PROSPECTUS DATED 28 NOVEMBER 2016

PLACES FOR PEOPLE FINANCE PLC

UNCONDITIONALLY AND IRREVOCABLY GUARANTEED BY PFPL (HOLDINGS) LIMITED, PLACES FOR PEOPLE VENTURES OPERATIONS LIMITED, RESIDENTIAL MANAGEMENT GROUP LIMITED, TOUCHSTONE CORPORATE PROPERTY SERVICES LIMITED AND ZERO C HOLDINGS LIMITED

FIXED INTEREST RATE OF 4.25 PER CENT. PER ANNUM

MATURITY DATE OF 15 DECEMBER 2023

LEAD MANAGER

INVESTEC BANK PLC

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS. YOU SHOULD HAVE REGARD TO THE FACTORS DESCRIBED IN SECTION 2 (*RISK FACTORS*) OF THIS PROSPECTUS. YOU SHOULD ALSO READ CAREFULLY SECTION 12 (*IMPORTANT LEGAL INFORMATION*).

IMPORTANT NOTICES

Use of defined terms in this Prospectus

Certain terms or phrases in this Prospectus are defined in bold and subsequent references to that term are designated with initial capital letters. The locations in this Prospectus where these terms are first defined are set out in Appendix 1 of this Prospectus.

About this document

This document (the **Prospectus**) has been prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the **FCA**) and relates to the offer by Places for People Finance plc of its sterling denominated 4.25 per cent. guaranteed bonds due 2023 (the **Bonds**) at 100 per cent. of their principal amount. Places for People Finance plc's payment obligations under the Bonds are irrevocably and unconditionally guaranteed (the **Guarantee**), on a joint and several basis, by PFPL (Holdings) Limited (**PFPL**), Places for People Ventures Operations Limited (**PfP Operations**), Residential Management Group Limited (**RMG**), Touchstone Corporate Property Services Limited (**Touchstone**) and Zero C Holdings Limited (**Zero C** and, together with PFPL, PfP Operations, RMG and Touchstone, the **Guarantors** and each a **Guarantor**). References herein to the **Obligors** shall be to the Issuer and the Guarantors. The Bonds are transferable, unsecured debt instruments and are to be issued by Places for People Finance plc on 15 December 2016 (the **Issue Date**). The principal amount of each Bond (being the amount which is used to calculate payments made on each Bond) is £100. The aggregate principal amount of the Bonds to be issued will be specified in the Sizing Announcement published by the Issuer via a Regulatory Information Service.

This Prospectus contains important information about the Obligors, the Group, the Operations Group (each as defined below), the terms of the Bonds, the terms of the Guarantee and details of how to apply for the Bonds. This Prospectus also describes the risks relevant to the Obligors and their respective businesses, and risks relating to an investment in the Bonds generally. You should read and understand fully the contents of this Prospectus before making any investment decisions relating to the Bonds.

The Obligors are responsible for the information contained in this Prospectus

Each Obligor accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Obligors (each having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

In this Prospectus, references to the **Issuer** are to Places for People Finance plc, which is the issuer of the Bonds. References to the **Guarantors** are to PFPL (Holdings) Limited, Places for People Ventures Operations Limited, Residential Management Group Limited, Touchstone Corporate Property Services Limited and Zero C Holdings Limited, which are the guarantors of the Bonds. All references to the **Group** are to Places for People Group Limited (the **Group Parent**) and its subsidiaries taken as a whole. All references to the **Operations Group** are to Places for People Ventures Operations Limited, and its subsidiaries taken as a whole. See Section 6 (*Description of the Group and the Operations Group*) for further details of the Group and the Operations Group. See Section 7 (*Description of the Issuer*) for further details of the Issuer. See Section 8 (*Description of the Guarantors*) for further details of the Guarantors.

Neither the Issuer nor the Guarantors have been assigned a credit rating by any independent credit rating agency and, accordingly, the Bonds have not been assigned a credit rating by any independent credit rating agency.

The Bonds are not protected by the Financial Services Compensation Scheme

The Bonds are not protected by the Financial Services Compensation Scheme (the **FSCS**). As a result, neither the FSCS nor anyone else will pay compensation to you upon the failure of the Issuer and the Guarantors. If the Issuer or the Guarantors as a whole go out of business or become insolvent, you may lose all or part of your investment in the Bonds.

How to apply

Applications to purchase Bonds cannot be made directly to the Obligors or any other member of the Group. Bonds will be issued to you in accordance with the arrangements in place between you and your stockbroker or other financial intermediary, including as to the application process, allocations, payment and delivery arrangements. You should approach your stockbroker or other financial intermediary to discuss any application arrangements that may be available to you.

After the closing time and date of the offer period which is expected to be 12.00 (noon) (London time) on 12 December 2016 or such earlier time and date as may be agreed between the Obligors and Investec Bank Plc (the **Lead Manager**) and announced via a Regulatory Information Service (expected to be the Regulatory News Service (**RNS**) operated by the London Stock Exchange plc), no Bonds will be offered for sale (a) by or on behalf of the Obligors or (b) by any of the Authorised Offerors, except with the permission of the Obligors.

See Section 4 (*How to apply for the Bonds*) for more information.

Queries relating to this Prospectus and the Bonds

If you have any questions regarding the content of this Prospectus and/or the Bonds or the actions you should take, you should seek advice from your financial adviser or other professional adviser before deciding to invest.

How do I use this Prospectus?

