

PSP Southend LLP

Financial Statements

Year Ended

31 March 2021

Company Number OC370692

PSP Southend LLP

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PSP Southend LLP

Limited Liability Partnership Information

Designated Members

Southend on Sea Borough Council
PSP Facilitating Limited

LLP registered number

OC370692

Registered office

Synergy House, 114 - 118 Southampton Row, London, England, WC1B 5AA

Independent auditor

BDO LLP, 55 Baker Street, London, W1U 7EU

PSP Southend LLP

Members' Report For the Year Ended 31 March 2021

The members present their annual report together with the audited financial statements of PSP Southend LLP (the LLP) for the year ended 31 March 2021. The comparatives are for the year ended 31 March 2020.

Principal activity

The principal object of the LLP is the development of sites as part of the regeneration of the Borough of Southend on Sea.

Designated members

PSP Facilitating Limited and Southend on Sea Borough Council were designated members of the LLP throughout the year.

Members' capital and interests

Each member's subscription to the capital of the LLP is determined by their percentage interest in the LLP. Any decision to return capital must be approved by all of the members.

Details of changes in members' capital in the year ended 31 March 2021 are set out in the reconciliation of members' interests.

Net profit or loss for each accounting period shall be allocated to the members in proportion to their agreed share.

Disclosure of information to auditor

Each of the persons who are members at the time when this members' report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditor is unaware; and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

Auditor

The auditor, BDO LLP, has indicated its willingness to continue in office. The designated members will propose a motion re-appointing the auditor at a meeting of the members.

This report was approved by the members on and signed on their behalf by:



PSP Facilitating Limited 15 December 2021
Designated member

PSP Southend LLP

Members' Responsibilities Statement For the Year Ended 31 March 2021

The members are responsible for preparing the members' report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the entity will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PSP Southend LLP

Independent Auditor's Report to the Members of PSP Southend LLP For the Year Ended 31 March 2021

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 March 2021 and of its profit for the year 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 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of PSP Southend LLP ("the Limited Liability Partnership") for the year ended 31 March 2021 which comprise the statement of comprehensive income, the statement of financial position, the reconciliation of members interest 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

Independence

We are independent of the Limited Liability 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Limited Liability Partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Members with respect to going concern are described in the relevant sections of this report.

PSP Southend LLP

Independent Auditor's Report to the Members of PSP Southend LLP (Continued) For the Year Ended 31 March 2021

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, 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.

Other Companies Act 2006 reporting as applied to limited liability partnerships

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability 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; or
- the Members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Members' report.

Responsibilities of Members

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

In preparing the financial statements, the Members are responsible for assessing the Limited Liability 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 Liability Partnership or to cease operations, or have no realistic alternative but to do so.

PSP Southend LLP

Independent Auditor's Report to the Members of PSP Southend LLP (Continued) For the Year Ended 31 March 2021

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

We obtained an understanding of the legal and regulatory framework that the Limited Liability Partnership operates in and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the statutory financial statements; and
- do not have a direct effect on the statutory financial statements but compliance with which may be fundamental to the Limited Liability Partnership's ability to operate or avoid a material penalty.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and where fraud might occur in the statutory financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures to address it is described below:

- determining the carrying value of stock includes the use of assumptions and unobservable inputs requiring significant management judgement, therefore, there is a potential for management bias. In response, we challenged the appropriateness of the inputs and assumptions used in the valuation methodology.
- we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risk identified included the following:

- reviewing non-statutory financial information disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the non-statutory financial statements;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charges with governance.

PSP Southend LLP


Independent Auditor's Report to the Members of PSP Southend LLP (Continued) For the Year Ended 31 March 2021

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

Use of our report

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 as applied by Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability 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 Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Christopher Young (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
Date 17 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

PSP Southend LLP

Statement of Comprehensive Income For the Year Ended 31 March 2021

	Notes	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Turnover	4	749,391	1,731
Cost of sales	4	(511,520)	(665,551)
Gross profit/(loss)		237,871	(663,820)
Administrative expenses		(12,671)	(16,538)
Operating profit/(loss)		225,200	(680,358)
Profit/(loss) for the year before members' remuneration and profit shares	6	225,200	(680,358)
Members' remuneration charged as an expense		(225,200)	680,358
Results for the year available for discretionary division		-	-

There was no other comprehensive income for 2021 (year ended 31 March 2020 - £Nil).

The notes on pages 10 to 14 form part of these financial statements.

PSP Southend LLP

Registered number: OC370692

Statement of Financial Position For the Year Ended 31 March 2021

	Notes	31 March 2021 £	31 March 2021 £	31 March 2020 £	31 March 2020 £
Current assets					
Stocks	7	2,330		831,658	
Debtors: amounts falling due within one year	8	1,738		95,438	
Cash at bank and in hand		1,016,259		290,227	
		<u>1,020,327</u>		<u>1,217,323</u>	
Creditors: amounts falling due within one year	9	(4,327)		(426,525)	
Net current assets			1,016,000		790,798
Net assets			<u>1,016,000</u>		<u>790,798</u>
Represented by:					
Loans and other debts due to members within one year					
Other amounts	10		1,015,998		790,796
Members' other interests					
Members' capital classified as equity			2		2
			<u>1,016,000</u>		<u>790,798</u>
Total members' interests					
Loans and other debts due to members	10		1,015,998		790,796
Members' other interests			2		2
Total equity			<u>1,016,000</u>		<u>790,798</u>

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

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

The notes on pages 10 to 14 form part of these financial statements.


