

Company number: 07623063



Places for People

Places for People Capital Markets PLC

Financial Statements

For the year ending 31 March 2019

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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 2019

| | | |
|--------------------------------|--|--------------------------|
| 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 2019

The Board of Directors have pleasure in submitting their Strategic Report and audited financial statements for the year ending 31 March 2019.

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 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.

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 Baa1 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

Places for People Capital Markets PLC
Report of the Board
For the year ending 31 March 2019

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

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 Director's responsibilities in respect of the Director's report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company 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 company'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

Places for People Capital Markets PLC
Report of the Independent Auditor
For the year ending 31 March 2019

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 2019 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 2019 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 8 financial years ended 31 March 2019. 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 2018), 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 Long Term Debtors

Long Term Debtors (amounts falling due in more than one year) £48.4m (2018: £46.7m)

Refer to page 11 (accounting policy) and page 12 (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 intercompany debtors which relate to the loans provided to other entities in the Group.

The carrying amount of the long term intercompany debtor balance represents 99.6% 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 are small amounts of financial income and financial expense during the loan period, the risk mainly stems from the expectation of the ability of the Group entities to repay the loan.

Our response

Our procedures included:

- i. **Tests of detail:** Assessing 100% of intercompany long term debtors owed by other entities in the Group (2018: 100%) to identify, with reference to the other entities financial draft balance sheet, whether they have a positive net asset value and therefore coverage of the debt owed.
- 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. This included assessment of the fair value headroom available on those net assets, and therefore the ability of the other entities to fund repayment of the receivable.

Places for People Capital Markets PLC
Report of the Independent Auditor
For the year ending 31 March 2019

Our results

We found the Company's assessment of the recoverability of the long term debtor balance to be acceptable (2018 result: acceptable).

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

Places for People Capital Markets Plc is part of a Group headed by Places for People Group Limited. Materiality of £0.02m (2018: £0.02m), as communicated by the Group audit team, has been applied to the audit of the Company.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.001m, 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 all performed at the Company's head office in Preston.

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, including the impact of Brexit, 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 Capital Markets PLC
Report of the Independent Auditor
For the year ending 31 March 2019

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.

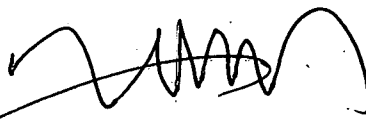
We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related 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

19 July 2019

Places for People Capital Markets PLC
Statement of Comprehensive Income
For the year ending 31 March 2019

| | Notes | 2019 £'000 | 2018 £'000 |
|--|-------|---------------|---------------|
| Operating costs | | (5) | (9) |
| Loss on ordinary activities before taxation | | (5) | (9) |
| Interest Receivable | 2 | 2,172 | 2,201 |
| Interest Payable | 3 | (2,172) | (2,201) |
| Taxation | 5 | 1 | 2 |
| Loss on ordinary activities after taxation | | (4) | (7) |

The notes on pages 11 to 15 form an integral part of these financial statements.

Places for People Capital Markets PLC
Statement of Financial Position
For the year ending 31 March 2019

| | Notes | 2019 £'000 | 2018 £'000 |
|--|-------|-------------------|-------------------|
| Non current assets | | | |
| Debtors: amounts falling due after more than one year | 8 | 48,401 | 46,718 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 9 | 83 | 68 |
| Cash at bank and in hand | | 132 | 137 |
| | | <u>215</u> | <u>205</u> |
| Creditors: amounts falling due within one year | 10 | <u>(81)</u> | <u>(67)</u> |
| Net current assets | | <u>134</u> | <u>138</u> |
| Creditors: amounts falling due after more than one year | 11 | <u>(48,401)</u> | <u>(46,718)</u> |
| Net assets | | <u><u>134</u></u> | <u><u>138</u></u> |
| Capital and reserves | | | |
| Called up share capital | 13 | 50 | 50 |
| Profit and loss reserve | | 84 | 88 |
| Total capital and reserves | | <u><u>134</u></u> | <u><u>138</u></u> |

The financial statements on pages 8 to 15 were approved by the directors on 18 JULY 2019 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 2019

| | Profit and loss reserve £'000 | Total reserves £'000 |
|---------------------------------|--|-------------------------------------|
| Balance at 1 April 2018 | 88 | 88 |
| Loss for the year | (4) | (4) |
| Balance at 31 March 2019 | 84 | 84 |

Places for People Capital Markets PLC
Notes to the Financial Statements
For the year ending 31 March 2019

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.

