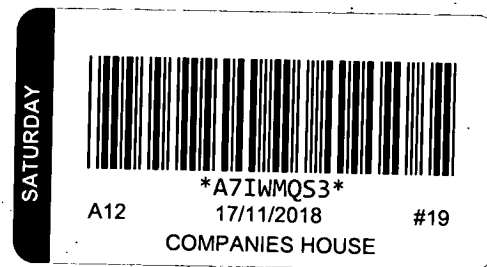


**PFP-Igloo (General Partner) Limited (formerly
Carillion-Igloo Limited)**

**Report and financial statements
for the period ended 31 March 2018**

Registered number: 07211684



PFP-Igloo (General Partner) Limited (formerly Carillion-Igloo Limited)

**Report and financial statements
for the period ended 31 March 2018**

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PFP-Igloo (General Partner) Limited (formerly Carillion-Igloo Limited)

Directors' report for the period ended 31 March 2018

The directors present their annual report and the financial statements for the 15-month period ended 31 March 2018.

Principal activities and review of business

The principal activity of the business is to act as General Partner of PFP-Igloo Limited Partnership ("the Partnership"). The principal activity of the partnership is to carry out development in order to generate a commercial return and to deliver economic, environmental and social benefits through physical regeneration in various locations in the UK.

Directors

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

The General Partner directors at the date of the signing of the financial statements, are as follows:

C Brown (on behalf of Igloo Regeneration (General Partner) Limited) (Up to 3rd May 2018)
(on behalf of PFPC 1 GP Limited) (From 3rd May 2018)

C Jones (on behalf of PFPC 1 GP Limited) (Appointed 3rd May 2018)

T Saunders (on behalf of PFPC 1 GP Limited) (Appointed 3rd May 2018)

J Mackreth (On behalf of Carillion Construction Limited) (Resigned 7th February 2018)

A Ramsay (On behalf of Carillion Construction Limited) (Resigned 7th February 2018)

S Eastwood (On behalf of Carillion Construction Limited) (Resigned 7th February 2018)

M Nevitt (On behalf of Igloo Regeneration (General Partner) Limited) (Resigned 3rd May 2018)

M Orriss (On behalf of Carillion Construction Limited) (Resigned 7th February 2018)

D Skinner (On behalf of Igloo Regeneration (General Partner) Limited) (Resigned 3rd May 2018)

Directors' responsibilities statement

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

PFP-Igloo (General Partner) Limited (formerly Carillion-Igloo Limited)

Directors' report for the period ended 31 March 2018 (continued)

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.

Directors' indemnities

The Company maintains liability insurance for its directors which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Statement of disclosure of information to auditors

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

Small company provisions

This directors' report has been prepared in accordance with the small companies regime of the Companies Act 2006.

By order of the board



T Saunders

Director

26 September 2018

PFP-Igloo (General Partner) Limited (formerly Carillion-Igloo Limited)

**Statement of comprehensive income
for the period ended 31 March 2018**

	Note	2018 £	2016 £
Income from profit share of the partnership		-	423
Result on ordinary activities before taxation		-	423
Taxation on result on ordinary activities		-	-
Result for the financial year		-	423
Total comprehensive income	9	-	423

All activity relates to continuing operations.

The company has no recognised gains or losses, other than the result above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the result on ordinary activities before taxation and the result for the years stated above, and their historical cost equivalents.

PFP-Igloo (General Partner) Limited (formerly Carillion-Igloo Limited)

Balance sheet as at 31 March 2018

	Notes	2018 £	2016 £
Fixed assets			
Investments	4	10	10
Current assets			
Debtors	5	1,579	1,579
Creditors: amounts falling due within one year	6	(10)	(10)
Net current assets		1,569	1,569
Total assets less current liabilities		1,579	1,579
Net assets		1,579	1,579
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	1,479	1,479
Total shareholders' funds	9	1,579	1,579

For the period ended 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements on pages 3 to 5 were approved by the board of directors on and were signed on its behalf by:



T Saunders

Director

26 September 2018

Registered number: 07211684

PFP-Igloo (General Partner) Limited (formerly Carillion-Igloo Limited)

Notes to the financial statements for the period ended 31 March 2018

1 Principal accounting policies

A summary of the more important accounting policies, which have been applied consistently is set out below.