PSP Facilitating Limited

Designated member

15 December 2021

PSP Southend LLP

Reconciliation of Members' Interests For the Year Ended 31 March 2021

	Equity Members' other interests	Debt Loans and other debts due to members less any amounts due from members in debtors	Total member' interests
	Members' capital (classified as equity)	Other amounts	Total
	£	£	£
Balance at 1 April 2019	2	1,471,154	1,471,156
Allocated loss	-	(680,358)	(680,358)
Members' interests after profit for the year	2	790,796	790,798
Facilitation and resource return due to members	-	-	-
Balance at 31 March 2020	2	790,796	790,798
Allocated profit	-	228,424	228,424
Members' interests after profit for the year	2	1,019,220	1,019,222
Facilitation and resource return due to members	-	(3,222)	(3,222)
Balance at 31 March 2021	<u>2</u>	<u>1,015,998</u>	<u>1,016,000</u>

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

The notes on pages 10 to 14 form part of these financial statements.

PSP Southend LLP

Notes to the Financial Statements For the Year Ended 31 March 2021

1 General information

PSP Southend LLP is a limited liability partnership (LLP) incorporated in England and Wales under the Companies Act 2006. Its registered office is given on the LLP information page and the nature of the LLP's operations and its principal activity is shown in the members' report.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the LLP's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

The members have made an assessment as to whether the LLP is a going concern. The members consider that the LLP is able to continue as a going concern due to ongoing support from PSP Facilitating Limited, company jointly controls the LLP. The LLP has obtained confirmation of ongoing support from PSP Facilitating Limited.

The LLP has seen very little impact of Covid-19 to its operations. Despite an initial slow down as all businesses adapted to a new way of working, deals have continued moving forward. The Government has committed to deliver a wide range of financial support to businesses. Covid-19 is an unprecedented public health emergency thus the members continue to keep the situation under close review.

2.3 Exemption from preparing consolidated financial statements

The LLP, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured.

Property sales are recognised upon legal completion at the transaction price, net of VAT.
Rental income is recognised on a straight line basis over the term of the lease.

PSP Southend LLP

Notes to the Financial Statements (continued) For the Year Ended 31 March 2021

2 Accounting policies (continued)

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. At each statement of financial position date, stocks are assessed for impairment.

If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

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

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The LLP only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

PSP Southend LLP

Notes to the Financial Statements (continued) For the Year Ended 31 March 2021

2 Accounting policies (continued)

2.9 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Creditors

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

2.11 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

PSP Southend LLP

Notes to the Financial Statements (continued) For the Year Ended 31 March 2021

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the members have made the following judgements:

Carrying value of stocks

In applying the LLP's accounting policy for the valuation of stocks the members are required to assess the expected selling price and costs to complete and sell each scheme. Estimation of the selling price is subject to significant inherent uncertainties, in particular the prediction of future trends in the market value of property.

4 Turnover

All turnover arose within the United Kingdom.

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Sales of trading stock properties	749,391	1,731
Cost of sales	(511,520)	(665,551)
Gross loss	237,871	(663,820)

5 Auditor's remuneration

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual financial statements	3,975	3,631

6 Allocated profit/(loss)

	31 March 2021 £	31 March 2020 £
Members' remuneration charged as an expense	225,200	(680,358)
Facilitation returns payable to a member	3,224	-
	228,424	(680,358)

PSP Southend LLP

Notes to the Financial Statements (continued) For the Year Ended 31 March 2021

7	Stocks	31 March 2021	31 March 2020
		£	£
	Freehold and leasehold properties	2,330	831,658
		2,330	831,658

An impairment loss of £77,873 (year ended 31 March 2020 - £651,109) was recognised in cost of sales against stock during the year due to aborted projects.

8	Debtors: amounts falling due within one year	31 March 2021	31 March 2020
		£	£
	Other debtors	1,738	95,438
		1,738	95,438

9	Creditors: amounts falling due within one year	31 March 2021	31 March 2020
		£	£
	Other Creditors	31	331,838
	Accruals and deferred income	4,296	94,687
		4,327	426,525

10	Loans and other debts due to members	31 March 2021	31 March 2020
		£	£
	Other amounts due to members	1,015,998	790,796
		1,015,998	790,796

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

11 Related party transactions

As at 31 March 2021 the LLP owed £1,015,998 (31 March 2020 - £790,796) to its members, PSP Facilitating Limited and Southend on Sea Borough Council in respect of profits accumulated by the LLP.

12 Controlling party

The LLP is jointly controlled by PSP Facilitating Limited and Southend on Sea Borough Council, and as such there is no ultimate controlling party.