

Company number: 07623063



Places for People

Places for People Capital Markets PLC

Financial Statements

For the year ending 31 March 2020

CONTENTS

Board of Directors, Executives and Advisers	2
Strategic Report	3
Report of the Board	4
Report of the Independent Auditor	5
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Reserves	10
Notes to the Financial Statements	11

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

Directors	M Cooper D Cowans A Winstanley	(appointed 27 June 2019)
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 (Registered Number 07623063)	

Places for People Capital Markets 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 Homes Limited.

Business review

On 12 January 2012 the company issued a £40 million retail bond. The redemption value of the bond issue will increase in line with the Retail Price Index (RPI) and also attracts interest aligned to the RPI plus 1%. The company subsequently on lent these funds to Places for People Homes Limited, a fellow subsidiary undertaking within the Places for People Group. The company's interest receivable for the year was primarily received from Places for People Homes Limited.

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 Capital Markets 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 all of its proceeds from capital market transactions to Places for People Homes Limited, the main risk facing the company is that it is entirely dependent on Places for People Homes Limited to fulfil its obligation under the terms of its loan note.

Places for People Homes Limited has retained an investor grade credit rating issued by Moody's Investors Service of A3 and as such it is considered that the risk of Places for People Homes Limited failing to meet its obligations under the terms of the loan for monies borrowed from Places for People Capital Markets 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 Capital Markets PLC
Report of the Board
For the year ending 31 March 2020

The Board of Directors is pleased to present its report and financial statements for the year ending 31 March 2020.

Directors

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

Statement of disclosure to the Auditors

At the time of approval 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, and
- 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.

By order of the Board



M Cooper
Director

5 August 2020

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

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

1 Our opinion is unmodified

We have audited the financial statements of Places for People Capital Markets 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 5 May 2011. The period of total uninterrupted engagement is for the 9 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) £50m (2019: £49m)

Refer to page 12 (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 99% 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:

- 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.
- 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 Capital Markets 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 £480k (2019: £22k), determined with reference to a benchmark of gross assets, of which it represents 1% (2019: 0.04%).

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £24k (2019: £1k), 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.

We have nothing to report in these respects.

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 Capital Markets 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.

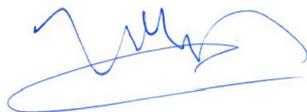
The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations 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 Capital Markets PLC
Statement of Comprehensive Income
For the year ending 31 March 2020

	Notes	2020 £'000	2019 £'000
Operating costs		-	(5)
Loss on ordinary activities before interest		<u>-</u>	<u>(5)</u>
Interest Receivable	2	1,580	2,172
Interest Payable	3	(1,579)	(2,172)
Profit/(loss) on ordinary activities before taxation		<u>1</u>	<u>(5)</u>
Taxation	5	-	1
Profit/(loss) on ordinary activities after taxation		<u><u>1</u></u>	<u><u>(4)</u></u>

The notes on pages 11 to 16 form an integral part of these financial statements.

Places for People Capital Markets 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	49,490	48,401
Current assets			
Debtors: amounts falling due within one year	9	85	83
Cash at bank and in hand		134	132
		219	215
Creditors: amounts falling due within one year	10	(114)	(81)
Net current assets		105	134
Creditors: amounts falling due after more than one year	11	(49,460)	(48,401)
Net assets		135	134
Capital and reserves			
Called up share capital	13	50	50
Profit and loss reserve		85	84
Total capital and reserves		135	134

The financial statements on pages 8 to 16 were approved by the directors on 5 August 2020 and signed on its behalf by:



M Cooper
Director

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

	Total reserves £'000
Balance at 1 April 2019	84
Profit for the year	1
Balance at 31 March 2020	85

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 Capital Markets 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.