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

Going Concern

After making enquiries, the board has reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Company is dependent for its working capital on funds provided to it by Places for People Group Limited the parent company. Places for People Group Limited has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. The Directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. For this reason they continue to adopt the going concern basis in preparing the Group financial statements.

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

| | 2019 | 2018 |
|---------------------|--------------|--------------|
| | £'000 | £'000 |
| Interest receivable | 2,172 | 2,201 |

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

Places for People Capital Markets PLC
Notes to the Financial Statements
For the year ending 31 March 2019

| | | |
|---------------------------------------|---------------------|---------------------|
| 3. INTEREST PAYABLE | 2019 | 2018 |
| | £'000 | £'000 |
| Interest on bank loans and overdrafts | <u>2,172</u> | <u>2,201</u> |

All interest payable relates to financial liabilities not held at fair value through statement of comprehensive income.

| | | |
|---|-----------------|-----------------|
| 4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | 2019 | 2018 |
| | £'000 | £'000 |
| Loss on ordinary activities before taxation is stated after charging: | | |
| Auditors remuneration | <u>8</u> | <u>8</u> |

| | | |
|--|-------------------|-------------------|
| 5. TAX ON LOSS ON ORDINARY ACTIVITIES | 2019 | 2018 |
| | £'000 | £'000 |
| (a) Analysis of charge in period | | |
| Current tax | | |
| Group relief | <u>(1)</u> | <u>(2)</u> |
| Tax on loss on ordinary activities | <u>(1)</u> | <u>(2)</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%.

| | | |
|--|-------------------|-------------------|
| | 2019 | 2018 |
| | £'000 | £'000 |
| Loss on ordinary activities before tax | <u>(5)</u> | <u>(9)</u> |
| Loss on ordinary activities before tax multiplied by the standard rate of corporation tax of 19% (2018: 19%) | <u>(1)</u> | <u>(2)</u> |
| | <u>(1)</u> | <u>(2)</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

| | | |
|--------------------------------------|----------------------|----------------------|
| | 2019 | 2018 |
| | £'000 | £'000 |
| Amounts due from related undertaking | <u>48,401</u> | <u>46,718</u> |

Places for People Capital Markets PLC
Notes to the Financial Statements
For the year ending 31 March 2019

9. DEBTORS: amounts falling due within one year

| | 2019 £'000 | 2018 £'000 |
|--------------------------------------|---------------|---------------|
| Amounts due from related undertaking | 81 | 66 |
| Corporation tax | 2 | 2 |
| | <u>83</u> | <u>68</u> |

10. CREDITORS: amounts falling due within one year

| | 2019 £'000 | 2018 £'000 |
|------------------------------|---------------|---------------|
| Interest accruals | 80 | 65 |
| Other creditors and accruals | 1 | 2 |
| | <u>81</u> | <u>67</u> |

11. CREDITORS: amounts falling due after one year

| | 2019 £'000 | 2018 £'000 |
|--------------|---------------|---------------|
| Retail bonds | <u>48,401</u> | <u>46,718</u> |

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.

Places for People Capital Markets PLC
Notes to the Financial Statements
For the year ending 31 March 2019

12. FINANCIAL INSTRUMENTS (Continued)

Interest Rate Risk of Financial Assets as at 31 March 2019

| | 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 | - | - | - |

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

Comparative figures as at 31 March 2018 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 | 3.77% | 46,718 | - | - | - | 46,718 | - | - |

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 2019

| | 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 | - | - | - |

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

Comparative figures as at 31 March 2018 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 | 3.77% | 48,489 | 462 | 462 | 462 | 47,103 | - | - |

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 2019 was £48.9m (carrying value £48.4m). The fair value of the company's borrowings at 31 March 2018 was £47.8m (carrying value £46.7m).

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 2019.

Places for People Capital Markets PLC
Notes to the Financial Statements
For the year ending 31 March 2019

13. SHARE CAPITAL

| | 2019 | 2018 |
|--|------------------|-----------|
| | £'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.