You should read and understand fully the contents of this Prospectus before making any investment decision in respect of any Bonds. This Prospectus contains important information about the Obligors, the Group, the Operations Group, the terms of the Bonds, as well as describing certain risks relating to the Obligors and their businesses and also other risks relating to an investment in the Bonds generally. An overview of the various sections comprising this Prospectus is set out below.

Section 1 (*Summary*) sets out in tabular format standard information which is arranged under standard headings and which the Obligors are required, for legal and regulatory reasons, to include in a prospectus summary for a prospectus of this type.

Section 2 (*Risk Factors*) describes the principal risks and uncertainties which may affect the ability of the Issuer and the Guarantors to fulfil their respective obligations under the Bonds and/or the Guarantee, as well as the risks relating to the Bonds and other risks including those relating to taxation and to the market generally.

Section 3 (*Information about the Bonds*) provides an overview of the Bonds in order to assist the reader.

Section 4 (*How to apply for the Bonds*) provides certain information about how to apply for the Bonds and how the Bonds are allocated.

Section 5 (*Taxation*) provides a brief outline of certain taxation implications and considerations which may be relevant to the Bonds.

Section 6 (*Description of the Group and the Operations Group*) provides certain information about the Group and the Operations Group and the nature of their respective businesses.

Section 7 (*Description of the Issuer*) provides certain information about the Issuer and the nature of its business.

Section 8 (*Description of the Guarantors*) provides certain information about the Guarantors and the nature of their respective businesses.

Section 9 (*Selected Financial Information*) sets out important historical financial information relating to the Guarantors.

Section 10 (*Subscription and Sale*) contains a description of the material provisions of the Subscription Agreement.

Section 11 (*Additional Information*) contains some additional information.

Section 12 (*Important Legal Information*) contains some important legal information regarding the basis on which this Prospectus may be used.

Appendix 1 (*Defined Terms Index*) is set out on page 110.

Appendix 2 (*Terms and Conditions of the Bonds*) sets out the terms and conditions which apply to the Bonds.

Appendix 3 (*Summary of Provisions Relating to the Bonds While in Global Form in the Clearing Systems*) provides a summary of certain terms of the Global Certificate which apply to the Bonds while they are held in global form by the clearing systems, some of which include minor and/or technical modifications to the Terms and Conditions of the Bonds as set out in this Prospectus.

Appendix 4 (*Financial Information*) sets out financial information in relation to the Guarantors.

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Appendix

1. SUMMARY

SUMMARY

The following is a summary of information relating to the Obligors and the Bonds.

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities, issuer and guarantor. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities, issuer and guarantor, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

<table>
<tr><th colspan="2">SECTION A – INTRODUCTIONS AND WARNINGS</th></tr>
<tr><td>A.1</td><td>This summary must be read as an introduction to this Prospectus. Any decision to invest in the Bonds should be based on consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the claimant investor might, under the national legislation of the EU Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.</td></tr>
<tr><td>A.2</td><td>Each of the Obligors consents to the use of this Prospectus in connection with any Public Offer of Bonds in the UK during the period commencing from, and including, 28 November 2016 until 12.00 (noon) (London time) on 12 December 2016 or such earlier time and date as may be agreed between the Obligors and Investec Bank plc (the Lead Manager) and announced via a Regulatory Information Service (the Offer Period) by:

(i) the Lead Manager; and

(ii) any financial intermediary (an Authorised Offeror) which satisfies the Authorised Offeror Terms and other conditions as set out below.

What are the Authorised Offeror Terms?

The Authorised Offeror Terms include, without limitation, that the relevant financial intermediary represents and agrees that it:

(a) is authorised to make such offers;

(b) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the Rules);

(c) ensures that any fee received or paid by it in relation to the Bonds does not violate the Rules and is disclosed;

(d) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Bonds under the Rules;</td></tr>
</table>

(e) complies with and takes appropriate steps in relation to applicable anti-money laundering, anti-bribery and "know your client" Rules, and does not permit any application for Bonds where it has any suspicions as to the source of the application funds;

(f) retains investor identification records as required under the Rules, and shall, if requested and permitted by the Rules, make such records available to the Lead Manager, the Obligors or the appropriate authorities;

(g) does not cause the Obligors or the Lead Manager to breach any Rule or subject the Obligors or the Lead Manager to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;

(h) agrees and indemnifies each of the Obligors and the Lead Manager against any losses, liabilities, costs, claims, charges, expenses, actions or demands which any of them may incur or which may be made against any of them arising in relation to any breach of any of the above agreements, representations or undertakings by such financial intermediary;

(i) will immediately give notice to the Obligors and the Lead Manager if it becomes aware or suspects that they are or may be in violation of any Rules or the Authorised Offeror Terms, and will take all appropriate steps to remedy such violation;

(j) will not give any information other than that contained in this document (as amended or supplemented) or the information booklet prepared by the Obligors and the Lead Manager or make any representation in connection with the offering or sale of, or the solicitation of interest in, the Bonds;

(k) agrees that any communication in which it attaches or includes the Prospectus or the information booklet or any announcement published by the Issuer via a Regulatory Information Service at the end of the Offer Period will be consistent with the Prospectus, and must be fair, clear and not misleading and in compliance with the Rules and must state that such Authorised Offeror has provided it independently from the Obligors and must expressly confirm that none of the Obligors accepts any responsibility for content of any such communication;

(l) will not use the names of the Lead Manager, the Obligors (other than to describe such entity as the Lead Manager, the Issuer or the Guarantors of the Bonds (as applicable)) or any other name, brand or logo registered by an Obligor or any of its subsidiaries in any statements, marketing material or documentation in relation to the Bonds; and

(m) agrees and accepts that:

  (i) the contract between the Obligors and the financial intermediary (the **Authorised Offeror Agreement**) shall be governed by English law;

  (ii) the courts of England will have exclusive jurisdiction to settle any disputes which may arise out of the Authorised Offeror Agreement; and

  (iii) the Lead Manager will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Agreement which are, or are expressed to be, for its benefit.

