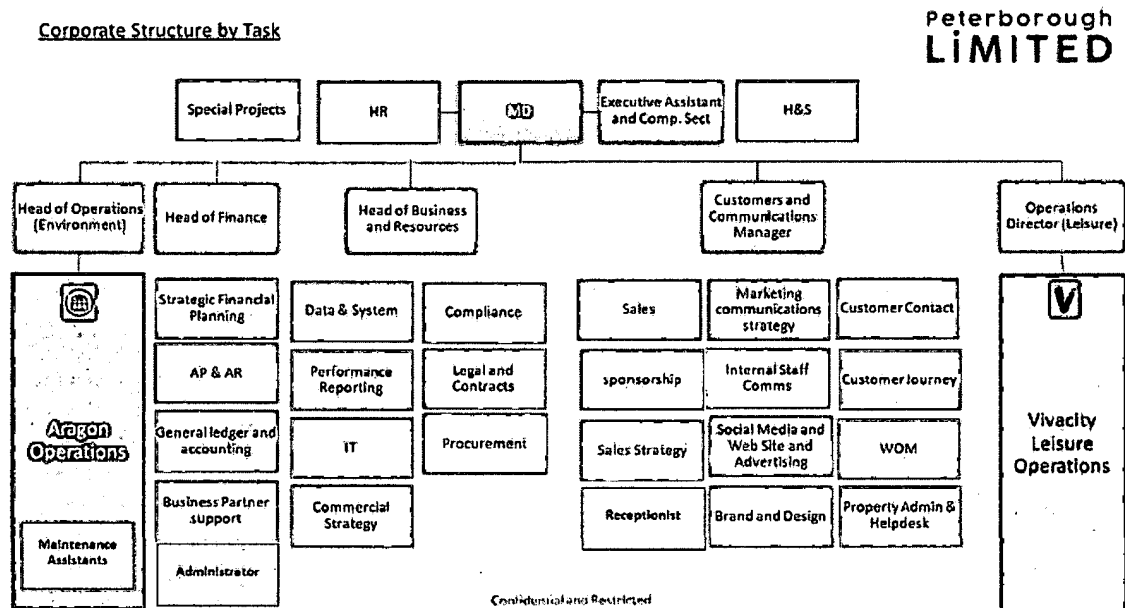
# PETERBOROUGH LIMITED

## STRATEGIC REPORT (CONTINUED)

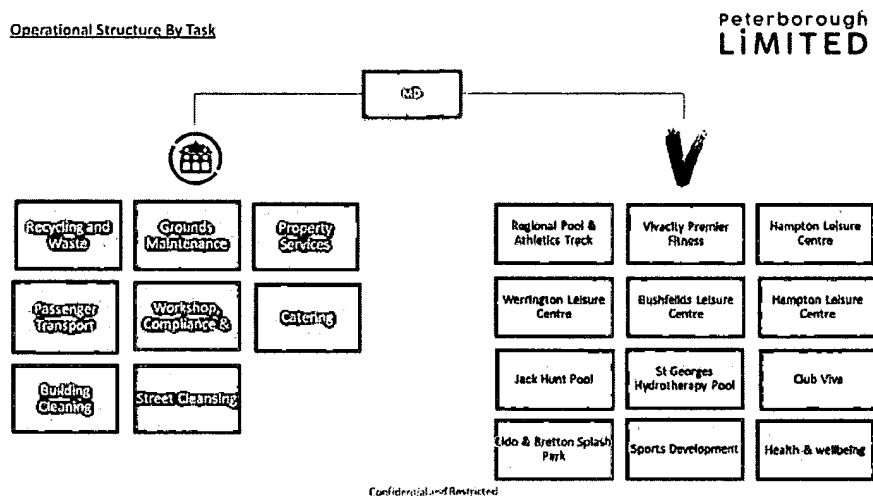
FOR THE YEAR ENDED 31 MARCH 2021

### d) Our Company Structure

Following the insourcing of the finance function and the transfer of Vivacity into the company, P-Ltd structure now, reflect the image below.



