



Places for People

Places for People Living+ Limited

Financial Statements

For the year ending 31 March 2019

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Places for People Living+ Limited
Board of Management, Executives and Advisers
For the year ending 31 March 2019

Board of Management

Non Executives

C Phillips (Resigned 31 March 2019)

M Brodtman

A Cleal (Resigned 31 March 2019)

N Hopkins (Resigned 31 March 2019)

G Kitchen

L Lackey (Chair from 1 April 2019)

Group Chief Executive
Managing Director, Living+
Group Executive Director, Finance

Executives

D Cowans

D Marriott-Lavery

A Winstanley

Secretary

C Martin

Registered Office

80 Cheapside

London

EC2V 6EE

Bankers

Barclays Bank Plc

38 Fishergate

Preston

PR1 2AD

Registered Auditors

KPMG LLP

15 Canada Square

London

E14 5GL

Registration of the Association

The Association is registered under the Cooperative and Community Benefit Societies Act 2014 (Registered number 20014R) and is registered under the Housing and Regeneration Act 2008 (Registered number LH3926). It is also affiliated to the National Housing Federation and has charitable status.

Places for People Living+ Limited
Report of the Board
For the year ending 31 March 2019

The Board is pleased to present its report and the financial statements for the year ended 31 March 2019.

Places for People Living+ Limited is a charitable registered provider of social housing which focuses on care and supported housing activities.

Objectives

Places for People Living+ Limited is engaged in the development and management of care and supported housing activities for the Places for People Group ("the Group"). It undertakes relevant activities to ensure the future delivery of care and support services to tenants.

Review of the year

The total turnover was £36.7m (2018: £36.9m) including £32.4m (2018: £31.3m) from the letting of housing accommodation and other income of £4.3m (2018: £4.7m).

The operating surplus for the year was £15.3m (2018: £9.2m).

At the end of the year the net book value of housing properties amounted to £342.8m (2018: £330.4m). The revenue reserves were £149.7m (2018: £135.7m).

All property maintenance services were provided by Places for People Homes Limited and development services were provided by Places for People Developments Limited.

The Association's key performance indicators are aligned with those of the ultimate parent undertaking, Places for People Group, and are included in the consolidated Group accounts.

The Association's strategy is aligned to that of the parent company, Places for People Group Limited, as such the Financial Viability Statement and Value for Money information appropriate to the Association can be found in the Group financial statements that can be obtained from the Group's registered office at 80 Cheapside, London, EC2V 6EE.

Charitable and political donations

During the year Places for People Living+ Limited made £9k of charitable donations (2018: £10k). There were no political donations (2018: £nil).

Delegated matters

The Places for People Living+ Limited Board operates to a business plan and budget which has been approved by the Group Board of Directors. Places for People Group exercises control over Places for People Living+ Limited through an Independence and Responsibilities Agreement, a Service Level Agreement and powers granted to the Group in Places for People Living+ Limited rules.

The Group Board has delegated certain matters to committees of the Board of the Places for People Group. Reporting to the Group Board on Group issues are the Audit & Risk Committee, Nominations & Governance Committee and Remuneration Committee.

Compliance with the Regulator of Social Housing's Governance and Financial Viability Standard

The Association has assessed the position and confirms that it has complied with The Regulator of Social Housing's Governance and Financial Viability Standard.

Internal control and risk management

The Group Board has reviewed the effectiveness of the system of internal control for the year ended 31 March 2019, and up to the date of signing these financial statements. It has not identified any weaknesses which resulted in material losses or contingencies or other uncertainties which require disclosure in the financial statements.

Places for People Living+ Limited
Report of the Board
For the year ending 31 March 2019

Corporate Governance

The Association has complied with the UK Corporate Governance Code (2016 version) except for Code provisions B.7 and E1, and aspects of C.3 and D.2 that contemplate dialogue with external shareholders or decisions being referred to shareholders on matters of director appointments, auditor appointments, existence of an entity-level Audit and Risk Committee, Remuneration Committee, Nominations & Governance Committee and Treasury Committee, and director remuneration and the use of the AGM to communicate with investors. The reason for this is that the Association does not have external shareholders in the sense contemplated by the Code and therefore it addresses the need for scrutiny and evaluation through the board or an appropriate committee of the board and it engages with investors directly and through an annual investors forum. In relation to committee structures, see the paragraph below which explains how the Association relies on the Group-level committees for these relevant functions.

The Group Annual report contains a Governance report that details the governance arrangements of the Group, and how the Code is applied at a Group level.