Basis of preparation

The financial statements have been prepared on a going concern basis, in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006 under the historical cost accounting rules.

Consolidated accounts have not been prepared as the sole subsidiary is a dormant company and would have no impact on the results or net assets.

2 Result on ordinary activities before taxation

The company had no employees during the year other than directors who receive no remuneration for their services (2016: none).

3 Remuneration of directors

The directors received no remuneration for their services to, or management of, the company in the year.

4 Investments

Investments represent a 1% interest in PFP-Igloo Limited Partnership at a value of £10 (2016: £10) in which PFP-Igloo (General partner) Limited is the general partner of the entity.

5 Debtors

	2018	2016
	£	£
Amounts falling due within one year:		
Amounts owed by parent undertakings	100	100
Amounts owed by the partnership	1,479	1,479
Total	1,579	1,579

PFP-Igloo (General Partner) Limited (formerly Carillion-Igloo Limited)

6 Creditors: amounts falling due within one year

	2018	2016
	£	£
Amounts owed to parent undertaking	10	10

7 Called up share capital

	2018	2016
	£	£
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

8 Profit and loss account

	£
Profit and loss account at 31 December 2016 and at 31 March 2018	1,479

9 Reconciliation of movements in shareholders' funds

	2018	2016
	£	£
Result for the financial year	-	423
Opening total shareholders' funds	1,579	1,156
Closing total shareholders' funds	1,579	1,579

10 Ultimate and immediate parent company

For the period to 31 March 2018 the company was owned 50% by Igloo Regeneration (General partner) Limited and 50% by Carillion Construction Limited.

11 Subsequent Events

Carillion Construction Limited sold their 50% interest in the company to Igloo Regeneration (General Partner) Limited on 30 April 2018. Igloo Regeneration (General Partner) Limited then sold their 100% interest in the company to PFPC 1 GP Limited on 3 May 2018.

PFP-Igloo Limited Partnership

(Formerly Carillion-Igloo Limited Partnership)

Annual report and audited financial statements
for the period ended 31 March 2018

Limited Partnership number: LP015092

THESE PARTNERSHIP ACCOUNTS
FORM PART OF THE ACCOUNTS
OF A COMPANY 7211684

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

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PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

General Information

Directors of the General Partner

The General Partner directors at the date of the signing of the financial statements, are as follows:

C Brown (on behalf of Igloo Regeneration (General Partner) Limited) (Up to 3rd May 2018)
(on behalf of PFPC 1 GP Limited) (From 3rd May 2018)

C Jones (on behalf of PFPC 1 GP Limited) (Appointed 3rd May 2018)

T Saunders (on behalf of PFPC 1 GP Limited) (Appointed 3rd May 2018)

The following persons served as directors of the General Partner during the period:

J Mackreth (On behalf of Carillion Construction Limited) (Resigned 7th February 2018)

A Ramsay (On behalf of Carillion Construction Limited) (Resigned 7th February 2018)

S Eastwood (On behalf of Carillion Construction Limited) (Resigned 7th February 2018)

M Nevitt (On behalf of Igloo Regeneration (General Partner) Limited) (Resigned 3rd May 2018)

M Orriss (On behalf of Carillion Construction Limited) (Resigned 7th February 2018)

D Skinner (On behalf of Igloo Regeneration (General Partner) Limited) (Resigned 3rd May 2018)

Registered Office

80 Cheapside, London, EC2V 6EE

Company Secretary

C Martin

General Partner

PFP-Igloo (General Partner) Limited

Bankers

HSBC

8 Canada Square, London, E14 5HQ

Independent Auditors

PricewaterhouseCoopers LLP

Donington Court, Pegasus Business Park, Herald Way, East Midlands, DE74 2UZ

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

General Partner's report for the period ended 31 March 2018

The General Partner presents its annual report and the audited financial statements for the 15 month period ended 31 March 2018.