The two operational sections of the company are reflected below:



# PETERBOROUGH LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 4. Our Financial Performance

Our 2020/21, out turn position was £497,500 profit, this was a stronger performance than expected due to strong operational performance from Aragon, the additional management fee for Vivacity services, and the streamlining and sharing of fixed overheads.

	<b>Aragon 2020/21 £,000</b>	<b>Vivacity 2020/21 £,000</b>	<b>P-Ltd 2020/21 £,000</b>
Revenue			
PCC core service fixed fee	£10,424	-	£10,424
PCC core service variable fee	£4,984	-	£4,984
PCC Project Work	£1,342		£1,342
Vivacity underwriting	-	£465	£465
External Income	£843	£345	£1,188
<b>TOTAL</b>	<b>£17,593</b>	<b>£810</b>	<b>£18,402</b>

Cost			
Staffing Related Costs	£8,188	£626	£8,814
Subcontractors	£4,399	£100	£4,499
Materials	£823	£35	£858
Plant Hire	£377	£4	£381
Vehicle Costs	£2,099	£5	£2,104
Property Costs	£284	£102	£386
Communications	£33	£0	£33
Other Costs	£830	£118	£948
Financing Costs	£79	-	£79
<b>TOTAL</b>	<b>£16,960</b>	<b>£787</b>	<b>£17,747</b>

Gross Margin (Profit)/-Loss	(£633)	(£22)	(£655)
Gross Margin %	-3.60%	-2.17%	-3.52%
Total Depreciation and Amortisation	£157	£0	£157

<b>[(Profit)/-Loss Pre-Tax]</b>	<b>(475.4)</b>	<b>(£22.1)</b>	<b>(497.5)</b>
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Our 2020/21, out turn position was a profit of £475K against a forecasted loss within our business plan of -£166K. This positive performance also significantly increased the cashflow position of the company. The closing cash balance from the 2020/21 trading year was £1.68 million. When combined with the expected forecast for 2021/22, along with the purchasing of the new fleet, this will see a budgeted operational balance position for 2022/23. The anticipated closing balance from the 2021/22 trading year would have been £1.2 million, with £1m being the lowest projected cash levels through the year.

# PETERBOROUGH LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

As such the Board of Directors choose to reduce the cash reserves within the company and repay £825K of the £1.75 Million loan which the company had with the shareholder ahead of schedule. This saved the company £40K a year in interest payments. Our loan agreement with PCC means that if needed the company can draw down on that money again.




This positive outturn has also allowed the company to build a small reserve of £200K to create a small fund to invest in trialling new business ventures/ideas or invest to save options. The close links between shareholder and company, at an operational level and financial level means that the building of larger reserves within the company is not needed. As 1) the loan agreement will remain in place and be able to be called on in future; 2) business cases for future large investment and expansion can be presented to the shareholder for funding consideration and where they stand up, suitable funding may be made available to the company as part of its business planning process.

