

**PETPS (Birmingham) General Partner Limited**

**Annual report and financial  
statements**

**Registered number SC569640**

**31 March 2018**

**Partnership  
Accounts**

THURSDAY



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## **Directors' report**

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

The company was incorporated on 26 June 2017 and during the period it changed its accounting reference date to 31 March, to align with its parent undertaking, Birmingham City Council ("the City").

### **Principal activities of the company**

On 27 June 2017, the City implemented an asset backed funding structure in order to allow the City to finance payments to the NEC Limited Pension Fund (the "Fund"). As part of the asset backed funding structure, the City set up wholly owned companies, being PETPS (Birmingham) Capital Limited and the Company, which established a Scottish Limited Partnership called PETPS (Birmingham) Pension Funding SLP (the "Partnership"). The Partnership was capitalised with £17.2million cash which has been loaned back to the City. NEC Pension Trustee Company No. 2 Limited which is the trustee of the Fund received an interest in the Partnership on 4 July 2017. Payments will be made by the City to the Partnership under the loan and the Partnership will make payments to the trustee of the Fund in accordance with an agreed distribution schedule.

The Company is the general partner of the Partnership.

### **Results**

The result for the year is shown in the profit and loss account on page 7. The directors do not recommend the payment of a dividend.

### **Going concern**

The directors have reviewed the Company's prospects for the twelve months from the date of signing. After considering the forecasts to the end of that period together with a range of actions that could be taken in response, the directors have adopted the going concern basis in preparing the financial statements.

### **Financial risk management**

As described above, the Company is part of an asset backed funding structure. The Directors monitor any risks surrounding this as appropriate.

### **Directors**

The directors who held office during the year were as follows:

P Dransfield	(appointed 26 June 2017, resigned 26 July 2017)
M O'Donnell	(appointed 26 June 2017, resigned 13 March 2018)
M Stevens	(appointed 29 November 2017)
C Heaphy	(appointed 13 March 2018)

The company maintains directors and officers liability insurance on behalf of the directors.

## **Directors' report***(continued)*

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

### **Disclosure of information to auditor**

The directors confirm that:

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

In preparing this report the directors have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006.

By order of the board



**C Heaphy**  
*Director*

1<sup>st</sup> Floor Citypoint  
65 Haymarket Terrace  
Edinburgh  
United Kingdom  
EH12 5HD

Date 7/12/18

## **Statement of directors' responsibilities in respect of the annual report and the financial statements**

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under 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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent ;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of PETPS (Birmingham) General Partner Limited**

### **Opinion**

We have audited the financial statements of PETPS (Birmingham) General Partner for the period ended 31 March 2018 which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its result for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

### **Who we are reporting to**

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.

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

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

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

## **Independent auditor's report to the members of PETPS (Birmingham) General Partner Limited (*continued*)**

### **Other information**

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

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 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 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.

### **Matter on which we are required to report under the Companies Act 2006**

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.

### **Matters on which we are required to report by exception**

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.

### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

**Independent auditor's report to the members of PETPS (Birmingham) General Partner Limited (continued)**

**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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

  
John Coates BSc BFP FCA

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

**Birmingham**

Date: 12 December 2018



**Profit and loss account**  
*for the period ended 31 March 2018*

	<i>Note</i>	<b>2018</b> <b>£</b>
Other operating income		<b>1,677</b>
Other interest receivable and similar income		<b>30</b>
		<hr/>
<b>Profit before taxation</b>		<b>1,707</b>
Tax on profit	<b>4</b>	<b>(6)</b>
		<hr/>
<b>Profit for the financial year</b>		<b>1,701</b>
		<hr/>
<b>Total comprehensive income</b>		<b>1,701</b>
		<hr/>

The Company has no recognised gains and losses and therefore no separate statement of other comprehensive income has been presented.

The notes on pages 10 and 11 form part of these financial statements.

**Balance sheet**  
*at 31 March 2018*

	<i>Note</i>	<b>2018</b> <b>£</b>
<b>Current assets</b>		
Cash at bank and in hand		101
Other debtors		1,607
		<hr/>
		1,708
<b>Creditors:</b> amounts falling due within one year: Corporation tax		(6)
		<hr/>
<b>Net assets</b>		1,702
		<hr/>
<b>Capital and reserves</b>		
Called up share capital (1 share of £1)	5	1
Profit and loss account		1,701
		<hr/>
<b>Shareholders' funds</b>		1,702
		<hr/>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

These financial statements were approved by the board of directors on

and were signed on its behalf by:



**C Heaphy**  
*Director*

7/12/18

Company registered number: SC569640

The notes on pages 10 and 11 form part of these financial statements.

## Statement of changes in equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 26 June 2017	-	-	-
<b>Total comprehensive income for the period</b>			
Profit or loss	-	1,701	1,701
<b>Transactions with owners, recorded directly in equity</b>			
Issue of shares	1	-	1
<b>Balance at 31 March 2018</b>	<b>1</b>	<b>1,701</b>	<b>1,702</b>

The notes on pages 10 and 11 form part of these financial statements.