The Group has an Audit & Risk Committee, a Remuneration Committee, a Nominations & Governance Committee and a Treasury Committee. The remit of those committees extends to the Association and its business. The committees draw members from and report to the Group Board and there are members (non-executive and executive) of the Group Board who are also members of the board of the Association, ensuring that information from the committees can reach the Association's board. In this way, the provisions of the Code are met in respect of the Association.

The directors consider the report and accounts, taken as a whole, to be fair, balanced and understandable.

Going concern and viability statement

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. Consideration of the Association's going concern and viability, as a wholly owned subsidiary of the Group is within the remit of the Group Board.

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis.

The Directors have considered the balance sheet position of the Group at 31 March 2019 which has net assets of £172.7m (31 March 2018: £158.7m) alongside a liquidity position of £806.5m of undrawn facilities in addition to the Group holding £90.6m of cash and short term investments.

The Group's forecasts, taking into account reasonably possible changes in its operating performance, show that the Group has sufficient financial resources available. The Directors have reasonable expectations that both the Company and the Group are in a strong position to manage business risks and therefore continue in operational existence for the foreseeable future, which accounting standards define as one year or more from the date of this report. The Directors have not identified any material uncertainties that threatens the Company's or the Group's ability to mitigate business risks and continue operations for this period.

On the basis described above, the Directors consider it appropriate to adopt the going concern basis in preparing the consolidated financial statements.

The UK Corporate Governance Code requires the Directors to make a statement with regard to the viability of the Group. This requires consideration of solvency and liquidity over a longer period than the going concern assessment. The Group's strategic plan covers a 10-year period, over which the Directors have made assumptions regarding the Group's revenues, operating costs and cash requirements.

The projections for the first three years of the plan are based on current opportunities and include an expectation of the rental incomes for the Group. There is inherently less certainty in the projections from year four to ten. Consistent with prior years, the Directors have therefore determined that three years is an appropriate period for this viability statement.

In assessing the Group's prospects and resilience, the management produced projections which considered the Group's current business position and risk appetite. Whilst the rent reductions imposed by the Government on social housing rents are coming to an end in 2020, the Group has continued to undertake rigorous single and multi-variant stress testing exercises on its projections which has included considering the impact of challenging economic conditions included a downturn in the housing market. The results confirmed that the Group would continue to be able to settle projected liabilities as they fall due over a three-year period.

Places for People Living+ Limited
Report of the Board
For the year ending 31 March 2019

Going concern and viability statement (continued)

This year, the Directors have also considered specifically the impact of the UK voting to leave the European Union. The Directors have considered several different severe, yet plausible, scenarios including potentially challenging outcomes such as increased difficulty in accessing finance and increased interest rates. The Directors also considered additional impacts, such as restrictions in supply chains and were satisfied that measures were in place to mitigate significant risks to the Group's operations. The stress testing again demonstrated the ability of the Group to continue to operate effectively.

Having assessed the prospects of the Group, including the Group's current funding, forecast requirements, existing committed borrowing facilities and the principal risks as outlined on the Directors' Report, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to March 2022.

In making this statement the Directors have made the following key assumptions:

- If one or more risks occur with particularly adverse effects on the Group, all potential actions, such as constraining development spending, would be taken on a timely basis. The Group considers it has the early warning mechanisms needed to instigate such timely action if this proves necessary.
- Implausible scenarios involving several severe risks occurring simultaneously or an individual risk occurring that cannot be appropriately mitigated do not occur.

Board

The persons who served on the board throughout the year are shown on page 2.

Share capital

The share capital of the Association is held by Places for People Homes (800 shares) and 5 individual shareholders.

Statement of Disclosure to the Auditors

At the time of approval of this report:

- a) so far as the board members are aware, there is no relevant audit information of which the Association's auditor is unaware, and
- b) the board members have taken all steps that they ought to have taken as board members in order to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

Places for People Living+ Limited
Report of the Board
For the year ending 31 March 2019

Statement of Board's responsibilities in respect of the Board's report and the financial statements

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the association and of its income and expenditure for that period.

In preparing these financial statements, the Board is 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 and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the association'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 it either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Society's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board



C Martin

Secretary

18 July 2019

Places for People Living+ Limited
Report of the Independent Auditor
For the year ending 31 March 2019

Independent auditor's report to the Members of Places for People Living+ Limited

Opinion

We have audited the financial statements of Places for People Living+ Limited ("the association") for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Reserves and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the state of affairs of the association as at 31 March 2019 and of its income and expenditure for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been properly prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit

Going concern

The association's Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the association or to cease its operations, and as they have concluded that the association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Board's conclusions, we considered the inherent risks to the association's business model, including the impact of Brexit, and analysed how those risks might affect the association's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the association will continue in operation.