	Any financial intermediary who wishes to use this Prospectus in connection with a Public Offer as set out above is required, for the duration of the Offer Period, to publish on its website that it is using this Prospectus for such Public Offer in accordance with the consent of the Obligors and the conditions attached thereto in the following form (with the information in square brackets completed with the relevant information): "We, [*insert legal name of financial intermediary*], refer to the 4.25 per cent. sterling denominated guaranteed Bonds due 2023 of Places for People Finance plc. In consideration of Places for People Finance plc, PFPL (Holdings) Limited, Places for People Ventures Operations Limited, Residential Management Group Limited, Touchstone Corporate Property Services Limited and Zero C Holdings Limited offering to grant its consent to our use of the Prospectus dated 28 November 2016 relating to the Bonds in connection with the offer of the Bonds in the UK (the **Public Offer**) during the Offer Period and subject to the other conditions to such consent, each as specified in the Prospectus, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Prospectus) and we are using the Prospectus in connection with the Public Offer accordingly". **If you intend to acquire or do acquire any Bonds from an Authorised Offeror, you will do so, and offers and sales of the Bonds to you by such an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you including as to price, allocations and settlement arrangements at the time the offer and sale is made.**

SECTION B – THE ISSUER AND THE GUARANTORS		
B.1 **(B.19)**	**Legal and commercial name.**	The Issuer's legal and commercial name is Places for People Finance plc. PFPL's legal and commercial name is PFPL (Holdings) Limited. PfP Operations' legal and commercial name is Places for People Ventures Operations Limited. RMG's legal and commercial name is Residential Management Group Limited. Touchstone's legal and commercial name is Touchstone Corporate Property Services Limited. Zero C's legal and commercial name is Zero C Holdings Limited.
B.2 **(B.19)**	**The domicile and legal form of the issuer and the guarantor, the legislation under which they operate and their respective countries of incorporation.**	The Issuer is a public limited company incorporated and registered in England and Wales under the Companies Act 2006 on 28 October 2016 with registered number 10451754. PFPL is a private limited company incorporated and registered in England and Wales under the Companies Act 1985 on 14 July 2003 with registered number 04832063. PfP Operations is a private limited company incorporated and registered in England and Wales under the Companies Act 2006 on 21 October 2013 with registered number 08740397. RMG is a private limited company incorporated and registered in England and Wales under the Companies Act 1948 on 21 August 1980 with registered number 01513643. Touchstone is a private limited company incorporated and registered in England and Wales under the Companies Act 1985 on 12 March 2003 with registered number 04695692. Zero C is a private limited company incorporated and registered in England and Wales under the Companies Act 2006 on 20 March 2008 with registered number 06540829.
B.4b **(B.19)**	**A description of any known trends affecting the issuer and the guarantor and the industries in which they operate.**	There are no known trends affecting the Issuer and the industry in which it operates. PFPL: The UK leisure management industry in which PFPL operates is becoming increasingly price driven and dependent on performance. PFPL operates within the mid-market of the sector which has seen an increasing number of entrants from budget operators.

		PfP Operations: The trends that PfP Operations is experiencing in its activity are varied, which reflects the range of businesses that it owns and invests in, namely the retirement, leisure, management, housebuilding and development sectors. These trends therefore include, without limitation, an increasing demand from a large section of the population that is approaching retirement and is in need of bespoke, quality accommodation; a robust housing market with plentiful demand and weak supply; and high levels of competition from budget operators in the face of local authority customers who are looking to cut costs. RMG: The UK residential property management sector in which RMG operates is becoming increasingly regulated, involving greater concentration on issues from safeguarding client monies to data protection, creating a more time consuming and process driven operation. RMG's public sector customers are (as is the case with PFPL) looking to reduce costs due to pressures on their own budgets. Touchstone: Touchstone operates in the UK market rent and tenancy management sector which has seen an increase in the number of competitors. This is due to the continued focus on the private rented sector, particularly at a political level. Touchstone is concentrating on the quality of its products as new competitors will seek to under-bid on contracts to secure a footing in the market. The industry in which Touchstone operates has seen a greater focus on data-driven product and customer service. Touchstone, helped by its refreshed brand identity, is developing current relationships and partnerships with major developers and asset managers, including on key sites in London, and is providing management expertise to the wider Group. Zero C: Zero C operates in the UK housebuilding sector which has benefited from a resilient housing market helped by a well-documented supply shortage, continued availability of low-cost mortgages and a land market that remains positive.
B.5 **(B.19)**	**If the issuer or the guarantor is part of a group, a description of the group and their position within the group**	The Issuer is a special purpose company established to raise money for use by the Operations Group. The Issuer is a direct wholly-owned subsidiary of Places for People Group Limited (the **Group Parent**). The Guarantors (other than Zero C and PfP Operations) are each direct wholly-owned subsidiaries of PfP Operations. Zero C is a direct wholly-owned subsidiary of Zero C Group (2008) Limited) which is itself a direct wholly-owned subsidiary of PfP Operations. PfP Operations is a direct wholly-owned subsidiary of Places for People Ventures Limited. The Guarantors are each indirect wholly-owned

