



Places for People

Places for People Treasury PLC

Financial Statements

For the year ending 31 March 2020

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Places for People Treasury PLC
Board of Directors, Executives and Advisers
For the year ending 31 March 2020

Directors

M Cooper
D Cowans
G Kitchen
L Lackey
C Phillips
A Winstanley
G Waddell

Company 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 Company

The company is incorporated under the Companies Act 2006 (Company Number 09272235)

Places for People Treasury PLC
Strategic Report
For the year ending 31 March 2020

The Board of Directors have pleasure in submitting their Strategic Report and audited financial statements for the year ending 31 March 2020.

Principal activities

The company is a wholly owned subsidiary of Places for People Group Limited. The company's principal activity is the raising of finance for Places for People Group Limited and its subsidiary undertakings.

Business review

The company's interest receivable for the year was received from Places for People Group companies.

The company has no key performance indicators beyond raising finance for Places for People Group (The Group) and its subsidiary undertakings.

As the company's activities are limited to the raising of finance for the Places for People Group and its subsidiary undertakings, its administration services were completed by Places for People Group Limited. On this basis there is no significant information to report regarding environmental matters, the company's employees, social and community issues or other contractual issues.

Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Places for People Group (Group) has reviewed all of its business forecasts and projections and has produced a revised 10 year business plan for the year ending 31 March 2021, this was approved by the Group Board in August 2020. Although the full impact of Covid-19 is still unknown, the Group has produced its forecasts on the latest information and experience in the markets in which it operates. In addition to the reviewed forecasts, the directors have also undertaken stress testing on these forecasts to understand the impact of an increasing severity of the implications from the pandemic.

The directors have reviewed the projected cash flows and the compliance with debt covenants of the Group and have overlaid a number of scenarios reflecting the potential impact of the Covid-19 pandemic. These scenarios include a 10% reduction in rent received for 12 months and a 5% reduction in rent for the following 12 months, no property sales for the remainder of the year with a 20% price reduction for the following 12 months and leisure centres to remain closed until 31 March 2021 with a phased re-opening over the following 12 months. As a result of these assumptions, and before any cost reductions are applied, management believe the liquidity of the Group at 31 March 2021 would be £566m and £346m at 31 March 2022 if the Group did not raise any additional finance to that which is currently available.

Places for People Treasury PLC is a funding vehicle for the Group's regulated entities and therefore the liquidity position of the Group supports the going concern assumption for the company.

The board, after reviewing the group budgets for 2020/21 and the group's medium term financial position as detailed in the business plan including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the company has adequate resources to continue in business for the foreseeable future.

Consequently, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Principal risks and uncertainties

As the company on lends most of its proceeds from borrowings to regulated social housing subsidiaries within the Places for People Group, the main risk facing the company is that it is largely dependent on Places for People Group subsidiaries to fulfil their obligations.

Places for People Group has an investment grade credit rating issued by Standard and Poors of A- and as such it is considered that the risk of the Places for People Group companies failing to meet its obligations under the terms of the loan for monies borrowed from Places for People Treasury PLC is low.

Future developments

It is anticipated that the company will continue to be part of the Group's medium to long term financing strategy.

By order of the Board



M Cooper

Director

5 August 2020

Places for People Treasury PLC
Report of the Board
For the year ending 31 March 2020

The Board of Directors have pleasure in submitting their Directors Report and audited financial statements for the year ending 31 March 2020.

Directors

The directors who served during the year are shown on page 2 of the accounts.

Statement of disclosure to the auditors

At the time of this report:

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

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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The 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 Companies Act 2006. 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 Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



M Cooper

Director

5 August 2020

Places for People Treasury PLC
Report of the Independent Auditor
For the year ending 31 March 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLACES FOR PEOPLE TREASURY PLC

1 Our opinion is unmodified

We have audited the financial statements of Places for People Treasury Plc ("the Company") for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were appointed as auditor by the directors on 20 October 2014. The period of total uninterrupted engagement is for the 6 financial years ended 31 March 2020. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters (unchanged from 2019), in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Recoverability of Amounts due from related undertakings

Amounts due from related undertakings (amounts falling due in more than one year) £1,425m (2019: £1,081m)

Refer to page 11 (accounting policy) and page 13 (financial disclosures).

The risk – low risk high value

The Company's primary activity is to issue bonds, source investor financing and on-lend to other entities in the Group. It therefore has long term liabilities which relate to the bonds issued and long term intra group receivables which relate to the loans provided other entities in the Group.

The carrying amount of the long term intra-group debtor balance represents 93% of the Company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the Company financial statements, this is considered to be the area that had the greatest effect on our overall Company audit.

Whilst there is financial income during the loan period, the risk mainly stems from the expectation of the ability of the Group entities Parent to repay the loan.