Places for People Living+ Limited
Report of the Independent Auditor
For the year ending 31 March 2019

Other information

The association's Board is responsible for the other information, which comprises the Board's Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

- the association has not kept proper books of account; or
- the association has not maintained a satisfactory system of control over transactions; or
- the financial statements are not in agreement with the association's books of account; or
- we have not received all the information and explanations we need for our audit.

We have nothing to report in these respects.

Board's responsibilities

As more fully explained in their statement set out on page 6, the association's Board is responsible for the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the association'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 it either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

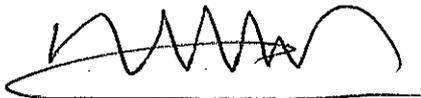
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association those matters we are required to state to it 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 association as a body, for our audit work, for this report, or for the opinions we have formed.



Harry Mears (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

19 July 2019

Places for People Living+ Limited
Statement of Comprehensive Income
For the year ending 31 March 2019

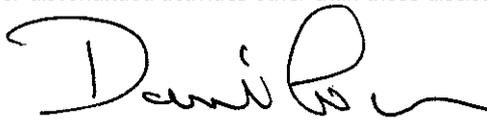
	Notes	2019 £'000	2018 £'000
Turnover	2	36,714	36,890
Cost of sales	2	-	(290)
Operating costs	2	(27,365)	(27,438)
Surplus on sale of fixed assets	4	5,985	40
Operating surplus before interest	2	15,334	9,202
Gain on revaluation of investment properties	12	161	53
Interest receivable and similar income	7	257	51
Interest payable and similar charges	8	(1,777)	(1,273)
Surplus for the year		13,975	8,033

The notes on pages 13 to 26 form and integral part of these financial statements.

The Association has not acquired or discontinued activities other than those disclosed above.



L Lackey
Chair



D Cowans
Board Member



C Martin
Secretary

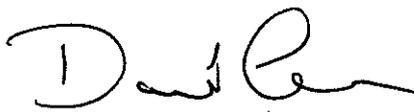
Places for People Living+ Limited
Statement of Financial Position
For the year ending 31 March 2019

	Notes	2019 £'000	2018 £'000
Fixed assets			
Housing properties	11	342,780	330,392
Investments	12	43,150	28,296
Total fixed assets		385,930	358,688
Current assets			
Stock	13	4	173
Debtors: amounts falling due after more than one year	14	72	72
Debtors: amounts falling due within one year	15	2,217	1,931
Cash at bank and in hand		246	104
		2,539	2,280
Creditors - amounts falling due within one year	16	(13,754)	(12,287)
Net current liabilities		(11,215)	(10,007)
Creditors - amounts falling due after more than one year	17	(202,009)	(189,947)
Net Assets		172,706	158,734
Capital and reserves			
Non-equity share capital	19	1	1
Revenue reserves		149,670	135,681
Restricted reserves		185	188
Revaluation reserves		22,850	22,864
Total capital and reserves		172,706	158,734

The financial statements on pages 9 to 26 were approved by the Board on 18 July 2019 and were signed on its behalf by:



L Lackey
Chair



D Cowans
Board Member



C Martin
Secretary

Places for People Living+ Limited
Statement of Changes in Reserves
For the year ending 31 March 2019

	Revenue Reserve £'000	Restricted Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 1 April 2018	135,681	188	22,864	158,733
Total Comprehensive income for the year				
Surplus for the year	13,975	-	-	13,975
Restricted reserve movement	-	(3)	-	(3)
Realised gain on sale of revalued property	14	-	(14)	-
Balance at 31 March 2019	149,670	185	22,850	172,705

Places for People Living+ Limited
Statement of Cash Flows
For the year ending 31 March 2019

	2019	2018
	£'000	£'000
Net cash generated from operating activities (see note a)	9,562	12,129
Cash flow from investing activities		
(Purchase)/sale of tangible fixed assets	(17,619)	2,571
Proceeds from sale of tangible fixed assets	10,592	305
Purchase of fixed asset investments	(16,210)	(33,251)
Receipt of government and other grant	4,224	59
Dividends received	250	50
Interest received	7	1
Net cash flow from investing activities	(18,756)	(30,265)
Cash flow from financing activities		
Repayments of external borrowings	(1,422)	(11,639)
Drawdown of loans	11,600	31,350
Receipts from restricted reserves	-	5
Tax received	6	4
Interest paid	(848)	(1,273)
Net cash flow from financing activities	9,336	18,447
Net change in cash and cash equivalents	142	311
Cash and cash equivalents at beginning of year	104	(207)
Cash and cash equivalents at end of the year	246	104
Note a		
Surplus for the year	13,975	8,033
<i>Adjustments for non-cash items to reconcile surplus for the year to net cash generated from operating activities</i>		
Depreciation and impairment of tangible fixed assets	2,310	3,004
Gain on revaluation of investment properties	(161)	(53)
Decrease/(increase) in stock	169	(18)
Increase in trade and other debtors	(246)	(350)
Increase/(decrease) in trade and other creditors	238	2,580
Gain in sale of fixed assets	(5,985)	(40)
Grant amortisation	(2,258)	(2,249)
Interest payable	1,777	1,273
Interest receivable	(257)	(51)
Cash flow from operating activities	9,562	12,129