### 5. Our Performance

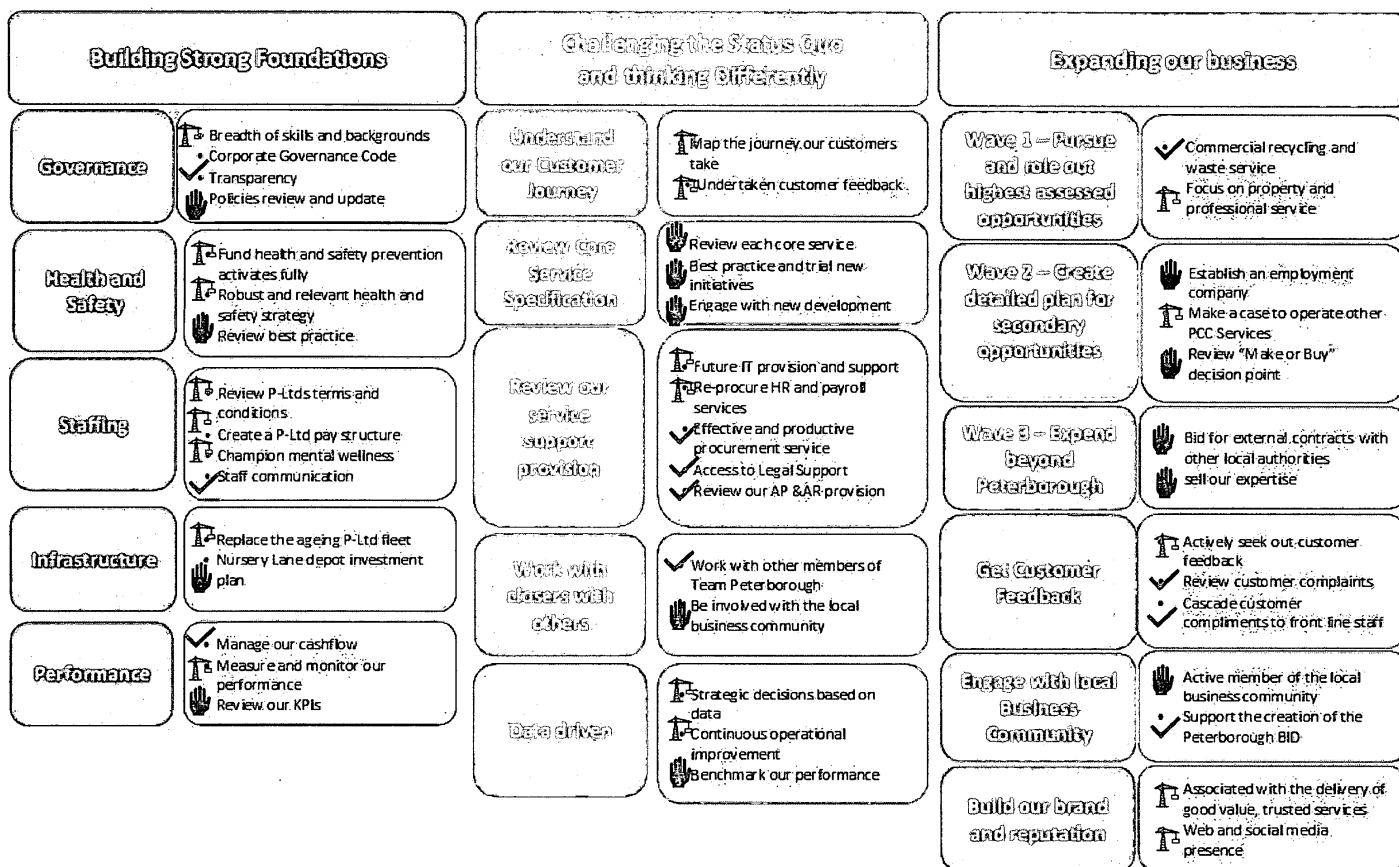
As part of our 2019 – 2023 business plan it sets our focus in three main areas to move the business forward.



The tasks and their status can be seen below. Progress against their status is marked as per the key below:

Key	
	Complete and/or now ongoing
	In Progress
	Not Started





# PETERBOROUGH LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

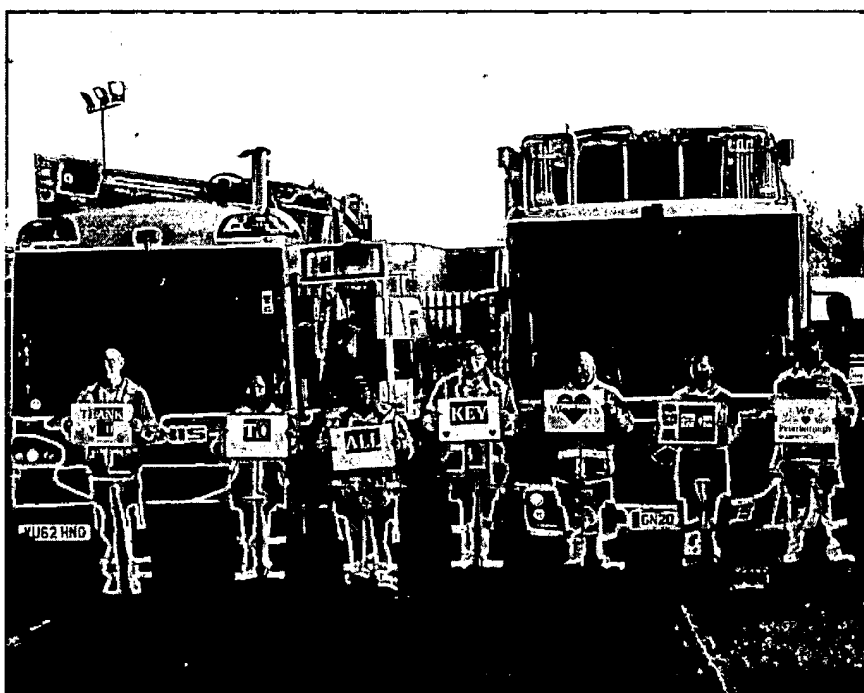
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As can be seen above, despite the challenges of COVID, good progress has been made against our three-year objectives. A number of key elements have been completed or are underway as part of an ongoing process and a significant number of the remainder have been started. Elements which sit around benchmarking performance, reviewing best practice and look at KPIs have been delayed due to the changing nature of services in a COVID and post COVID world. A review of these and setting of new indicators will take place at the end of 2021/22, these will include both the Aragon and Vivacity elements of the business.

### 6. COVID response

In 2020/21 the company worked through the COVID pandemic. The majority of staff were classed as key workers due to the essential nature of waste collection, fly tip clearance, building cleaning, building maintenance and passenger transport. A small number of employees moved to work from home, but the majority of staff kept working throughout the pandemic both in their substantive roles and through support other parts of the company or as part of the COVID response. Our staff worked tirelessly to deliver essential frontline services, in challenging and frightening times.

The staff were buoyed by the positive support which they received from residents through the lockdown. Some of the notes and letters were displayed on our "wall of thanks" for all to see.



The dedication of the staff, and their service delivery were a credit to the company and to Peterborough.

# **PETERBOROUGH LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **7. Gender Pay Gap**

A separate gender pay report will be published.

### **8. What challenges does 2021/22 hold?**

Moving into 2021/20 many of the same challenges face us as in the previous year.

- COVID – There are many unknowns in relation to the COVID recovery. Although the Aragon side of the business has fared financially well during the pandemic, it should be noted that staff have found the previous year mentally tiring. This, combined with the overarching stress or anxiety which the pandemic has brought for many people, may result in staff feeling rundown or burnt out. Within Vivacity the unknown nature of when and how the leisure industry will be "back to normal", make the financial plan and viability assessments challenging.
- Training – Over the previous financial year training for key roles such as drivers, lifeguards etc. have not been able to take place. This is leading to a skills shortage for which there is insufficient training capacity to replace those who have left the work force.
- Fleet Replacement – Due to the pandemic there has been a delay to the new fleet being purchased. This will have a negative impact on the profile of fleet and maintenance costs going through the year. The new waste and recycling fleet is however, scheduled to arrive by the end of 2021/22.
- Vivacity – The recovery of the leisure sector, and the rebuilding of the Vivacity business pose a huge challenge, not only due to the unknown COVID recovery route, but also due to the significant amount of manager time and resource will which be needed to oversee and lead the changes. A whole scale review is underway to restructure the business to make it fit for the future.

In addition we know that our shareholder and key customer is facing increased financial pressure, which, we are aware, may result in a request in reduction of services. This can be seen as both a risk and an opportunity. Utilising any reduction in services may be able to be paired with – an exploration/expansion of commercial activity to support the business.