Principal activities

The principal activity of the partnership is to carry out development in order to generate a commercial return and to deliver economic, environmental and social benefits through physical regeneration in various locations in the UK.

Statement of the General Partner's responsibilities

The General Partner is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

These are the partnership's first financial statements prepared in accordance with IFRSs. Previous financial statements were prepared under UK GAAP.

Company law requires the General Partner to prepare financial statements for each financial year. Under that law the general partner has prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the General Partner 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 qualifying partnership and of the profit or loss of the qualifying partnership for that period. In preparing the financial statements, the General Partner is required to:

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

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the qualifying partnership's transactions and disclose with reasonable accuracy at any time the financial position of the qualifying partnership and enable them to ensure that the financial statements comply with the Companies Act 2006.

The General Partner is also responsible for safeguarding the assets of the qualifying partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with special provisions related to small companies, which apply to qualifying limited partnerships, within part 15 of the Companies Act 2016.

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

General Partner's report for the period ended 31 March 2018 (continued)

Business Review

The directors report a loss for the financial period of £620k (2016: £333k profit), the loss for the period being mainly due to the exceptional write off relating to inventory of £1,357k (2016: £144k). Following the acquisition of the entire shareholding of the company by PFC 1 GP Limited, the directors have undertaken a full review of the balances being carried in respect of inventories by PFP-Igloo Limited Partnership. Since the change of ownership, the directors have decided that work-in-progress should be carried forward on the basis of each project delivering a normal commercial rate of return and accordingly have impaired some projects in the financial period.

During the period, PFP-Igloo completed the final phase of the Malings project in the Ouseburn Valley, Newcastle. 76 residential homes have now all been sold together with 1 commercial unit, with only 2 commercial units remaining unsold. Further projects within the Ouseburn Valley will continue to be developed in the next few years

The partnership also continues to progress its Custom Build scheme in Heartlands, Cornwall.

Key Performance Indicators (KPIs)

The key performance indicators monitored to ensure that the partnership delivers against the business plan are at two levels:

1. Corporate KPIs that indicate overall business performance, which include profit, net asset value and internal rate of return (IRR).
2. Financial Project KPIs that are specific to individual projects that include profit on cost and internal rate of return (IRR). These KPIs are used to monitor project viability ahead of commencing significant development and to ensure that projects in progress perform in line with expectations.
3. Non Financial Project KPIs, which monitor performance against Igloo's Sustainable Investment Policy (Footprint™).

KPIs are reported to the General Partner Board at each Board meeting.

Risks

The principal risks facing the Partnership relate to market uncertainties and variability of construction costs.

The market risk is in continued fragility in the demand for and value of commercial property along with residential markets that are showing signs of weakening demand. As the primary objective of the partnership is the regeneration of urban areas in the UK, there is also a general risk that suitable development sites may not be found, that viable schemes may not progress for specific sites or that the market conditions are such that the schemes cannot fully realise the costs incurred.

Processes to Manage Risk

The General Partner has responsibility for risk management. Financial risk management is discussed in more detail in note 3 of the financial statements.

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

General Partner's report for the period ended 31 March 2018 (continued)

Events after the Balance Sheet Date and Future Developments

Carillion Construction Limited sold their 50% interest in the partnership to Igloo Regeneration Property Unit Trust on 30 April 2018. Igloo Regeneration Property Unit Trust then sold their 100% interest in the partnership to PFPC 1 LP on 3 May 2018.

A further future pipeline of projects is expected to be put together over the coming year.

Future developments include further phases at Ouseburn Valley, Newcastle.

Partners

The partners throughout the period were:

1. Carillion Construction Limited
2. Igloo Regeneration Property Unit Trust

Statement of disclosure of information to auditors

So far as the General Partner is aware, there is no relevant audit information of which the partnership's auditors are unaware. The general partner has taken all the steps that ought to have been taken in order to make itself aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

Independent auditors

Prior to the current period, the financial statements of the partnership were unaudited.

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the General Partners' annual meeting.