The notes on pages 13 to 26 form and integral part of these financial statements.

1. ACCOUNTING POLICIES

Basis of accounting

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

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), the Statement of Recommended Practice for Registered Social Housing Providers (SORP), the Accounting Direction for Private Registered Providers of Social Housing 2015, and with the Companies Act 2006. The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator Social Housing (ROSH) as a housing provider.

The Association's ultimate parent undertaking, Places for People Group Limited, includes the Association in its consolidated financial statements. The consolidated financial statements of Places for People Group Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Places for People Group Limited, 80 Cheapside, London, EC2V 6EE. The Association is considered to be a qualifying entity for the purposes of FRS 102 and has applied the exemptions available under FRS 102.1.11 and FRS 102.1.12.

The financial statements are presented in Sterling (£000's).

Going Concern

After making enquiries, the board has reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Significant Judgements

The following are the significant judgements, apart from those involving estimations (which are set out separately below), that have been made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Investment properties

The Association owns a range of different property types. This requires the Association to assess which properties should be classified as investment properties as these properties are held at a market valuation, not at depreciated cost.

The Associations considered the FRS 102 definition of investment property which refers to property held to earn rentals for capital appreciation, rather than for administrative purposes or for sale in the ordinary course of business. The Association has also reviewed Section 16 of FRS 102 that precludes the classification of property held primarily for the provision of social benefits being classified as investment property. The Association has applied this by judging that rental properties without public subsidy attached to them are investment properties.

Accounting estimates

The nature of estimation means that actual outcomes may differ from the estimates made.

It is considered that the estimate of residual value of social housing properties has a significant impact on the carrying amount of social housing assets. The Association considers the residual value of social housing property structure to be cost. The net book value of social housing properties is £342.8m. The residual value of social housing property structure is £31.6m above the carrying value as at 31 March 2019. A 10% reduction in residual value would result in no impact to the depreciation charge.

1. ACCOUNTING POLICIES (Continued)

Turnover

Turnover represents rental and service charge income receivable (net of void losses), income from the sale of properties, income from the sale of the first tranche of shared ownership properties, fees and revenue grants from local authorities and Homes England and other income.

Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

Rental income is recognised from the point the property becomes available for letting, net of any voids. Income from land and property sales is recognised when the risks and rewards of ownership have passed to the purchaser. Other income is recognised upon the delivery of services. Government grants are recognised on turnover over the expected lives of the assets to which it relates.

All turnover arises from activities within the United Kingdom.

VAT

The majority of the Association's turnover is exempt from VAT. However, certain activities are subject to VAT and give rise to VAT recovery. Where appropriate, costs are stated including irrecoverable VAT.

Pensions

Employees joining the Association have the option of joining the Places for People Group Stakeholder Scheme ('Stakeholder Scheme'), a defined contribution scheme. The costs of contributing to the Stakeholder Scheme are accounted for as an expense in the year in which they occur. Contributions from the Association and participating employees are paid into independently administered funds.

Housing Properties

Housing properties are those held primarily for the provision of social benefits. Housing properties are stated at the lower of depreciated cost or its recoverable amount. Cost is taken as the purchase price together with costs of acquisition and improvements, attributable administrative costs and interest costs incurred, including related development and administrative costs and interest payable.

The Association capitalises expenditure on housing properties which results in an increase in either the existing use value of the property or the disposal value of the property.

Investment properties

Properties held for rental income or capital appreciation that are not held primarily for the provision of social benefit are held as investment properties at fair value, with changes to fair value recognised in the statement of comprehensive income. Private rental sector properties across the Group were valued at 31 March 2015 by a qualified RICS chartered surveyor and are reassessed by the directors on an annual basis.

Land

Land is stated at lower of cost or its recoverable amount. Land purchased for the development of properties which are planned to be subsequently owned and managed by the Association is recorded in housing properties. Land purchased for the development of properties to be sold is held within stock in current assets.