		subsidiaries of the Group Parent.
B.9 **(B.19)**	**Where a profit forecast or estimate is made, state the figure.**	Not applicable; there are no profit forecasts or estimates made in the Prospectus.
B.10 **(B.19)**	**A description of the nature of any qualifications in the audit report on the historical financial information.**	Not applicable; as at the date of this Prospectus no financial statements have been prepared in respect of the Issuer and the audit reports on the Guarantors' audited financial statements for the financial years ended 31 March 2015 and 31 March 2016 do not include any qualifications.
B.12 **(B.19)**	**Selected historical key financial information regarding the issuer and the guarantor, presented for each financial year of the period covered by the historical financial information, and any subsequent interim financial period accompanied by comparative data from the same period in the prior financial year except that the requirement for comparative balance sheet information is satisfied by presenting the year-end balance sheet information.**	As at the date of this Prospectus no financial statements have been prepared in respect of the Issuer. There has been no significant change in the financial or trading position of the Issuer, and no material adverse change in the prospects of the Issuer, in each case, since the date of its incorporation. There has been no significant change in the financial or trading position of the Guarantors since 30 September 2016, and no material adverse change in the prospects of the Guarantors since 31 March 2016. The following summary financial data as of, and for each of the financial years ended, 31 March 2015 and 31 March 2016, and as of, and for each of the six month periods ended 30 September 2015 and 30 September 2016, has been extracted, without any adjustment, from PFPL's consolidated financial statements in respect of those dates and periods.

PFPL (Holdings) Limited
Consolidated Statement of Comprehensive Income
For the financial years ended 31 March 2015 and 31 March 2016

	2016 £000	2015 £000
Turnover	130,692	117,311
Cost of sales	(105,217)	(92,361)
Gross profit	**25,475**	**24,950**
Administrative expenses	(18,515)	(16,421)
Operating profit	**6,960**	**8,529**
Interest receivable and similar income	3	91
Interest payable and similar charges	(239)	(144)
Profit on ordinary activities before taxation	**6,724**	**8,476**
Tax on profit on ordinary activities	(1,541)	(1,739)
Profit for the financial year	**5,183**	**6,737**
Other recognised gains and losses	91	(427)
Total recognised gains losses relating to the year	**5,274**	**6,310**

PFPL (Holdings) Limited

Consolidated Statement of Financial Position
For the financial years 31 March 2015 and 31 March 2016

	2016 £000	2015 (restated) £000
Fixed assets		
Tangible assets	18,502	16,170
	18,502	16,170
Current assets		
Stocks	720	759
Debtors	10,665	10,961
Cash at bank	4,293	2,753
	15,678	14,473
Creditors: amounts falling due within one year	(9,949)	(9,109)
Net current assets	5,729	5,364
Total assets less current liabilities	24,231	21,534
Creditors: amounts falling due after more than one year	(4,134)	(7,948)
Provisions for liabilities and changes	(580)	-
Accruals and deferred income	(10,508)	(9,583)
Net assets excluding pension liability	9,009	4,003
Defined benefit pension scheme liability	(431)	(699)
Net assets	**8,578**	**3,304**
Capital and reserves		
Called up share capital	250	250
Share premium account	247	247
Profit and loss account	8,081	2,807
Shareholders' funds	**8,578**	**3,304**

PFPL (Holdings) Limited

Consolidated Profit and Loss Statement

For the six month periods ended 30 September 2015 and 30 September 2016

	30-Sep-16 £'000	30-Sep-15 £'000
Total income	67,306	64,366
Total costs	(64,827)	(61,216)
Profit/(loss) before interest	2,479	3,150
Interest receivable	39	1
Interest payable	(74)	(123)
Profit/(loss) before tax	**2,444**	**3,028**

PFPL (Holdings) Limited

Consolidated Balance Sheet

For the six month periods ended 30 September 2015 and 30 September 2016

	30-Sep-16 £'000	30-Sep-15 £'000
Fixed assets		
Goodwill	0	0
Tangible fixed assets	18,941	17,890
Investments	0	0
Total fixed assets	**18,941**	**17,890**
Current assets		

Stock	753	741
Debtors < within 1 year	10,064	11,068
Cash at bank & in hand	1,193	2,605
Total current assets	**12,010**	**14,414**
Current liabilities	(15,043)	(14,394)
Net Current Assets	**(3,033)**	**20**
Total Assets less Current Liabilities	**15,908**	**17,910**
Non-current liabilities		
Amounts falling due after more than one year	**5,452**	**12,206**
Equity		
Share Capital	497	497
Revenue Reserves	9,959	5,207
	10,456	**5,704**
Total non-current liabilities & equity	**15,908**	**17,910**

The following summary financial data as of, and for each of the period ended, 31 March 2015 and the financial year ended 31 March 2016, and as of, and for each of the six month periods ended 30 September 2015 and 30 September 2016, has been extracted, without any adjustment, from PfP Operations' financial statements in respect of those dates and periods.