T Saunders

For and on behalf of PFP-Igloo (General Partner) Limited, the General Partner

26 September 2018

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

Independent auditors' report to the General Partner of PFP-Igloo Limited Partnership

Report on the audit of the financial statements

Opinion

In our opinion, PFP-Igloo Limited Partnership's financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 March 2018 and of its loss and cash flows for the 15 month period (the "period") then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 March 2018; the statement of comprehensive income, the statement of changes in equity for the 15 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- the General Partner's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the General Partner has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the qualifying 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the qualifying partnership's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The General Partner is responsible for the other information. Our opinion on the financial statements does not cover the other information and,

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

Independent auditors' report to the General Partner of PFP-Igloo Limited Partnership (continued)

Reporting on other information (continued)

accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and General Partner's Report, we also considered whether the disclosures required by the UK Companies Act 2006 as applied to qualifying partnerships have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and General Partner's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and General Partner's Report for the period ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and General Partner's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the General Partner for the financial statements

As explained more fully in the Statement of the General Partner's Responsibilities set out on page 2, the General Partner is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The General Partner is also 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.

In preparing the financial statements, the General Partner is responsible for assessing the qualifying 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 General Partner either intends to liquidate the qualifying partnership or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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.

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

Independent auditors' report to the General Partner of PFP-Igloo Limited Partnership (continued)

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the partners of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the qualifying partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of General Partner's remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

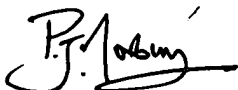
We have no exceptions to report arising from this responsibility.

Entitlement to exceptions

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion, the General Partner were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Other matter

The financial statements for the year ended 31 December 2016 forming the corresponding figures of the financial statements for the 15 month period ended 31 March 2018, are unaudited.



Paul J Norbury (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

26 September 2018

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

**Statement of comprehensive income
for the period ended 31 March 2018**

		15 Months to March 2018	Unaudited Restated 12 months to Dec 2016
	Notes	£'000	£'000
Revenue	4	3,866	2,859
Cost of sales (Including exceptional items of £1,357k (2016: £144k))	5	(4,247)	(2,393)
Gross (loss)/profit		(381)	466
Administrative expenses		(239)	(133)
Operating (loss)/profit	4	(620)	333
(Loss)/Profit for the financial period		(620)	333
Total comprehensive (expense)/income for the period		(620)	333

All of the above results relate to the continuing activities of the partnership. The notes on pages 11 to 22 are an integral part of these financial statements.

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

Statement of financial position as at 31 March 2018

	Note	As at 31 March 2018 £'000	Unaudited Restated As at 31 Dec 2016 £'000	Unaudited Restated As at 1 Jan 2016 £'000
Assets				
Current assets				
Inventories	8	420	3,312	3,641
Trade and other receivables	9	93	4	126
Cash and cash equivalents		2,620	168	3,876
Total assets		3,133	3,484	7,643
Liabilities				
Current liabilities				
Trade and other payables	10	(1,225)	(806)	(550)
Total liabilities		(1,225)	(806)	(550)
Net assets		1,908	2,678	7,093
Equity				
Capital accounts		1	1	1
Partner loans		1,000	1,150	5,900
Retained Earnings		907	1,527	1,192
Total equity		1,908	2,678	7,093

The notes on pages 11 to 22 are an integral part of these financial statements.

The financial statements on pages 8 to 22 were authorised for issue by the General Partner on 26/9/18 and were signed on its behalf.



T Saunders

Director

26 September 2018

Registered number: LP015092

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

Statement of changes in equity for the period ended 31 March 2018

	CIL ¹	Igloo ²	CCL ³	Total
	£'000	£'000	£'000	£'000
Capital accounts:				
At 1 Jan 2017 (unaudited)	-	-	-	1
Movements in period	-	-	-	-
At 31 March 2018	-	-	-	1
Partner loans:				
At 1 Jan 2017 (unaudited)	-	575	575	1,150
Redrawings	-	425	425	850
Distributions	-	(500)	(500)	(1,000)
At 31 March 2018	-	500	500	1,000
Retained earnings:				
Profit at 1 Jan 2017 (as originally reported)	1	808	808	1,617
Prior year adjustment (note 16)		(45)	(45)	(90)
Profit at 1 Jan 2017 Restated (Unaudited)	1	763	763	1,527
Loss for the financial period	-	(310)	(310)	(620)
Profit at 31 March 2018	1	453	453	907
Total equity	1	953	953	1,908

There is no specified repayment date prior to winding up of the partnership and no interest is payable. The loans are therefore considered to be more fairly disclosed as equity.