### **9. Governance**

During the year the Board of Directors have continued to oversee and direct the company, albeit through the use of new remote technology. Our interaction with our shareholder has also continued but also remotely, both via PCC's shareholder committee and through our informal partnership meetings.

Documents for the shareholder committee can be found at:

<https://democracy.peterborough.gov.uk/ieListMeetings.aspx?Committeeld=721>

The company has had no change in Directors in 2020/21.

The financial position of the shareholder remains a key concern for the Company. Although the contracts are in place, a reduction in funding will need to be met with a reduction in service and expenditure. Any changes requested will be fully costed, but a reduction in service may affect the reputation of the company with the public.

# **PETERBOROUGH LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

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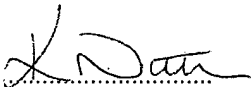
### 10. Conclusion

2020/21 was a year like none other before, plans which had been made were stalled with areas of business change. The Company moved to profitability in 2020/21, from a forecasted loss, despite the challenges of the COVID pandemic, and repaid almost 50% of its set up loan. The Company expanded, through the addition on Vivacity Leisure, with staff numbers increased by approximately 100%. Property, building cleaning and grounds maintenance work also increased.

Through 2020/21 P-Ltd have continued to work hard to deliver services to residents and be known by key partners such as PCC as a "can do company, who delivers". In 2020/21 we were on the Local news 3 times, had very positive local media coverage, and even (with the Lido) featured, in brief, in national newspapers.

Our challenge in 2021/22 will be to implement the ambitious Vision which was in place pre COVID. The path to get there maybe slightly altered and re cast due to changes which have been experienced over the last year, but the intention is to continue as close as possible to the original plan.

On behalf of the board



Mrs K M Nutton  
**Director**

Date: .....9 December 2021.....

# **PETERBOROUGH LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2021**

---

The directors present their annual report and financial statements for the year ended 31 March 2021.

### **Principal activities**

The principal activity of the company continued to be that of 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. In addition the company has also started delivery of leisure services for the City of Peterborough, though Swimming Pools, Gyms & Outreach Services.

### **Results and dividends**

The results for the year are set out on page 16.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M Farooq (Chairman)

Miss K A Eastman

Mrs K M Nutton

Mr L J Sharp

Mr N G Simons

(Appointed 24 June 2021)

(Resigned 24 June 2021)

### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company's continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Employee involvement**

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

### **Auditor**

Azets Audit Services were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

# PETERBOROUGH LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### Statement of disclosure to auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is 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.

On behalf of the board



.....  
Mrs K M Nutton  
**Director**

Date: .....9 December 2021.....

# **PETERBOROUGH LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### ***FOR THE YEAR ENDED 31 MARCH 2021***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable 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 Financial Reporting Standards (IFRSs) 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 or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- 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 company's ability to continue as a going concern.

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.

# **PETERBOROUGH LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF PETERBOROUGH LIMITED**

---

#### **Opinion**

We have audited the financial statements of Peterborough Limited (the 'company') for the year ended 31 March 2021 which comprise the income statement, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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 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 relating to going concern**

We draw your attention to Note 1.2 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 1.2, 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 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 whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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 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 our audit:

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



# **PETERBOROUGH LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF PETERBOROUGH LIMITED**

---

#### **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 strategic report and the directors' report.

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# PETERBOROUGH LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF PETERBOROUGH LIMITED

---

Extent to which 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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### 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.