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

PETPS (Birmingham) General Partner Limited (the "Company") is a company limited by shares and incorporated and domiciled in Scotland in the UK. The registered number is SC569640 and the registered address is 1st Floor Citypoint, 65 Haymarket Terrace, Edinburgh, EH12 5HD.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in September 2015. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The Company's ultimate parent undertaking, Birmingham City Council, includes the Company in its consolidated financial statements. The consolidated financial statements of Birmingham City Council are prepared in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* and are available to the public and may be obtained from [www.birmingham.gov.uk](http://www.birmingham.gov.uk). In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### **Judgements in applying accounting policies**

There are no judgements made by the directors, in the application of these accounting policies that are expected to have a significant effect on the financial statements or estimates with a significant risk of material adjustment in the next year.

#### **1.1 Measurement convention**

The financial statements are prepared on the historical cost basis.

#### **1.2 Going concern**

The directors have reviewed the Company's prospects for the twelve months from the date of signing. After considering the forecasts to the end of that period together with a range of actions that could be taken in response, the directors have adopted the going concern basis in preparing the financial statements.

#### **1.3 Basic financial instruments**

##### *Other debtors*

Other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

#### **1.4 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

### **2 Auditor's remuneration**

Auditor's remuneration payable to the company's auditors for the audit of the accounts was £12,000 including VAT. This remuneration is borne by Birmingham City Council.

## Notes (continued)

### 3 Employees and directors' remuneration

The Company has no employees.

Directors' emoluments have been borne by the parent company, Birmingham City Council. The directors of the company are also directors or officers of a number of the companies within the group. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the period ended 31 March 2018.

### 4 Taxation

	2018 £000
Current tax	6
	<hr/>
<b>Reconciliation of effective tax rate</b>	
	2018 £000
Profit for the year	1,701
Total tax expense	6
	<hr/>
Profit excluding taxation	1,707
Tax using the UK corporation tax rate of 19%	324
Non-taxable income	(318)
	<hr/>
Total tax expense included in profit or loss	6
	<hr/>

### Factors impacting future tax changes

A reduction in the UK corporation tax rate from 19% to 18% (effective 1 April 2020) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

There is no provided or unprovided deferred tax.

### 5 Share capital

	£
<b>Shares classified as equity</b>	
Allotted, called up and fully paid	
1 ordinary share of £1 each	1
	<hr/>
	1
	<hr/>

### 6 Related party transactions

During the period the Company received a £100 fee from PETPS (Birmingham) Pension Funding Scottish Limited Partnership. The amount outstanding at the period end was £1,607 in relation to future fees receivable.

### 7 Ultimate parent company and parent company of larger group

Birmingham City Council is the immediate and ultimate parent undertaking and controlling party. The consolidated financial statements of Birmingham City Council are available from [www.birmingham.gov.uk](http://www.birmingham.gov.uk).

**PETPS (Birmingham) Pension Funding Scottish  
Limited Partnership**

Annual report and financial  
statements

Registered number SL031859

31 March 2018

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## **Partners' report**

### **Principal activities of the Partnership**

On 27 June 2017, Birmingham City Council ("the City") implemented an asset backed funding structure in order to allow the City to finance payments to the NEC Limited Pension Fund (the "Fund"). As part of the asset backed funding structure, the City set up wholly owned companies PETPS (Birmingham) Capital Limited and PETPS (Birmingham) General Partner Limited which established a Scottish Limited Partnership called PETPS (Birmingham) Pension Funding SLP (the "Partnership").

On 27 June 2017, PETPS (Birmingham) Capital Limited established the "A" and "B" interest in the Partnership for £17,202,000 cash. On 4 July 2017, the "A" interest was transferred to NEC Pension Trustee Company No. 2 Limited, which is the trustee of the Fund. £17.2million cash has been loaned back to the City. Payments will be made by the City to the Partnership under the loan and the Partnership will make payments to the trustee of the Fund in accordance with an agreed distribution schedule.

### **Financial risk management**

As described above, the Company is part of an asset backed funding structure. The Directors monitor any risks surrounding this as appropriate

### **Results**

The result for the financial period since formation is shown in the profit and loss account on page 5.

### **Designated Members**

On 27 June 2017, PETPS (Birmingham) Capital Limited and PETPS (Birmingham) General Partner Limited established the Partnership. PETPS (Birmingham) Capital Limited established the "A" and "B" interest in the Partnership.

On 4 July 2017, the "A" interest was transferred to NEC Pension Trustee Company No. 2 Limited.

### **Small limited partnership provisions**

This report has been prepared in accordance with the special provisions for small companies under Part XVI of the Companies Act 2006 (as applied to limited partnerships by regulation 3 of the Limited Partnership Regulations 2008).

This report was approved by the members on

and signed on their behalf by:



7/12/18

**C Heaphy**

Director, PETPS (Birmingham) Capital Limited



## **Partners' responsibility statement**

The accounts have been prepared by the members, PETPS (Birmingham) Capital Limited, PETPS (Birmingham) General Partner Limited and NEC Pension Company No 2.Limited in accordance with the Companies Act 2006 as applied by the Partnerships (Accounts) Regulations 2008, regulation 4.