1. Carillion Igloo Limited
2. Igloo Regeneration (General Partner) Limited
3. Carillion Construction Limited

The notes on pages 11 to 22 are an integral part of these financial statements.

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

Notes to the financial statements for the period ended 31 March 2018

1 General information

The partnership is a limited partnership domiciled and registered in the United Kingdom. The principal activity of the partnership is to carry out development in order to generate a commercial return and to deliver economic, environmental and social benefits through physical regeneration in various locations in the UK.

2 Summary of significant accounting policies

Basis of preparation

These are the partnership's first financial statements prepared in accordance with IFRSs. Previous financial statements were prepared under UK GAAP.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union and with those parts of the Partnership Act applicable to partnerships reporting under IFRS.

The financial statements are prepared in accordance with the historical cost convention and on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement on the process of applying the partnership's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in this note.

There are prior year adjustments in the financial statements which are referred to in note 16.

Going concern

The partnership incurred a loss for the period. We confirm that it is appropriate to prepare the financial statements on a going concern basis. In determining the appropriateness of the going concern basis of preparation we confirm that:

(i) cash in hand is sufficient to enable the business to continue to advance the various projects which are expected to reach stage 4 of the approval process within the next 12 months;

(ii) construction in respect of any future development activity will only be initiated once further funding from the wider Places for People Group and/or third party investors and/or bank debt has been secured.

(iii) expected sales of future developments in the pipeline together with committed development costs and the phasing of these have been taken into account in the cash flow forecasts and plans reviewed by the General Partner board and which consider the period to March 2021.

The General Partner is therefore satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Partnership

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial period beginning on or after 1 January 2017 that would be expected to have a material impact on the partnership.

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

Notes to the financial statements for the period ended 31 March 2018 (continued)

2. Summary of significant accounting policies (continued)

(b) New standards and interpretations not yet adopted

The Partnership has not early adopted the following new standards, amendments or interpretations that have been issued but are not yet effective, based on European Union endorsement, for periods commencing after 31 March 2016. The Partnership has commenced its assessment of the impact of these standards. It is considered that none of these, with the exception of those noted below, would have an impact on its results of operations and financial position.

- IFRS 9 Financial instruments, (IASB effective date 1 January 2018), addresses the classification, measurement and recognition of financial assets and financial liabilities. This standard addresses impairments and also considers hedge accounting. The Partnership has assessed the impact of the standard and has deemed there to be no significant impact on this or future financial periods.
- IFRS 15 Revenue from contracts with customers, (IASB effective date 1 January 2018), deals with revenue recognition and establishes principles for reporting such information. The standard considers revenue recognition when there are multiple elements to the transaction. The Partnership has assessed the impact of the standard and has deemed there to be no significant impact on this or future financial periods.
- IFRS 16 Leases, (IASB effective date 1 January 2019 or when apply IFRS 15), deals with the accounting for leases. This standard requires a lessee to recognise almost all lease contracts on the balance sheet.

Revenue

Revenue, which excludes value added tax, for land and property sales represents the amount receivable for such sales and is recognised at the date a contract for sale becomes unconditional and when the risks and rewards of ownership have substantially been transferred to the buyer.

Cost of sales

Cost of sales represents those costs originally stocked in work in progress and attributable to sales recorded in the year together with net realisable value provisions. Cost of sales is allocated, where applicable for common site costs, in proportion to the relative sales values of land or property.