**Mr Mark Jackson FCA DChA (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**

Date: **13.12.2021**

**Chartered Accountants**  
**Statutory Auditor**

Ruthlyn House  
90 Lincoln Road  
Peterborough  
United Kingdom  
PE1 2SP

# PETERBOROUGH LIMITED

## INCOME STATEMENT

**FOR THE YEAR ENDED 31 MARCH 2021**

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		2021 £	2020 £
	Notes		
Revenue	2	18,401,608	14,314,252
Cost of sales		(17,897,344)	(13,625,783)
<b>Gross profit</b>		504,264	688,469
Other operating income		1,089,659	-
Administrative expenses		(1,017,847)	(1,041,406)
<b>Operating profit/(loss)</b>	3	576,076	(352,937)
Finance costs	6	(78,568)	(62,619)
<b>Profit/(loss) before taxation</b>		497,508	(415,556)
Income tax expense	7	-	-
<b>Profit/(loss) and total comprehensive income for the year</b>	16	497,508	(415,556)

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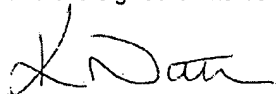
**PETERBOROUGH LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 MARCH 2021**

	Notes	2021 £	2020 £
<b>Non-current assets</b>			
Property, plant and equipment	8	25,938	32,692
<b>Current assets</b>			
Inventories	9	237,292	222,156
Trade and other receivables	10	956,284	1,294,538
Cash and cash equivalents		2,168,419	1,293,514
		3,361,995	2,810,208
<b>Current liabilities</b>			
Trade and other payables	13	2,497,630	1,625,105
<b>Net current assets</b>		864,365	1,185,103
<b>Non-current liabilities</b>			
Borrowings	12	925,000	1,750,000
<b>Net liabilities</b>		(34,697)	(532,205)
<b>Equity</b>			
Called up share capital	14	1	1
Retained earnings	16	(34,698)	(532,206)
<b>Total equity</b>		(34,697)	(532,205)

The financial statements were approved by the board of directors and authorised for issue on 9 December 2021 and are signed on its behalf by:



Mrs K M Nutton  
Director

Company Registration No. 11493249

**PETERBOROUGH LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 MARCH 2021**

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	Share capital £	Retained earnings £	Total £
<b>Balance at 1 April 2019</b>	1	(116,650)	(116,649)
<b>Year ended 31 March 2020:</b>			
Loss and total comprehensive income for the year	-	(415,556)	(415,556)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2020</b>	1	(532,206)	(532,205)
	<hr/>	<hr/>	<hr/>
<b>Year ended 31 March 2021:</b>			
Profit and total comprehensive income for the year	-	497,508	497,508
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2021</b>	1	(34,698)	(34,697)
	<hr/>	<hr/>	<hr/>

# PETERBOROUGH LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	20		1,778,473		(168,670)
Interest paid			(78,568)		(62,619)
<b>Net cash inflow/(outflow) from operating activities</b>			1,699,905		(231,289)
<b>Investing activities</b>					
Purchase of property, plant and equipment		-		(32,692)	
<b>Net cash used in investing activities</b>			-		(32,692)
<b>Financing activities</b>					
Proceeds from borrowings		-		810,000	
Repayment of borrowings		(825,000)		-	
<b>Net cash (used in)/generated from financing activities</b>			(825,000)		810,000
<b>Net increase in cash and cash equivalents</b>			874,905		546,019
Cash and cash equivalents at beginning of year			1,293,514		747,495
Cash and cash equivalents at end of year			2,168,419		1,293,514

# **PETERBOROUGH LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **1 Accounting policies**

#### **Company information**

Peterborough Limited is a private company limited by shares incorporated in England and Wales. The registered office is Town Hall, Bridge Street, Peterborough, Cambridgeshire, United Kingdom, PE1 1HF. The company's principal activities and nature of its operations are disclosed in the directors' report.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention unless disclosed in the accounting policies below. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

The concept of going concern assumes that a company's functions and services will continue in operational existence for the foreseeable future. This company is a 100% owned Teckal company of Peterborough City Council, established to undertake and deliver services that are essential to the local community. The Company is reliant on the continued financial support of its shareholder and parent, and this is expected to continue for the foreseeable future to enable it to continue to operate and to meet its liabilities as they fall due.

However, material uncertainties associated with continuing the current level of service provision in the next 12 months and beyond exist given the scale of the Council's financial position. Should any existing services be requested to be reduced or ceased, the contract between the company and Peterborough City Council protects any margin that would have been made by Peterborough Limited. The reduction in these services would also generate cost savings in reduction of the resources used.