Places for People Ventures Operations Limited
Statement of Comprehensive Income
For the period ended 31 March 2015 and the financial year ended 31 March 2016

	2016	**2015**
	£'000	**£'000**
Operating costs	(3,417)	(200)
Operating loss	(3,417)	(200)
Interest receivable and similar income	9,423	1,082
Interest payable and similar charge	(67)	(316)
Profit on ordinary activities before taxation	**5,939**	**566**
Taxation	(612)	(119)
Profit on ordinary activities after taxation	**5,327**	**447**

Places for People Ventures Operations Limited
Statement of Financial Position
For the period ended 31 March 2015 and the financial year ended 31 March 2016

	2016	**2015**
	£'000	**£000**
Fixed assets		
Investments	205,178	144,350
Current assets		
Debtors	2,271	221
Cash at bank and in hand	615	-
	2,886	221
Creditors – amounts falling due within one year	(290)	(360)
Net current assets/ (liabilities)	2,596	(139)

Total assets less current liabilities	**207,774**	**144,211**
Creditors – amounts falling due within one year	2,000	-
Capital and reserves		
Called up share capital	200,000	143,764
Revenue reserves	5,774	447
Total capital and reserves	**205,774**	**144,211**
	207,774	144,211

Places for People Ventures Operations Limited
Profit and Loss Statement
For the six month periods ended 30 September 2015 and 30 September 2016

	30-Sep-16 £'000	30-Sep-15 £'000
Total income	0	0
Total costs	(1,464)	(336)
Profit/(loss) before interest	**(1,464)**	**(336)**
Dividends receivable	3,000	0
Interest receivable	4,371	2,512
Interest payable	(94)	(22)
Profit/(loss) before tax	**5,813**	**2,154**

Places for People Ventures Operations Limited
Balance Sheet
For the six month periods ended 30 September 2015 and 30 September 2016

	30-Sep-16 £'000	30-Sep-15 £'000
Fixed assets		
Investments	219,860	148,532
Total fixed assets	**219,860**	**148,532**
Current assets		
Stock	0	0
Debtors < within 1 year	2,796	2,661
Cash at bank & in hand	770	1,026
Total current assets	**3,566**	**3,687**
Current liabilities		
Accruals	0	0
Other Current Liabilities	(1,232)	(1,771)
Net Current Assets	**2,334**	**1,916**
Total Assets less Current Liabilities	**222,194**	**150,448**
Non-current liabilities		
Amounts falling due after more than one year	**10,550**	**2,600**
Equity		
Share Capital	200,000	145,264
Revenue Reserves	11,644	2,584
	211,644	**147,848**
Total non-current liabilities & equity	**222,194**	**150,448**

The following summary financial data as of, and for each of the financial years ended, 31 March 2015 and 31 March 2016, and as of, and for each of the six month periods ended 30 September 2015 and 30 September 2016, has been extracted, without any adjustment, from RMG's consolidated financial statements in respect of those dates and periods.

Residential Management Group Limited

Consolidated Statement of Comprehensive Income

For the financial years ended 31 March 2015 and 31 March 2016

	2016 £'000	2015 £000 (restated)
Turnover	31,870	29,764
Cost of sales	(9,103)	(8,962)
Gross profit	22,767	20,802
Operating costs	(19,048)	(17,052)
Operating profit before Interest	3,719	3,750
Interest receivable and similar income (net)	65	70
Profit on ordinary activities before taxation	3,784	3,820
Tax (charge) / credit on surplus on ordinary activities	(804)	204
Profit for the year	**2,980**	**4,024**
Other comprehensive income:		
Actuarial gains / (losses) recognised in the pension scheme	357	(387)
Deferred tax arising on the (gain) / loss in the pension scheme	(78)	61
Total comprehensive income for the year	**3,259**	**3,698**

Residential Management Group Limited

Consolidated Statement of Financial Position

For the financial years ended 31 March 2015 and 31 March 2016

	2016 £'000	2015 £000 (restated)
Fixed assets		
Intangible assets	629	-
Tangible assets	2,648	1,672
Investments	3	5
	3,280	1,677
Current assets		
Debtors: due within one year	5,749	7,428
Cash at bank and in hand	1,229	1,324
	6,978	8,752
Creditors: Amounts falling due within one year	(4,296)	(4,755)
Net current assets	2,662	3,997
Total assets less current liabilities	5,962	5,674
Provisions for liabilities	(496)	(553)
Net assets excluding pension surplus / (deficit)	5,466	5,121
Pension surplus I (deficit)	293	(121)
Net assets including pension surplus / (deficit)	**5,759**	**5,000**
Capital and reserves		
Called-up share capital	2,501	2,501
Profit and loss account	3,258	2,499
Shareholders' funds	**5,759**	**5,000**

Residential Management Group Limited

Consolidated Profit and Loss Statement

For the six month periods ended 30 September 2015 and 30 September 2016

	30-Sep-16	30-Sep-15
	£'000	£'000

Total income	15,401	15,856
Total costs	(12,854)	(13,648)
Profit/(loss) before interest	**2,547**	**2,208**
Interest receivable	42	31
Interest payable	0	0
Profit/(loss) before tax	**2,588**	**2,239**

Residential Management Group Limited
Consolidated Balance Sheet
For the six month periods ended 30 September 2015 and 30 September 2016

	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Fixed assets		
Goodwill	377	735
Tangible fixed assets	1,034	2,018
Investments	3	40
Total fixed assets	**1,414**	**2,793**
Current assets		
Stock	0	0
Debtors < within 1 year	8,891	6,400
Cash at bank & in hand	1,278	1,797
Total current assets	**10,169**	**8,197**
Current liabilities	(3,528)	(3,307)
Net Current Assets	**6,641**	**4,890**
Total Assets less Current Liabilities	**8,055**	**7,683**
Non-current liabilities		
Amounts falling due after more than one year	**196**	**559**
Equity		
Share Capital	2,501	2,501
Revenue Reserves	5,358	4,623
	7,859	**7,124**
Total non-current liabilities & equity	**8,055**	**7,683**

The following summary financial data as of, and for each of the financial years ended, 31 March 2015 and 31 March 2016, and as of, and for each of the six month periods ended 30 September 2015 and 30 September 2016, has been extracted, without any adjustment, from Touchstone's financial statements in respect of those dates and periods.