Taxation

Tax payable on the Limited Partnership's profits is the liability of the individual or corporate partners and consequently is not dealt with in these financial statements.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call with banks and managing agents.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined as direct costs and any borrowing costs. Net realisable value is the estimated selling price less any applicable selling costs.

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

Notes to the financial statements for the period ended 31 March 2018 (continued)

2. Summary of significant accounting policies (continued)

Trade and other receivables

Receivables are recognised and carried at the lower of their originally invoiced value and recoverable amount. Where the time value of money is material the receivables are carried at amortised cost. Provisions are made where there is objective evidence that the amount will not be recovered in full.

Financial assets

(a) Classification

The partnership classifies its financial assets in the following category: loans and receivables and available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

The partnership's loans and receivables comprise 'trade and other receivables, excluding prepayments' and 'cash and cash equivalents' in the balance sheet.

(b) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the partnership commits to purchase or sell the asset. Loans and Receivables are subsequently carried at amortised cost.

(c) Impairment of financial assets

The partnership assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. Evidence of impairment would be the length of time that a debtor has remained unpaid or a debtor is experiencing significant financial difficulty. The amount of the loss is calculated as the difference between the assets carrying value and the present value of estimated future cash flows.

The partnership's loans and receivables comprise 'trade and other receivables, excluding prepayments' and 'cash and cash equivalents' in the balance sheet.

Government grants

Government grants are recognised in the profit and loss account so as to match them with the expenditure to which they are intended to contribute. Grants relating to costs still held in stock prior to the sale of land are credited against the value of stock. Grant income is not recognised until there is reasonable assurance that the partnership will comply with the conditions of the grant and the grant will be received.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of the business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

Notes to the financial statements for the period ended 31 March 2018 (continued)

2. Summary of significant accounting policies (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate.

Borrowing costs

Specific borrowing costs directly attributable to an asset are added to the costs of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income

Interest income is recognised in the profit and loss account when earned on cash accounts.

Capital and partners' equity

Financial liabilities and partners' equity balances are classified according to the substance of the contractual arrangements entered into. For the partner loans, there is no specified repayment date prior to winding up of the partnership and no interest is payable. The loans are therefore considered to be more fairly disclosed as equity.

Critical accounting estimates and judgements

The partnership makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Inventories

Development sites are included at cost as the developments progress. The costs incurred and estimated costs to complete are compared to the net realisable values of the sites to ensure they are being held in the financial statements at the lower of two values. If a development is not going ahead, costs are expensed in the statement of comprehensive income.

3 Financial risk management

The General Partner has responsibility for risk management including financial risk management. Financial risks are reported to the General Partner Board at each meeting and interim updates are provided setting out the financial position if required. The reporting focuses on cashflow forecasts, valuation changes and any necessary actions are implemented by the General Partner on the basis of these reports.

Specific risks addressed by the Partnership are:

i) Cost and price risk

To mitigate cost risk, the Partnership generally enters into fixed price, design and build, construction contracts. The Partnership is also exposed to the risk of price movements in the housing sector and commercial sector that affect underlying investment and sales values. The General Partner obtains market forecast information from a number of sources and seeks to manage the impact of price changes on the business.

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

Notes to the financial statements for the period ended 31 March 2018 (continued)

3. Financial risk management (continued)

ii) Credit risk

The credit risks relating to prospective tenants are initially assessed by the rental agents and by the General Partner and the credit assessment is taken into account when establishing lease terms. A further mitigation is that housing sales are settled on completion in full and in cash.

iii) Liquidity and Going Concern Risk

The Partnership's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Partnership should be able to operate within the level of its cash reserves together with new funding that the partner has committed to and the General Partner has a reasonable expectation that the Limited Partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the General Partner continues to adopt the going concern basis in preparing the General Partner's report and the financial statements.

iv) Capital management and borrowing

The partnerships objectives when managing capital is to safeguard the partnerships ability to continue as a going concern in order to provide returns for partners and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the partnership may adjust the amount of distributions to partners, return capital to partners, sell assets or access debt finance.

Consistent with others in the industry, the partnership monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position. The partnership has nil gearing.