Places for People Living+ Limited
Notes to the Financial Statements
For the year ending 31 March 2019

1. ACCOUNTING POLICIES (Continued)

Depreciation

Fixed assets, other than freehold land and investment properties, are depreciated at rates calculated to reduce the net book value of each component element to its estimated residual value, on a straight line basis over the expected remaining useful economic life of the component. Freehold land is not depreciated. The estimated lives of assets and components is as shown in the table below.

<u>Assets</u>	<u>Depreciation period (years)</u>
<u>Rented housing & commercial properties:</u>	
Kitchens	20
Bathrooms	20
Boilers	15
External windows & doors	30
Roofs	45
Fire safety systems	20
Fencing	30
Digital TV aerials	10
Lifts	20
Social Alarms	From 20-40
Surveys	15
Initial and replacement scheme assets	From 1 to 5
Other elements (new build)	100-125
Other elements (rehab)	80
Other elements (leasehold)	Lesser of term of lease or 100 years
<u>Shared Ownership housing:</u>	
All elements (new build)	100
All elements (rehab)	80
All elements (leasehold)	Lesser of term of lease or 100 years
<u>Other fixed assets:</u>	
Offices (new build)	100
Offices (rehab)	80
Office refurbishment	From 10-20
Offices (long leasehold)	Lesser of term of lease or 100 years
Offices (short leasehold)	Terms of lease
Plant & Equipment	5
Cars and commercial vehicles	5
Computer hardware, software and infrastructure	From 3-15

1. ACCOUNTING POLICIES (Continued)

Fixed asset investments

Fixed asset investments are measured at cost. An annual review is carried out by management to assess if there are any triggers that would lead to an impairment review. In the event of any impairment, the investment is measured at the lower of its recoverable amount or its value in use. Investments in joint ventures are recognised initially at cost and subsequently measured using the equity method.

Impairment

An impairment review is undertaken when there is an indication the asset may be impaired. If assets are found to be impaired, the amount of impairment is disclosed in Note 3.

When undertaking impairment reviews to assess whether assets or cash generating units are held at the lower of cost or recoverable amount, recoverable amount is defined as its value in use. Recoverable amount is normally assessed using discounted cash flow techniques for all anticipated cash flows to generate a net present value.

Costs are assigned to all schemes on a detailed basis, including mixed tenure schemes.

The Association defines cash generating units as housing schemes except where its schemes are not sufficiently large enough in size and it is more appropriate to consider individual assets. This approach supports effective appraisal of housing schemes as it aligns with the management and operation of the business.

Social Housing Grant and Other Capital Grant

Government grants are included within creditors in the statement of financial position and credited to the statement of comprehensive income over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

When Social Housing Grant (SHG) in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

Where SHG or other grants are retained following the disposal of property, it is shown under the Disposal Proceeds and Recycled Capital Grant Funds within creditors. These funds will be used for the provision of new social housing for rent and sale and become repayable if unutilised.

Financial Instruments

The Association has elected to apply the recognition and measurement provisions of International Accounting Standard 39 as allowed by FRS 102 sections 11 and 12. Financial instruments are initially recorded at fair value. Subsequent measurement depends on the designation of the instrument as follows:

- Other assets, including trade investments and joint venture investments and assets that are short-term in nature such as cash and receivables are predominantly categorised as loans and receivables and measured at amortised cost using the effective interest method
- Financial liabilities are predominantly measured at amortised cost using the effective interest method.

The effective interest rate includes interest and all directly attributable incremental fees and costs.

Cash at bank and in hand in the statement of financial position comprises all cash and cash equivalents that mature or are convertible within one day or less.

The Association is required to set aside sums in respect of future maintenance of certain properties subject to leasehold arrangements. These sums are held in a separate bank account to which interest is added and tax deducted. Amounts accumulated in the fund are included within current asset investments and within creditors in the statement of financial position.

Other debtors, including tenant arrears, and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income.

Restricted Reserves

The Association has a reserve which is only expendable in accordance with the wishes of the funder. The transfers to/from restricted reserves are shown in other comprehensive income.