Our response

Our procedures included:

- i. Tests of detail: Assessing 100% of group long term debtors owed by other entities in the Group (2019: 100%) to identify, with reference to the other entities' draft balance sheet, whether they have a positive net asset value and therefore coverage of the debt owed as well as assessing whether the other entities have historically been profit-making.
- ii. Assessment of other entities: Assessing the work performed by the Group audit team, and considering the results of that work, on those net assets. We critically assessed the directors' going concern assessment, including the reasonableness of the key assumptions used by the other entities in their cash flow forecasts and the level of downside sensitivities applied using our knowledge of appropriate Covid-19 scenarios.

Our results

We found the Company's assessment of the recoverability of the long term debtor balance to be acceptable (2019 result: acceptable).

Places for People Treasury PLC
Report of the Independent Auditor
For the year ending 31 March 2020

3 Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £11m (2019: £271k), determined with reference to a benchmark of gross assets, of which it represents 0.7% (2019: 0.02%).

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £550k (2019: £12k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed by a single audit team.

4 We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company'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").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. 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 Company will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, 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.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5 We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, 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.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

6 We have nothing to report on the other matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Places for People Treasury PLC
Report of the Independent Auditor
For the year ending 31 March 2020

7 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 4, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have 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 other irregularities (see below), 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, other irregularities 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.

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

Chartered Accountants

15 Canada Square
London
E14 5GL

18 August 2020

Places for People Treasury PLC
Statement of Comprehensive Income
For the year ending 31 March 2020

	Notes	2020 £'000	2019 £'000
Operating costs		(16)	(48)
Operating loss before interest	4	(16)	(48)
Interest Receivable	2	45,119	34,280
Interest Payable	3	(44,983)	(33,779)
Profit on ordinary activities before taxation		120	453
Taxation	5	(118)	10
Profit on ordinary activities after taxation		2	463

The notes on pages 11 to 17 form an integral part of these financial statements.

All operations are continuing.

Places for People Treasury PLC
Statement of Financial Position
As at 31 March 2020

	Notes	2020 £'000	2019 £'000
Non current assets			
Debtors: amounts falling due after more than one year	8	1,424,975	1,081,436
Current assets			
Debtors: amounts falling due within one year	9	32,907	93,984
Cash and cash equivalents		71,021	132
Investments	10	-	18,829
		103,928	112,945
Creditors: amounts falling due within one year	11	(27,477)	(117,281)
Net current assets/(liabilities)		76,451	(4,336)
Creditors: amounts falling due after more than one year	12	(1,499,657)	(1,075,333)
Net assets		1,769	1,767
Capital and reserves			
Called up share capital	14	50	50
Revenue reserves		1,719	1,717
Total capital and reserves		1,769	1,767

The financial statements on pages 8 to 17 were approved by the directors on
signed on its behalf by:

5 August 2020 and



M Cooper
Director

Places for People Treasury PLC
Statement of Changes in Reserves
For the year ending 31 March 2020

	Total reserves
	£'000
Balance at 1 April 2019	1,717
Profit for the year	2
Balance at 31 March 2020	<u>1,719</u>

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') and with the Companies Act 2006.

The Company's ultimate parent undertaking, Places for People Group Limited, includes the Company 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 Company 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 (preparation of a statement of cash flows and related notes).

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

Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Places for People Group (Group) has reviewed all of its business forecasts and projections and has produced a revised 10 year business plan for the year ending 31 March 2021, this was approved by the Group Board in August 2020. Although the full impact of Covid-19 is still unknown, the Group has produced its forecasts on the latest information and experience in the markets in which it operates. In addition to the reviewed forecasts, the directors have also undertaken stress testing on these forecasts to understand the impact of an increasing severity of the implications from the pandemic.

The directors have reviewed the projected cash flows and the compliance with debt covenants of the Group and have overlaid a number of scenarios reflecting the potential impact of the Covid-19 pandemic. These scenarios include a 10% reduction in rent received for 12 months and a 5% reduction in rent for the following 12 months, no property sales for the remainder of the year with a 20% price reduction for the following 12 months and leisure centres to remain closed until 31 March 2021 with a phased re-opening over the following 12 months. As a result of these assumptions, and before any cost reductions are applied, management believe the liquidity of the Group at 31 March 2021 would be £566m and £346m at 31 March 2022 if the Group did not raise any additional finance to that which is currently available.

Places for People Treasury PLC is a funding vehicle for the Group's regulated entities and therefore the liquidity position of the Group supports the going concern assumption for the company.

The board, after reviewing the group budgets for 2020/21 and the group's medium term financial position as detailed in the business plan including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the company has adequate resources to continue in business for the foreseeable future.

Consequently, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Significant Judgements and accounting estimates

Management consider there to be no significant judgements or accounting estimates required on preparing these financial statements.