4 Segmental information

Revenue consists entirely of sales made in the United Kingdom. The partnership has a single business segment, which is developments. These are sites that are actively being developed and then individual units sold.

5 Expenses by nature

	15 Months to Unaudited 12 March 2018	months to Dec 2016
	£'000	£'000
Changes in inventories of work in progress	2,890	2,249
Inventory write offs (Exceptional item Note 8)	1,357	144
Management fees	172	-
Other expenses	67	133
Total cost of sales and administrative expenses	4,486	2,526

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

Notes to the financial statements for the period ended 31 March 2018 (continued)

6 Auditors' remuneration

During the period the partnership obtained the following services from the partnership auditors and its associates:

	15 Months to March 2018	Unaudited 12 months to Dec 2016
	£	£
Fees payable to auditors for the statutory audit of partnership financial statements	39,300	-
Fees payable to auditors for the audit of the conversion to IFRS	4,000	-
Total	43,300	-

7 Staff

There were no staff employed by the partnership during the period (2016: Nil).

8 Inventories

	15 Months to March 2018	Unaudited Restated 12 months to Dec 2016
	£'000	£'000
Work-in-progress	420	3,312

The General Partner directors have reviewed the carrying value of all work in progress and made £1,357k of write offs (2016: £144k of write offs). These have been expensed as an exceptional item, with the rationale explained in the Business review of the General Partner's report.

During the period £2,890k (2016: £2,249k) of inventories have been recognised as an expense and included in cost of sales.

Government grants of £536k (2016: £113k) have been credited against the related inventories above.

The value of work in progress includes £nil (2016: £Nil) of borrowing costs that have been capitalised.

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

Notes to the financial statements for the period ended 31 March 2018 (continued)

9 Trade and other receivables

	15 Months to March 2018	Unaudited 12 months to Dec 2016
	£'000	£'000
Other receivables	93	4

There is no difference between the carrying value and the fair values of trade and other receivables.

10 Trade and other payables

	15 Months to March 2018	Unaudited Restated 12 months to Dec 2016
	£'000	£'000
Amounts owed to partners	-	1
Accruals	1,127	272
Other payables	98	533
Total	1,225	806

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

Notes to the financial statements for the period ended 31 March 2018 (continued)

11. Financial instruments

Financial instruments by category:

As at 31 March 2018

Loans and
receivables

£'000

Assets per balance sheet

Trade and other receivables excluding prepayments	93
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Cash and cash equivalents	2,620
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Total	2,713
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Other financial
liabilities at
amortised cost

£'000

Liabilities per balance sheet

Trade and other payables excluding non-financial liabilities	1,225
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Total	1,225
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As at 31 Dec 2016

Loans and
receivables

£'000

Assets per balance sheet

Trade and other receivables excluding prepayments	4
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Cash and cash equivalents	168
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Total	172
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PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

Notes to the financial statements for the period ended 31 March 2018 (continued)

11. Financial instruments (continued)

	Other financial liabilities at amortised cost
	£'000
Liabilities per balance sheet	
Trade and other payables excluding non-financial liabilities	806
Total	806

Credit quality of financial assets

An appropriate impairment provision where applicable is used, based on historical information to calculate the trade receivables position. The cash and cash equivalents are held at HSBC bank.

12 Related party transactions

During the period the partnership entered into the following aggregate trading transactions with purchases from related parties:

	15 Months to March 2018	Unaudited 12 months to Dec 2016
	£'000	£'000
Igloo Regeneration Limited – Costs recharged	379	301

The amounts paid to Igloo Regeneration Limited include charges for development management services.

There were £261k (2016: Nil) outstanding creditors at the period end:

The relationships with the related parties were as follows;

Related Party	Relationship
Igloo Regeneration Limited	Related through common directorship

13 Capital commitments and contingencies

At 31 March 2018 the partnership had no capital commitments contracted for but not provided for in respect of current development work (2016: £Nil).