Places for People Living+ Limited
Notes to the Financial Statements
For the year ending 31 March 2019

2. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	2019					2018				
	Turnover	Cost of sales	Operating costs	Other operating items	Operating surplus/ (deficit)	Turnover	Cost of sales	Operating costs	Other operating items	Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 3)	32,446	-	(23,265)	-	9,181	31,283	-	(22,752)	-	8,531
Other social housing activities										
Social housing property sales	-	-	(207)	-	(207)	-	-	(108)	-	(108)
Charges for support services	4,264	-	(3,684)	-	580	4,651	-	(4,281)	-	370
Charges for domiciliary care services	-	-	(2)	-	(2)	-	-	(3)	-	(3)
Other	4	-	(203)	-	(199)	4	-	(105)	-	(101)
	36,714	-	(27,361)	-	9,353	35,938	-	(27,249)	-	8,689
Non social housing activities	-	-	(4)	-	(4)	952	(290)	(189)	-	473
	36,714	-	(27,365)	-	9,349	36,890	(290)	(27,438)	-	9,162
Surplus on sale of fixed assets (note 4)	-	-	-	5,985	5,985	-	-	-	40	40
	36,714	-	(27,365)	5,985	15,334	36,890	(290)	(27,438)	40	9,202
Analysis of turnover	2019	2018								
	£'000	£'000								
Social housing turnover	36,714	35,938								
Non-social housing activities										
Non social housing property sales	-	952								
	36,714	36,890								

3. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Supported housing and housing for older people	Other	2019 Total £'000	2018 Total £'000
	£'000	£'000	£'000	£'000
Income from social housing lettings activities				
Rent receivable net of identifiable service charges	13,783	-	13,783	12,446
Service charge income	9,938	-	9,938	8,791
Amortised government grants	1,140	1,118	2,258	2,266
Other income	1,067	5,400	6,467	7,780
Turnover from social housing lettings	25,928	6,518	32,446	31,283
Expenditure on social housing lettings activities				
Management costs	(6,413)	(90)	(6,503)	(5,828)
Service charge costs	(9,170)	(101)	(9,271)	(8,523)
Routine maintenance	(2,162)	(64)	(2,226)	(1,733)
Planned maintenance	(567)	(60)	(627)	(1,025)
Major repairs expenditure	(469)	(41)	(510)	(196)
Bad debts	(193)	-	(193)	(135)
Depreciation on housing assets	(1,344)	(966)	(2,310)	(3,004)
Intra group property recharges	(1,591)	-	(1,591)	(1,872)
Other costs	(34)	-	(34)	(436)
Total expenditure on lettings	(21,943)	(1,322)	(23,265)	(22,752)
Operating surplus	3,985	5,196	9,181	8,531
Void losses	(318)	-	(318)	(351)

4. SURPLUS ON SALE OF FIXED ASSETS

	2019 £'000	2018 £'000
Proceeds	11,356	326
Carrying value	(5,356)	(283)
Sales costs	(15)	(3)
	5,985	40

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5. DIRECTORS' EMOLUMENTS

The ultimate parent, Places for People Group Limited (the Group), has determined that subsidiary governance is achieved through functional management arrangements.

The Group has created posts for functional managers, whose responsibilities may cover more than one Group member.

Board Members' emoluments during the year were met by Places for People Group Limited.

Included within operating costs is a share of the salary costs of the Board Members.

6. EMPLOYEE INFORMATION

	2019	2018
	No.	No.
The average number of employees expressed as full time equivalents employed during the year was:		
Central administration services	14	12
Care services	298	281
	<u>312</u>	<u>293</u>

Average number of employees is calculated by ascertaining for each calendar month in the financial year, the number of persons, by category, employed by the company. The monthly numbers are then added together and divided by the number of months in the financial year.

	2019	2018
	£'000	£'000
Staff costs (for the above persons):		
Wages and salaries	6,896	6,201
Severance pay	199	3
Social security costs	553	451
Other pension costs	527	266
	<u>8,175</u>	<u>6,921</u>

Remuneration banding for key management personnel is disclosed below, which is considered by the Places for People Group to be Executive Directors and members of the Group management team, which includes staff with authority and responsibility for planning, directing and controlling activities of the Group's operations.

	2019	2018
	No.	No.
£60,000 - £69,999	3	1
£100,000 - £109,999	-	1
£110,000 - £119,000	1	-
£190,000 - £199,999	1	1

Places for People Living+ Limited
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For the year ending 31 March 2019

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£'000	£'000
Interest receivable on cash deposits	7	1
Dividend receivable	250	50
	<u>257</u>	<u>51</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2019	2018
	£'000	£'000
In respect of housing and bank loans	832	922
In respect of loans from related undertakings	981	351
In respect of Recycled Capital Grant Fund	6	-
Less: Capitalised interest	(42)	-
	<u>1,777</u>	<u>1,273</u>

Capitalisation rate used to determine the finance costs capitalised during the year:

<u>3.95%</u>	<u>-</u>
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9. SURPLUS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION

	2019	2018
	£'000	£'000
The surplus on ordinary activities before and after taxation is stated after charging:		
Depreciation	2,310	3,004
Auditor's remuneration	30	21
Payments under operating leases:		
Motor vehicles	<u>89</u>	<u>66</u>

10. TAXATION

The Association has charitable status and is exempt from corporation taxation under the provisions of Section 505 of the Income and Corporation Taxes Act 1988 therefore there is no corporation tax payable in either 2019 or 2018.