Financial Instruments

The Group 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 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 measured at amortised cost using the effective interest method.

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

Cash and cash equivalents in the statement of financial position are convertible or mature within three months or less.

Places for People Treasury PLC
Notes to the Financial Statements
For the year ending 31 March 2020

2. INTEREST RECEIVABLE

	2020	2019
	£'000	£'000
Interest receivable on loans to Group companies	45,052	33,981
Other	67	299
	45,119	34,280

All interest receivable relates to financial assets not at fair value through the statement of comprehensive income.

3. INTEREST PAYABLE

	2020	2019
	£'000	£'000
On loans from related undertakings	755	336
On bank loans and overdrafts	44,228	33,443
	44,983	33,779

4. AUDITORS REMUNERATION

Auditors remuneration charged in the year was £14,000 (2019: £9,000), this cost was met by Places for People Group Limited as the primary business activity of the company is the raising of finance for Places for People Group Limited and its subsidiaries.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2020	2019
	£'000	£'000
a) Tax expense included in statement of comprehensive income		
Current tax		
Group relief payable/(receivable)	23	(9)
	23	(9)
Adjustments in respect of prior periods	95	(1)
Tax on profit on ordinary activities	118	(10)

b) Reconciliation of tax expense

The tax assessed is different to the standard rate of corporation tax in the UK 19%, as explained below.

	2020	2019
	£'000	£'000
Profit on ordinary activities before tax	120	453
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	23	86
Adjustments to tax charge in respect of previous periods	95	-
Non taxable income	-	(95)
Expenses not deductible for tax purposes	-	(1)
Tax on profit on ordinary activities (note 5a)	118	(10)

Places for People Treasury PLC
Notes to the Financial Statements
For the year ending 31 March 2020

6. DIRECTORS' EMOLUMENTS

The directors emoluments during the year were met by Places for People Group Limited. They do not receive remuneration for their duties as directors of the company.

7. EMPLOYEES

The company had no employees during the year. Administrative services were provided by the Places for People Group at no charge to the company.

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

	2020	2019
	£'000	£'000
Amounts due from related undertakings	1,331,360	1,057,633
Revaluation of foreign currency denominated debt	34,768	13,077
Derivative financial instruments held to manage the interest rate profile and currency risk	58,847	10,726
	<u>1,424,975</u>	<u>1,081,436</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Other debtors and accrued income	21,240	7,466
Amounts due from related undertakings	-	62,213
Corporation tax	-	27
Derivative financial instruments held to manage the interest rate profile and currency risk	11,667	24,278
	<u>32,907</u>	<u>93,984</u>

10. CURRENT ASSET INVESTMENTS

	2020	2019
	£'000	£'000
Bank deposits payable in one year	-	18,829
	<u>-</u>	<u>18,829</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Housing, bank and other loans	1,361	60,901
Derivative financial instruments held to manage the interest rate profile and currency risk	8,773	11,435
Revaluation of foreign currency debt	-	10,623
Interest accruals	17,405	13,345
Corporation tax	18	-
Other creditors and accruals	4	4
Amounts due to related undertakings	23	21,083
Discount on bond issue	(107)	(110)
	27,477	117,281

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£'000	£'000
Public debenture stocks/bonds	400,000	400,000
Housing, bank and other loans	999,242	649,989
Revaluation of foreign currency denominated debt	34,207	(1,218)
Derivative financial instruments held to manage the interest rate profile and currency risk	66,781	27,241
Discount on bond issue	(573)	(679)
Total creditors falling due after more than one year	1,499,657	1,075,333

13. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Places for People Group board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Audit & Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The risk of movement in interest rates is fully mitigated by the company charging the full movement to Places for People Homes Limited.

For each class of interest bearing financial asset and financial liability, the following tables indicate the range of interest rates effective at the statement of financial position date, the carrying amount on the statement of financial position plus expected interest and the periods in which they reprice, if earlier than the maturity date.

The ageing profiles below include the impact of hedging transactions, all of which have cash flow movements in line with the impact in the statement of comprehensive income.

13. FINANCIAL INSTRUMENTS (Continued)

Ageing Profile and Interest Rate Risk of Financial Assets as for the year ending 31 March 2020

	Effective interest rate %	Total amount £'000	Within 1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	Over 5 years £'000
Debtors:								
Fixed rate	3.05%	1,028,277	-	157,868	70,157	440,869	-	359,383
Floating rate	2.83%	258,603	-	-	139,946	32,122	86,535	-
Index linked	3.47%	44,480	-	-	-	-	-	44,480
		1,331,360	-	157,868	210,103	472,991	86,535	403,863
Derivative financial instruments held to manage interest								
		67,971	9,124	9,430	14,270	10,461	9,355	15,331
		1,399,331	9,124	167,298	224,373	483,452	95,890	419,194

All financial assets carry a fixed interest rate unless otherwise shown.