Touchstone Corporate Property Services Limited
Statement of Comprehensive Income
For the financial years 31 March 2015 and 31 March 2016

	2016	**2015**
	£	**£**
Turnover	12,928,186	13,787,115
Cost of sales	(1,474,344)	(1,785,719)
Gross profit	11,453,842	12,001,396
Administrative expenses	(10,026,692)	(9,960,247)
Operating profit	1,427,150	2,041,149
Other interest receivable and similar income	-	13,382

Interest payable and similar charge	(83)	(132)
Profit on ordinary activities before taxation	1,427,067	2,054,399
Tax on profit on ordinary activities	(317,616)	(445,522)
Profit for the financial year	**1,109,451**	**1,608,877**
Total comprehensive income for the year	**1,109,451**	**1,608,877**

Touchstone Corporate Property Services Limited
Statement of Financial Position
For the financial years ended 31 March 2015 and 31 March 2016

	2016	**2015**
	£	**£**
Fixed assets		
Intangible assets	35,718	194,654
Property, plant and equipment	882,899	206,572
	918,617	401,226
Current assets		
Debtors	2,028,947	1,836,046
Cash at bank and in hand	1,445,905	1,941,267
	3,474,852	3,777,313
Creditors: amounts falling due within one year	(1,432,679)	(1,327,200)
Net current assets	2,042,173	2,450,113
Net assets	2,960,790	2,851,339
Capital and reserves		
Called-up share capital	35,000	35,000
Profit and loss account	2,925,790	2,816,339
Shareholders' funds	2,960,790	2,851,339

Touchstone Corporate Property Services Limited

Profit and Loss Statement

For the six month periods ended 30 September 2015 and 30 September 2016

	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Total income	8,468	6,394
Total costs	(4,979)	(5,625)
Profit/(loss) before interest	**3,489**	**769**
Interest receivable	2	0
Interest payable	(0)	(40)
Profit/(loss) before tax	**3,490**	**729**

Touchstone Corporate Property Services Limited

Balance Sheet

For the six month periods ended 30 September 2015 and 30 September 2016

	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Fixed assets		
Goodwill	0	97
Tangible fixed assets	819	271
Investments	0	0
Total fixed assets	**819**	**368**
Current assets		
Stock	0	0
Debtors < within 1 year	2,378	3,036
Cash at bank & in hand	1,876	1,671
Total current assets	**4,254**	**4,707**

Current liabilities	(2,329)	(1,667)
Net Current Assets	**1,925**	**3,040**
Total Assets less Current Liabilities	**2,744**	**3,408**
Non-current liabilities		
Amounts falling due after more than one year	**0**	**0**
Equity		
Share Capital	35	35
Revenue Reserves	2,709	3,373
	2,744	**3,408**
Total non-current liabilities & equity	**2,744**	**3,408**

The following summary financial data as of, and for each of the financial years ended, 31 March 2015 and 31 March 2016, and as of, and for each of the six month periods ended 30 September 2015 and 30 September 2016, has been extracted, without any adjustment, from Zero C's financial statements in respect of those dates and periods.

Zero C Holdings Limited

Statement of Comprehensive Income

For the financial years ended 31 March 2015 and 31 March 2016

	2016	2015
	£'000	**£'000**
Turnover	39,324	29,048
Cost of sales	(29,817)	(22,910)
Gross profit	**9,507**	**6,138**
Administrative expenses	(3,056)	(1,973)
Other operating income	202	134
Operating profit	**6,653**	**4,299**
Interest receivable and similar income	5	4
Interest payable and similar charges	(964)	(1,475)
Profit on ordinary activities before taxation	**5,694**	**2,828**
Taxation	(1,158)	(687)
Profit on ordinary activities after taxation	**4,536**	**2,141**
Other comprehensive income	-	-
Total comprehensive income	**4,536**	**2,141**

Zero C Holdings Limited

Statement of Financial Position

For the financial years ended 31 March 2015 and 31 March 2016

	2016	2015
	£'000	**£'000**
Fixed assets		
Tangible fixed assets	262	67
Investments	-	-
	262	67
Current assets		
Stocks	36,349	32,746
Debtors	5,651	5,671
Cash at bank and in hand	2,844	2,455
	44,844	**40,872**

Creditors: amounts falling due within one year	**(26,722)**	**(23,435)**
Net current assets	**18,122**	**17,437**
Total assets less current liabilities	**18,384**	**17,504**
Creditors: amounts falling due after more than one year	(5,572)	(9,228)
Net Assets	**12,812**	**8,276**
Capital and reserves		
Called up share capital	9	9
Share premium account	1,492	1,492
Revenue reserve	11,311	6,775
Equity Shareholders' Funds	**12,812**	**8,276**