Places for People Living+ Limited
Notes to the Financial Statements
For the year ending 31 March 2019

11. HOUSING PROPERTIES

	Completed housing properties £'000	Completed LSE & shared ownership housing properties £'000	Housing properties in the course of construction £'000	Total housing properties £'000
Cost				
At 1 April 2018	372,514	6,128	24	378,666
Additions	-	-	17,788	17,788
Change of tenure	-	-	1,517	1,517
Transfer to completed schemes	17,949	-	(17,949)	-
Disposals	(4,809)	(395)	-	(5,204)
At 31 March 2019	385,654	5,733	1,380	392,767
Depreciation and Impairment				
At 1 April 2018	(47,485)	(789)	-	(48,274)
Charge for year:				
Depreciation	(2,307)	(3)	-	(2,310)
Eliminated on disposal:				
Depreciation	491	50	-	541
Impairment	56	-	-	56
At 31 March 2019	(49,245)	(742)	-	(49,987)
Net book value at 31 March 2019	336,409	4,991	1,380	342,780
Net book value at 1 April 2018	325,029	5,339	24	330,392

LSE denotes Leasehold Schemes for the Elderly.

	2019 £'000	2018 £'000
Housing properties comprise, at cost:		
Freehold	324,221	317,142
Long leasehold	66,434	59,529
Short leasehold	2,112	1,995
	392,767	378,666

Additions to housing properties in the course of construction during the year include an apportionment of staff time directly spent on the administration of development activities amounting to £82,000 (2018: £46,000).

Expenditure on major works to existing properties during the year was £7.7m (2018: £9.6m).

Places for People Living+ Limited
Notes to the Financial Statements
For the year ending 31 March 2019

12. FIXED ASSETS INVESTMENTS

	2019	2018
	£'000	£'000
External investments and investment in related undertakings (a)	5,368	5,366
Investment property (b)	<u>37,782</u>	<u>22,930</u>
Total fixed asset investments	<u><u>43,150</u></u>	<u><u>28,296</u></u>

(a) External investments and investment in related undertakings

Grace Gillett restricted reserve - investment portfolio	188	190
Triple Point Social Housing REIT plc	5,000	5,000
Equity Loan	<u>180</u>	<u>176</u>
At 31 March	<u><u>5,368</u></u>	<u><u>5,366</u></u>

The Grace Gillett reserve resulted from a legacy left to the residents of River Street. These funds are invested with Barclays Wealth and are managed by Places for People Living+ Limited.

(b) Investment Properties

	£'000
At 1 April 2018	22,930
Additions	16,208
Change of tenure	(1,517)
Revaluation	161
At 31 March 2019	<u><u>37,782</u></u>

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Notes to the Financial Statements
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13. STOCK

	2019	2018
	£'000	£'000
Buildings - In progress	<u>4</u>	<u>173</u>

Capitalised interest charged to stock during the year is £42,000 (2018: £nil).

14. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£'000	£'000
Agency leases	<u>72</u>	<u>72</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£'000	£'000
Rental debtors	1,085	967
Less: Provision for bad and doubtful debts	<u>(490)</u>	<u>(455)</u>
	595	512
Other trade debtors	1,420	1,278
Other taxes	-	6
Capital development debtor	10	10
Sundry debtors, prepayments and accrued income	168	115
Loans to employees	<u>24</u>	<u>10</u>
	<u>2,217</u>	<u>1,931</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£'000	£'000
Housing and bank loans - principal payable within one year	1,548	1,473
Recycled Capital Grant Fund (note 18)	-	108
Deferred government grant	2,221	2,250
Interest on loans	498	252
Trade creditors	658	516
Amounts owed to related undertakings	5,214	3,724
Other creditors and accruals	3,347	3,712
Prepaid rent	267	252
Other taxes	<u>1</u>	<u>-</u>
	<u>13,754</u>	<u>12,287</u>

Places for People Living+ Limited
Notes to the Financial Statements
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17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£'000	£'000
<u>Debt</u>		
Housing and bank loans	8,041	9,537
Amounts owed to related undertakings	41,250	29,650
	<u>49,291</u>	<u>39,187</u>
<u>Other Financial Liabilities</u>		
Capital creditor	860	646
Recycled Capital Grant Fund (note 18)	4,682	257
Deferred government grant	147,176	149,857
	<u>152,718</u>	<u>150,760</u>
Total creditors falling due after more than one year	<u>202,009</u>	<u>189,947</u>
Analysis of debt		
These are repayable as follows:	2019	2018
	£'000	£'000
In one year or less	1,548	1,473
In one year or more but less than two years	1,593	1,526
In two years or more but less than five years	43,698	33,590
In five years or more		
By instalments	-	71
Not by instalments	4,000	4,000
	<u>50,839</u>	<u>40,660</u>

All loans are secured by specific charges on the Association's housing properties and are repayable at varying rates of interest, from 1.54% - 10.24% in instalments.