The provision of long-term capital investment by Peterborough City Council in the environmental side of the business provides longer-term stability to Peterborough Limited in that the infrastructure of the services is underwritten. As the company is 100% owned by Peterborough City Council it can benefit from the covenant this relationship inherently retains. The Council's material uncertainties on service provision are linked to its funding streams, rather than from cashflow shortfalls.

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. The Directors believe that Peterborough Limited can obtain financing based on its track record of obtaining financing from the ultimate parent and from external sources.

The Financial Statements do not contain the adjustments that would result if the Company was unable to continue as a going concern.

#### **1.3 Revenue**

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:

# PETERBOROUGH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

##### 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.

#### 1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	5 years straight line
---------------------	-----------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

#### 1.5 Borrowing costs

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

#### 1.6 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



# PETERBOROUGH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

#### 1.7 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.

#### 1.8 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.

#### 1.9 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### ***Financial assets at fair value through profit or loss***

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

##### ***Financial assets held at amortised cost***

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

##### ***Financial assets at fair value through other comprehensive income***

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

# PETERBOROUGH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

The company has made an irrevocable election to recognize changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to retained earnings when the equity instrument is derecognized or its fair value substantially decreased. Dividends are recognized as finance income in profit or loss.

#### **Impairment of financial assets**

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset; the estimated future cash flows of the investment have been affected.

#### **Derecognition of financial assets**

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.

### 1.10 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

#### **Other financial liabilities**

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

#### **Derecognition of financial liabilities**

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

# PETERBOROUGH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **1 Accounting policies**

#### **1.11 Equity instruments**

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

#### **1.12 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The Company operates a defined contribution pension plan for certain 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 as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Retirement benefits are provided to some employees via the Local Government Pension Scheme ('LGPS'). The LGPS is a funded multi-employer scheme and the assets are held separately from those of the company. The company has a pass through arrangement with the assets and liabilities relating to the members are pooled with those of Peterborough City Council. Consequently, it is not possible to separately identify the assets and liabilities relating to this company and therefore the LGPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

#### **1.14 Leases**

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

#### **1.15 Grants**

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

# PETERBOROUGH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

#### 1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Revenue

	2021 £	2020 £
<b>Revenue analysed by class of business</b>		
Income accrued on services to the parent	162,775	252,138
Invoiced income	18,238,833	14,062,114
	<u>18,401,608</u>	<u>14,314,252</u>

	2021 £	2020 £
<b>Other significant revenue</b>		
Grants received	205,796	-
Coronavirus Job Retention Scheme grants	883,863	-
	<u>1,089,659</u>	<u>-</u>

### 3 Operating profit/(loss)

	2021 £	2020 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Government grants	(1,089,659)	-
Fees payable to the company's auditor for the audit of the company's financial statements	12,500	21,950
Depreciation of property, plant and equipment	6,754	1,110
	<u></u>	<u></u>

### 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Operational	362	338
Leisure services	157	-
	<u>519</u>	<u>338</u>

# PETERBOROUGH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 4 Employees

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	8,287,685	5,568,061
Social security costs	613,163	410,243
Pension costs	560,596	449,755
	<u>9,461,444</u>	<u>6,428,059</u>

### 5 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	<u>140,018</u>	<u>96,216</u>

### 6 Finance costs

	2021 £	2020 £
Interest on bank overdrafts and loans	<u>78,568</u>	<u>62,619</u>

# PETERBOROUGH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 7 Income tax expense

The tax charge for the period is;

	2021	2020
<b>Total tax charge</b>	<u>-</u>	<u>-</u>

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

	2021 £	2020 £
Profit/(loss) before taxation	<u>497,508</u>	<u>(415,556)</u>
Expected tax charge/(credit) based on a corporation tax rate of 19.00% (2020: 19.00%)	94,527	(78,956)
Effect of expenses not deductible in determining taxable profit	1,283	211
Utilisation of tax losses not previously recognised	<u>(95,810)</u>	<u>78,745</u>
<b>Taxation charge for the year</b>	<u>-</u>	<u>-</u>

The Company has estimated total losses of £26,834 (2020: £531,096) consisting entirely of trade losses, available for carry forward against future profits.