Zero C Holdings Limited

Profit and Loss Statement

For the six month periods ended 30 September 2015 and 30 September 2016

	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Total income	8,096	12,436
Total costs	(8,556)	(10,929)
Profit/(loss) before interest	**(460)**	**1,507**
Interest receivable	0	0
Interest payable	(351)	(509)
Profit/(loss) before tax	**(811)**	**998**

Zero C Holdings Limited

Balance Sheet

For the six month periods ended 30 September 2015 and 30 September 2016

	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Fixed assets		
Goodwill	0	0
Tangible fixed assets	270	72
Investments	0	0
Total fixed assets	**270**	**72**
Current assets		
Stock	43,501	30,591
Debtors < within 1 year	623	1,259
Cash at bank & in hand	3,183	4,990
Total current assets	**47,307**	**36,840**
Current liabilities	(30,440)	(18,520)
Net Current Assets	**16,867**	**18,320**
Total Assets less Current Liabilities	**17,137**	**18,392**
Non-current liabilities		
Amounts falling due after more than one year	**5,174**	**9,229**
Equity		
Share Capital	1,501	1,501
Revenue Reserves	10,462	7,662
	11,963	**9,163**

		Total non-current liabilities & equity **17,137** **18,392**
B.13 **(B.19)**	**A description of any recent events particular to the issuer or the guarantor which are to a material extent relevant to the evaluation of the issuer's and/or the guarantor's solvency.**	Not applicable; there have been no recent events particular to the Obligors which are to a material extent relevant to the evaluation of the Obligors' solvency.
B.14 **(B.19)**	**If the issuer or the guarantor is part of a group, a description of the group and the issuer's and guarantor's position within the group. If the issuer or the guarantor is dependent upon other entities within the group, this must be clearly stated.**	The Issuer is a special purpose company established to raise money for use by the Operations Group. The Issuer is a direct, wholly-owned subsidiary of the Group Parent. The Issuer's only material assets are proceeds from issuances of debt which are made available by the Issuer to PfP Operations for the purpose of on-lending to one or more members of the Operations Group to enable such members of the Operations Group to further pursue their general corporate purposes (including the repayment by Zero C of its existing external indebtedness). Therefore, the Issuer is dependent on members of the Operations Group to satisfy its obligations in full and on a timely basis. The Guarantors (other than Zero C and PfP Operations) are each direct wholly-owned subsidiaries of PfP Operations. Zero C is a direct wholly-owned subsidiary of Zero C Group (2008) Limited which is itself a direct wholly-owned subsidiary of PfP Operations. PfP Operations is a direct wholly-owned subsidiary of Places for People Ventures Limited. The Guarantors are each indirect, wholly-owned subsidiaries of the Group Parent. The Guarantors (other than PfP Operations) are not dependent on other subsidiaries within the Group to satisfy their obligations in full and on a timely basis. PfP Operations is dependent on the financial performance of its subsidiaries and payments of dividends and intercompany payments (both advances and repayments) from these subsidiaries to satisfy its obligations in full and on a timely basis.
B15 **(B.19)**	**A description of the issuer's and the guarantor's principal activities.**	The Issuer is a special purpose company established for the purpose of issuing debt and making such proceeds thereof available to PfP Operations for the purpose of on-lending to one or more members of the Operations Group. PFPL is primarily engaged in the management of local authority owned leisure facilities. PfP Operations' principal activity is the ownership of retirement, development, leisure and property management companies as part of the Group's focus to deliver environments and places where people

		can thrive. RMG's principal activity is the management of residential housing in the private and public sectors. Touchstone's principal activity is the provision of residential property management services. Zero C's principal activity is the construction and development of residential and mixed use developments.
B.16 **(B.19)**	**To the extent known to the issuer and the guarantor, state whether the issuer or the guarantor is directly or indirectly owned or controlled and by whom and describe the nature of such control.**	The entire share capital of the Issuer is owned by the Group Parent. The entire share capital of the each of the Guarantors (other than Zero C and PfP Operations) is owned by PfP Operations which is itself an indirect subsidiary of the Group Parent. The entire share capital of Zero C is owned by Zero C Group (2008) Limited which is itself a wholly-owned subsidiary of PfP Operations. The entire share capital of PfP Operations is owned by Places for People Ventures Limited which is itself a direct subsidiary of the Group Parent.
B.17 **(B.19)**	**Credit ratings assigned to either the issuer or the guarantor or its debt securities at the request or with the co-operation of the issuer in the rating.**	Neither the Issuer nor the Guarantors have been assigned a credit rating by any independent credit rating agency and, accordingly, the Bonds have not been assigned a credit rating by any independent credit rating agency.
B.18	**Guarantee.**	Pursuant to the Trust Deed (the **Trust Deed**) to be dated 15 December 2016 (the **Issue Date**) between the Obligors and Prudential Trustee Company Limited (the **Trustee**), the Guarantors will unconditionally and irrevocably guarantee, on a joint and several basis, the payment of principal and interest in respect of the Bonds and all other moneys payable by the Issuer under or pursuant to the Trust Deed (the **Guarantee**).

SECTION C – BONDS		
C.1	**A description of the type and the class of the securities being offered and/or admitted to trading, including any security identification number.**	The 4.25 per cent. guaranteed bonds due 2023 (the **Bonds**) will be issued in registered form. The principal amount of each Bond (being the amount which is used to calculate payments made on each Bond) is £100. The International Securities Identification Number (**ISIN**) for the Bonds is XS1527331430 and the Common Code is 152733143.