18. RECYCLED CAPITAL GRANT FUND

	Homes England		Greater London Authority	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
At 1 April	231	47	134	108
Inputs to RCGF: Grant recycled	382	184	4,037	26
Interest Accrued	-	-	6	-
Transfers from other group members	1,440	-	-	-
Recycling of grant: New Build	(1,440)	-	-	-
Repayment of grant to the HCA/GLA	-	-	(108)	-
	<u>613</u>	<u>231</u>	<u>4,069</u>	<u>134</u>
Amounts 3 years old or older where repayment may be required	-	-	-	108

Places for People Living+ Limited
Notes to the Financial Statements
For the year ending 31 March 2019

19. NON-EQUITY SHARE CAPITAL

2019	2018
£	£

Shares of £1 each Authorised, Issued, Allotted and Fully Paid

At 1 April and 31 March

805	808
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The Association's shares are not transferable or redeemable. Payment of dividends or other benefits to shareholders is forbidden by the Association's Rules.

20. PENSION OBLIGATIONS

The pension costs for Places for People Living+ Limited relate to two schemes of which employees are members; the Social Housing Pension Scheme and a Stakeholder scheme.

The Places for People Group Stakeholder Scheme

Employees joining the Group from 1 September 2004 have the option of joining a defined contribution retirement benefit scheme, the Places for People Stakeholder Pension Plan and Group Life Assurance Scheme.

The total cost charged to the statement of comprehensive income of £527k (2018: £484k) represents contributions payable to these schemes by the Association at rates specified in the rules of the plan.

21. CAPITAL COMMITMENTS

The commitments under non-cancellable operating leases for the following year, analysed according to the period in which each lease expires, are set out below.

2019	2018
£'000	£'000

Capital expenditure that has been authorised and contracted for but has not been provided for in the financial statements

7,608	2,316
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Additional Capital expenditure that has been authorised by the Board of directors

108,442	116,466
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Motor vehicles	Motor vehicles
2019	2018
£'000	£'000

In one year or less

35	49
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Between two and five years

41	58
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76	107
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22. CONTINGENT LIABILITIES

The Association, together with some fellow subsidiaries of the Places for People Group, has guaranteed to holders of debt issued by members of the Places for People Group, the principal amount and interest accrued in respect of certain debts in the event of default by the issuing entity.

The total capital outstanding at 31 March 2019 in respect of such guarantees was £1,257,676,221 (2018: £1,015,817,000). The total interest accrued at 31 March 2019 relating to this debt was £13,257,540 (2018: £11,892,764). These represent the maximum exposure for the Association.

The directors consider it extremely unlikely that the company would be required to make any payments in respect of this guarantee.

Places for People Living+ Limited
Notes to the Financial Statements
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23. RELATED PARTY TRANSACTIONS AND ULTIMATE PARENT UNDERTAKING

Places for People Living+ Limited is a subsidiary of Places for People Group Limited, 80 Cheapside, London, EC2V 6EE. Since the parent company publishes consolidated Group accounts, the Association has utilised the exemption not to report transactions with other Group members as permitted in FRS102 section 33.1A..

24. STOCK OF HOUSING

The Association owns or manages 6,550 housing properties, a breakdown of these housing properties is shown below:

	2019	2018
	No.	No.
Social Housing managed		
- Supported Housing	1,266	1,235
- Housing for Older people	881	881
- Low cost home ownership	6	22
Total Social housing managed	2,153	2,138
- Staff	36	37
Total housing managed	2,189	2,175
Total housing owned but managed by another body	4,361	4,210
Total housing owned or managed	6,550	6,385

As disclosed in the table above, the Association manages 2,153 social housing units.

The number of housing units used for social purposes and owned by the Association are:

Social housing		
- General Needs Housing	2,907	2,900
- Affordable Housing	125	124
- Supported Housing	2,153	2,101
- Housing for Older people	406	407
- Low cost home ownership accommodation	40	92
Social housing stock owned	5,631	5,624

The Association manages 777 units which are owned by other Registered Providers.