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

1. ACCOUNTING POLICIES (Continued)

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

2. INTEREST RECEIVABLE	2020	2019
	£'000	£'000
Interest receivable from related undertakings	1,579	2,172
Other interest receivable	1	-
	<u>1,580</u>	<u>2,172</u>

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

3. INTEREST PAYABLE	2020	2019
	£'000	£'000
Interest on bank loans and overdrafts	<u>1,579</u>	<u>2,172</u>

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

4. AUDITORS REMUNERATION

Auditors remuneration charged in the year was £12,000 (2019: £8,000), this cost was met by Places for People Homes Limited as the primary business activity of the company is the raising of finance for Places for People Homes Limited.

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	2020	2019
	£'000	£'000
(a) Analysis of charge in period		
Current tax		
Group relief	-	(1)
Tax on profit/(loss) on ordinary activities	<u>-</u>	<u>(1)</u>

(b) Factors affecting the tax charge for the period

The tax assessed is the same as the standard rate of corporation tax in the UK of 19%

	2020	2019
	£'000	£'000
Profit/(loss) on ordinary activities before tax	<u>1</u>	<u>(5)</u>
Profit/(loss) on ordinary activities before tax multiplied by the standard rate of corporation tax of 19% (2019: 19%)	<u>-</u>	<u>(1)</u>
	<u>-</u>	<u>(1)</u>

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 undertaking	<u>49,490</u>	<u>48,401</u>

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

9. DEBTORS: amounts falling due within one year

	2020	2019
	£'000	£'000
Amounts due from related undertaking	83	81
Corporation tax	2	2
	85	83

10. CREDITORS: amounts falling due within one year

	2020	2019
	£'000	£'000
Interest accruals	113	80
Other creditors and accruals	1	1
	114	81

11. CREDITORS: amounts falling due after one year

	2020	2019
	£'000	£'000
Retail bonds	49,460	48,401

12. 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 Group Audit & Risk Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Company. The Group Audit & Risk Committee is assisted in its oversight role by Business Assurance. Business Assurance undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit & Risk Committee.

The Group's Treasury function is responsible for the management of the funds and control of the associated risks. Its activities are governed in accordance with Board approved policy and are subject to regular audit.

Interest Rate Risk of Financial Instruments

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 balance sheet date, the carrying amount on the balance sheet plus expected interest and the periods in which they reprice, if earlier than the maturity date.

12. FINANCIAL INSTRUMENTS (Continued)

Interest Rate Risk of Financial Assets as at 31 March 2020

	Effective interest rate	Total amount	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Debtors:	%	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Index-linked	3.66%	49,490	-	49,490	-	-	-	-

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

Comparative figures as at 31 March 2019 were, as follows

	Effective interest rate	Total amount	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Debtors:	%	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Index-linked	3.69%	48,401	-	-	48,401	-	-	-

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.

Interest Rate Risk of Financial Liabilities as at 31 March 2020

	Effective interest rate	Total amount	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Creditors:	%	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Index-linked	3.69%	50,215	490	49,725	-	-	-	-

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

Comparative figures as at 31 March 2019 were, as follows

	Effective interest rate	Total amount	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Creditors:	%	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Index-linked	3.69%	49,601	400	400	48,801	-	-	-

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.

Fair values of financial liabilities

The fair value of the company's borrowings at 31 March 2020 was £49.9m (carrying value £49.5m). The fair value of the company's borrowings at 31 March 2019 was £48.9m (carrying value £48.4m).

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.

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

13. SHARE CAPITAL

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

Ordinary Shares - 50,000 ordinary shares with a nominal value of £1 are held by Places for People Group Limited, the shares have attached to them full voting rights and dividend. The participation of ordinary shares is proportion to the amount of shares of any class held.

14. RELATED PARTY TRANSACTIONS

The only related party transactions during the year are those with the company's fellow Group subsidiary undertaking Places for People Homes Limited 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 Capital Markets PLC is a wholly owned subsidiary of Places for People Group Limited.

15. 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, Places for People Homes Limited'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 Association has recommenced its development activity whilst complying with the latest government guidelines. This is deemed to be of significance to Places for People Capital Markets PLC due to its dependency on Places for People Homes Limited to fulfil its obligations under the terms of its loan note.