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

Notes to the financial statements for the period ended 31 March 2018 (continued)

14 Controlling party

The General Partner manages the partnership. During the period 1 January 2017 to 30 April 2018 there was not considered to be an ultimate controlling party. From 1 May 2018 to 2 May 2018 the ultimate controlling party was considered to be Igloo Regeneration Property Unit Trust. At the date of the approval of the financial statements the ultimate controlling party is deemed to be Places For People Group Limited.

15 Subsequent events

Carillion Construction Limited sold their 50% interest in the partnership to Igloo Regeneration Property Unit Trust on 30 April 2018. Igloo Regeneration Property Unit Trust then sold their 100% interest in the partnership to PFPC 1 LP on 3 May 2018.

16 Prior year adjustments

There have been some prior adjustments that have been put through the financial statements which have had the following effect on the comparative year balance sheet and statement of comprehensive income:

Reconciliation of partners' equity at 31 December 2016

	Note	As previously stated £'000	Adjustments £'000	Unaudited Restated £'000
Current assets				
Inventories	1 & 4	3,558	(246)	3,312
Trade and other receivables		4	-	4
Cash at bank and in hand	2	657	(489)	168
		4,219	(735)	3,484
Creditors: amounts falling due within one year	2, 3 & 4	(1,590)	784	(806)
Net current assets		2,629	49	2,678
Creditors: amounts falling due after more than one year		-	-	-
Net assets		2,629	49	2,678
Capital accounts		1	-	1
Partner loans		1,150	-	1,150
Profit and loss account		1,478	49	1,527
Partners' equity		2,629	49	2,678

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

Notes to the financial statements for the period ended 31 March 2018 (continued)

16. Prior year adjustments (continued)

	Note	As previously stated £'000	Adjustments £'000	Restated £'000
Revenue	4	2,750	109	2,859
Cost of sales	1 & 4	(2,194)	(199)	(2,393)
Gross profit		556	(90)	466
Administrative expenses		(133)	-	(133)
Operating profit		423	(90)	333
Profit for the financial year		423	(90)	333
Total comprehensive income for the year		423	(90)	333

The nature of each adjustment for each item is as follows:

Note 1

There was in total £158k of inventory relating to the Royal Victoria Docks project which should have been written off in 2015 and 2016, as the project was no longer going ahead. This has now been written off in 2015 and 2016 which should have cost of sales in the statement of comprehensive income, (£144k in 2016 and £14k in 2015).

Note 2

Monies held in a project account of £489k relating to the Heartlands project, which is controlled by Homes England should not have been grossed up in both cash at bank and accruals balances at 31 December 2016. The prior year adjustment was made to reduce both the cash at bank balance and accruals amount in relation to the monies.

Note 3

£150k of government grants relating to earlier periods, (£32k in 2016 and £118k in 2015), should have been released against cost of sales in the statement of comprehensive income. Creditors have been reduced by the total amount.

Note 4

The sale of a commercial unit in relation to the Malings project was omitted from the financial statements in the year ended 31 December 2016. The total amount for the revenue was £109k. Creditors has also been adjusted for this amount. There were £36k of reservation fees on the Malings project which should have been recognised as revenue in 2014. Creditors has been adjusted for this amount. The cost of sales adjusted in relation to the sale of the commercial unit was £88k. Inventory was also adjusted for this amount.

PFP-Igloo Limited Partnership (Formerly Carillion-Igloo Limited Partnership)

Notes to the financial statements for the period ended 31 March 2018 (continued)

17 Transition from UK GAAP to IFRS

Transition to IFRS

These are the partnership's first financial statements prepared in accordance with IFRSs.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the period ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 December 2016 and in the preparation of an opening IFRS balance sheet at 1 January 2016 (the partnership date of transition).

IFRS mandatory elections on adoption

IFRS estimates at 1 January 2016 are consistent with the estimates as at the same date made in conformity with UK GAAP.

The other compulsory exemptions of IFRS have not been applied as these are not relevant to the partnership:

Reconciliation from UK GAAP to IFRS

In preparing its opening IFRS balance sheet, the partnership has concluded that no adjustments were required to the amounts reported previously in the financial statements prepared under UK GAAP.