The Finance (No.2) Act reduced the main rate of UK corporation tax to 19%, effective from 1 April 2018. 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 (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 8 Property, plant and equipment

	Plant and equipment £
<b>Cost</b>	
Additions	33,802
At 31 March 2020	33,802
At 31 March 2021	33,802
<b>Accumulated depreciation and impairment</b>	
Charge for the year	1,110
At 31 March 2020	1,110
Charge for the year	6,754
At 31 March 2021	7,864
<b>Carrying amount</b>	
At 31 March 2021	25,938
At 31 March 2020	32,692

### 9 Inventories

	2021 £	2020 £
Stock of materials	237,292	222,156

### 10 Trade and other receivables

	2021 £	2020 £
Trade receivables	78,054	86,322
Amount owed by parent undertaking	69,299	328,522
Other receivables	15,438	-
Prepayments	793,493	879,694
	956,284	1,294,538

### 11 Trade receivables - credit risk

#### Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

# PETERBOROUGH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 12 Borrowings

	Non-current 2021 £	2020 £
<b>Borrowings held at amortised cost:</b>		
Loans from parent undertaking	925,000	1,750,000

On 21 May 2019 the Company entered into a credit facility with Peterborough City Council, whereby the company can borrow up to £1,750,000. The unsecured loan bears interest at 4.5% APR. As at 31 March 2021, the company has a balance of £925,000 which is outstanding and included within Non-Current Amounts owed to parent. This amount will not be due for payment until 1 February 2024.

### 13 Trade and other payables

	2021 £	2020 £
Trade payables	85,228	262,756
Amount owed to parent undertaking	50,896	23,259
Accruals	1,605,754	697,001
Social security and other taxation	674,565	582,536
Other payables	81,187	59,553
	<u>2,497,630</u>	<u>1,625,105</u>

### 14 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

### 15 Pension Commitments

The company contributes to both a defined contribution pension scheme and the Local Government Pension Scheme.

The pension cost recharge represents contributions payable by the company to the funds and amounted to £560,596 (2020: £449,755).

Contributions totalling £79,094 (2020: £59,553) were payable to the funds at the balance sheet date and are included in creditors.

### 16 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.



# PETERBOROUGH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 17 Capital risk management

The company is not subject to any externally imposed capital requirements.

### 18 Related party transactions

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2021	2020	2021	2020
	£	£	£	£
Parent company	17,641,170	13,450,783	484,475	1,261,203

The following amounts were outstanding at the reporting end date:

	2021	2020
	£	£
Amounts due to related parties		
Parent company	975,896	1,773,260

The following amounts were outstanding at the reporting end date:

	2021	2020
	£	£
Amounts due from related parties		
Parent company	69,299	328,522

#### Other information

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 Company relate to services performed in the normal course of business for the parent by the Company. A unsecured loan facility has been 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 February 2024.

During the year the company has had the free use of some vehicles owned by Peterborough City Council and no charge has been made for some of the properties from which the company operates.

### 19 Controlling party

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 (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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**20 Cash generated from/(absorbed by) operations**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit/(loss) for the year after tax	497,508	(415,556)
<b>Adjustments for:</b>		
Finance costs	78,568	62,619
Depreciation and impairment of property, plant and equipment	6,754	-
<b>Movements in working capital:</b>		
Increase in inventories	(15,136)	(214,589)
Decrease/(increase) in trade and other receivables	338,254	(914,529)
Increase in trade and other payables	872,525	1,313,385
<b>Cash generated from/(absorbed by) operations</b>	<u>1,778,473</u>	<u>(168,670)</u>