Of the financial assets above £1,331.3m are debt instruments measured at amortised cost. £Nil are financial assets measured at fair value through the statement of comprehensive income.

Comparative figures as at 31 March 2019 were, as follows

	Effective interest rate %	Total amount £'000	Within 1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	Over 5 years £'000
Debtors:								
Fixed rate	2.97%	872,303	62,213	-	-	217,157	3,547	589,386
Floating rate	2.94%	203,937	-	-	-	112,756	24,684	66,497
Index linked	3.69%	43,606	-	-	-	-	-	43,606
		1,119,846	62,213	-	-	329,913	28,231	699,489
Derivative financial instruments held to manage interest								
		35,004	24,278	2,981	2,834	3,834	1,995	(918)
		1,154,850	86,491	2,981	2,834	333,747	30,226	698,571

Trade and other receivables are not included in the above table as they are non-interest bearing and are not subject to interest rate risk.

13. FINANCIAL INSTRUMENTS (Continued)

Ageing Profile and Interest Rate Risk of Financial Liabilities as 31 March 2020

	Effective interest rate %	Total amount £'000	Within 1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	Over 5 years £'000
Public bonds:								
Fixed rate	2.88%	480,500	11,500	11,500	11,500	11,500	11,500	423,000
Other debt:								
Fixed rate	3.20%	735,100	20,617	46,683	92,140	18,235	14,699	542,726
Floating Rate	2.36%	442,695	7,009	105,818	95,709	37,961	196,198	-
Index Linked	3.47%	47,495	335	335	335	335	335	45,820
		1,705,790	39,461	164,336	199,684	68,031	222,732	1,011,546
Derivative financial instruments held to manage interest		73,011	6,230	5,995	30,349	8,223	6,883	15,331
		1,778,801	45,691	170,331	230,033	76,254	229,615	1,026,877

All financial liabilities carry a fixed interest rate unless otherwise shown.

Of the financial liabilities above, £1,185.1m are financial liabilities measured at amortised cost. £214.9m are financial liabilities measured at fair value through the statement of comprehensive income.

Comparative figures as at 31 March 2019 were, as follows

	Effective interest rate %	Total amount £'000	Within 1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	Over 5 years £'000
Public bonds:								
Fixed rate	2.88%	492,000	11,500	11,500	11,500	11,500	11,500	434,500
Other debt:								
Fixed rate	3.72%	554,915	75,971	11,955	11,931	82,087	13,288	359,683
Floating Rate	2.94%	345,201	18,855	11,011	11,053	100,842	42,942	160,498
Index Linked	3.69%	46,606	300	300	300	300	300	45,106
		1,438,722	106,626	34,766	34,784	194,729	68,030	999,787
Derivative financial instruments held to manage interest		38,675	11,435	483	665	15,219	3,230	7,643
		1,477,397	118,061	35,249	35,449	209,948	71,260	1,007,430

Trade and other payables are not included in the above table as they are non-interest bearing and are not subject to interest rate risk.

The fair value of the company's borrowings at 31 March 2020 was £1,516.6m (2019: £1,155.1m) (carrying value £1,507.2m (2019: £1,158.2m)).

The fair value of the company's borrowings has been assessed on the basis of the market price of the retail bonds at 31 March 2020.

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14. SHARE CAPITAL

	2020	2019
	£'000	£'000
Authorised		
Ordinary shares of £1 each	<u><u>50</u></u>	<u><u>50</u></u>
Allotted, issued and fully paid		
Ordinary shares of £1 each	<u><u>50</u></u>	<u><u>50</u></u>

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption

15. RELATED PARTY TRANSACTIONS

The only related party transactions during the year are those with fellow Group subsidiaries as stated in the Strategic Report. The Company has elected to take the exemptions available to it under FRS 102 33.1A.

Places for People Treasury PLC is a wholly owned subsidiary of Places for People Group Limited.

16. EVENTS AFTER THE REPORTING DATE

On 11 March 2020, Covid-19 was declared a global pandemic by the World Health Organisation. The United Kingdom Government announced lockdown measures on 23 March 2020 which has continued past the end of the reporting period.

As a result of the Government imposed lockdown and in order to comply with the social distancing rules, the Places for People Group's development expenditure was suspended with all development sites and sales offices closing on the 25 March 2020. Following confirmation from the Government that development sites could re-open, the Group has recommenced its development activity whilst complying with the latest government guidelines. The Places for People Group's leisure centres and facilities remain closed pending further updates from the Government. This is deemed to be of significance to Places for People Treasury PLC due to its dependency on the Places for People Group to fulfil its obligations under the terms of its loan note.