## **Independent auditor's report to the members of PETPS (Birmingham) Pension Funding Scottish Limited Partnership**

### **Opinion**

We have audited the financial statements of PETPS (Birmingham) Pension Funding Scottish Limited Partnership (the 'limited partnership') for the year ended 31 March 2018 which comprise the profit and loss accounts, balance sheet, the statement of changes in member's interests and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

*In our opinion, the financial statements:*

- give a true and fair view of the state of the limited partnership's affairs as at 31 March 2018 and of its result for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited partnerships.

### **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 limited partnership 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.

### **Who we are reporting to**

This report is made solely to the limited partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to limited partnerships. Our audit work has been undertaken so that we might state to the limited partnership'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 limited partnership and the limited partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

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

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

### **Other information**

The members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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

## **Independent auditor's report to the members of PETPS (Birmingham) Pension Funding Scottish Limited Partnership (continued)**

### **Other information(continued)**

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 this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited partnerships 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
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of members for the financial statements**

As explained more fully in the members' responsibilities statement set out on page 2, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited partnership 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

  
John Coates BSc BFP FCA

Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
**Birmingham**

Date: 12 December 2018

**Profit and loss account**  
*for the period ended 31 March 2018*

	<i>Note</i>	<b>2018 £</b>
Other operating income		<b>200</b>
<b>Operating profit</b>		<b>200</b>
Other interest receivable and similar income	<i>1</i>	<b>202,640</b>
Other interest payable and similar expenses	<i>1</i>	<b>(202,701)</b>
<b>Profit/ before taxation</b>		<b>139</b>
Tax on profit		<b>-</b>
<b>Profit for the financial year</b>		<b>139</b>

The notes on page 8 form part of these financial statements.

**Balance sheet**  
*at 31 March 2018*


	<i>Note</i>	2018 £
<b>Current assets</b>		
Cash at bank and in hand		2,000
Debtors: amounts falling due after more than one year	4	10,518,846
Debtors: amounts falling due within one year	4	3,383,794
		<hr/>
<b>Net assets</b>		13,904,640
		<hr/>
 <b>Represented by and total members' interests</b>		
Capital contribution account	5	2,000
General reserve	6	13,902,640
		<hr/>
<b>Total members' interests</b>		13,904,640
		<hr/>

The notes on page 8 form part of these financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small limited partnerships regime.

The members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006, as applied by The Limited Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, with respect to accounting records and the preparation of financial statements.

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



7/12/18

**C Heaphy**  
 Director, PETPS (Birmingham) Capital Limited

**Statement of changes in Members' interests**  
*for the period ended 31 March 2018*

	<i>Note</i>	<b>Capital contribution</b>	<b>General reserve</b>	<b>Total members' interest</b>
		<b>£</b>	<b>£</b>	<b>£</b>
On formation		-	-	-
Initial contribution		2,000	-	2,000
Additional contribution		-	17,200,000	17,200,000
		<hr/>	<hr/>	<hr/>
		2,000	17,200,000	17,202,000
Profit for the year		-	139	139
Amounts accruing to members		-	202,701	202,701
		<hr/>	<hr/>	<hr/>
<b>Amounts due to members</b>		<b>2,000</b>	<b>17,402,840</b>	<b>17,404,840</b>
Amounts distributed to members		-	(3,500,200)	(3,500,200)
		<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2018</b>		<b>2,000</b>	<b>13,902,640</b>	<b>13,904,640</b>
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on page 8 form part of these financial statements.

## Notes

(forming part of the financial statements)

### 1 Accounting policies

These financial statements were prepared in accordance with Schedule Part 1 of the Limited Partnership Agreement. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

#### 1.1 Interest

Interest is based on the discount rate used in the asset backed funding arrangement.

### 2 Judgements in applying accounting policies

There are no significant judgements made by the members, in the application of these accounting policies that are expected to have a significant effect on the financial statements or estimates with a significant risk of material adjustment in the next year.

### 3 Auditor's remuneration

Auditor's remuneration payable to the company's auditors for the audit of the accounts was £9,000 including VAT. This remuneration is borne by Birmingham City Council.

### 4 Debtors

Debtors comprise the balance of the initial £17.2m loan to Birmingham City Council, a related party. Annual repayments are due terminating 31 July 2022 or 31 July 2036.

### 5 Other equity

The capital contribution account was created when PETPS (Birmingham) Capital Limited established its interest in the Partnership.

### 6 General reserves

The general reserve due to Members comprises:

	£
"A" interest	<u>13,902,640</u>

### 7 Related party transactions

The Partnership lent £17.2m to Birmingham City Council. During the period ended 31<sup>st</sup> March 2018, the City Council repaid £3.5m including £54,755 of interest. In addition, Birmingham City Council paid a £200 monitoring fee.

### 8 Controlling parties

PETPS (Birmingham) Capital Limited, PETPS (Birmingham) General Partner Limited and NEC Pension Trustee Company No. 2 Limited each have significant interest in the Partnership. Birmingham City Council is the ultimate controlling party.