C.2	**Currency of the securities issue.**	The currency of the Bonds will be pounds sterling.
C.5	**A description of any restrictions on the free transferability of the securities.**	Not applicable; there are no restrictions on the free transferability of the Bonds.
C.8	**A description of the rights attached to the securities including:** • **ranking** • **limitations to those rights**	***Status of the Bonds and the Guarantee:*** The Bonds are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* (i.e. equally in right of payment) among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding. The obligations of the Guarantors under the Guarantee are direct, unconditional, unsubordinated and unsecured obligations of each Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of such Guarantor, from time to time outstanding. ***Negative pledge*** The Bonds contain a negative pledge provision with respect to the Issuer, the Guarantors and their respective subsidiaries (other than certain excluded subsidiaries). In general terms, a negative pledge provision prohibits the relevant entities from granting security over certain of their indebtedness which diminishes the priority of the Bondholders' claims against any of the relevant entity's other assets. Under the negative pledge provision set out in the Terms and Conditions of the Bonds, none of the Issuer, the Guarantors or certain of their respective subsidiaries may create or allow to exist, any security interest over any of their present or future undertakings, assets or revenues to secure certain financial indebtedness without securing the Bonds equally, subject to certain exemptions. ***Financial covenant*** The Obligors have agreed that, for so long as any Bond remains outstanding, they shall ensure that the ratio of adjusted earnings before tax to interest costs shall not be less than 1.5 : 1 (tested on a semi-annual basis). ***Events of default*** An event of default is a breach by the Issuer or a Guarantor of certain provisions in the Terms and Conditions of the Bonds or the occurrence of certain events with respect to the Issuer, a Guarantor or certain material subsidiaries of the Issuer or a Guarantor.

Events of default under the Bonds include non-payment of any principal and interest due in respect of the Bonds and failure of the Issuer or a Guarantor to perform or observe any of its other obligations under the Terms and Conditions of the Bonds and the Trust Deed (in each case, upon the expiry of the relevant grace period); insolvency, acceleration as a result of non-payment in respect of other indebtedness in an aggregate amount in excess of £10,000,000 (or its equivalent) of the Issuer, the Guarantors or certain material subsidiaries of the Issuer or the Guarantors; and the Guarantee ceasing to be in full force and effect. In addition, Trustee certification that certain events would be materially prejudicial to the interests of the holders of the Bonds (the **Bondholders**) is required before certain events will be deemed to constitute Events of Default.

Optional early repayment by the Issuer

The Bonds may be redeemed (i.e. repaid) early, at any time, if the Issuer chooses to do so, at 100 per cent. of their principal amount or, if higher, an amount calculated by reference to the then current yield of the UK 2¼% Treasury Gilt 2023 plus a margin of 0.5 per cent., together with any accrued interest.

Optional early repayment by the Issuer for tax reasons

In the event of any change in tax law after the Bonds have been issued that would result in the Issuer or a Guarantor being required to pay any additional amount in respect of a withholding or deduction on account of tax, the Bonds may be repaid if the Issuer chooses to do so. The redemption price in these circumstances is at the principal amount of the Bonds plus accrued interest.

Meetings of Bondholders

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting the interests of the Bondholders. These provisions permit certain majorities to bind all Bondholders including Bondholders who did not vote on the relevant resolution and Bondholders who did not vote in the same way as the majority did on that resolution.

Modification, waiver and substitution

The Terms and Conditions of the Bonds provide that the Trustee may agree, without the consent of the Bondholders, to:

(a) any modification (except as mentioned in the Trust Deed) of, or to the waiver or authorisation of any breach or any proposed breach of, any of the Bonds, the Trust Deed or the Agency Agreement, or determine that any Event of Default or Potential Event of Default shall not be treated as such, where it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders so to do;

		(b) any modification which, in the opinion of the Trustee, is of a formal, minor or technical nature or to correct a manifest error or an error which, to the satisfaction of the Trustee, is proven; (c) the substitution of another company or other entity, being a member of the Group, as principal debtor under the Bonds in place of the Issuer, in certain circumstances and subject to the satisfaction of certain conditions.
C.9	**A description of the rights attached to the securities including:** • **the nominal interest rate** • **the date from which interest becomes payable and the due dates for interest** • **where the rate is not fixed, description of the underlying on which it is based** • **maturity date and arrangements for the amortisation of the loan, including the repayment procedures** • **an indication of yield**	***Interest rate*** The Bonds will accrue interest from and including the Issue Date at the fixed rate of 4.25 per cent. per annum. The interest on the Bonds is payable twice a year at the end of the interest period to which the payment relates. It is payable in equal instalments of £2.125 per £100 in principal amount of the Bonds on 15 June and 15 December in each year commencing on 15 June 2017. The final payment of interest will be made on the Maturity Date. ***Maturity Date*** Unless previously redeemed or purchased and cancelled in accordance with the Terms and Conditions of the Bonds, the Bonds will mature on 15 December 2023 (the **Maturity Date**). ***Indication of yield*** On the basis of the issue price of the Bonds being 100 per cent. of their principal amount and the rate of interest being 4.25 per cent. per annum, the initial yield of the Bonds on the Issue Date is 4.25 per cent. on an annual basis. This initial yield is not an indication of future yield. ***Trustee*** The Trustee is Prudential Trustee Company Limited.

	• **name of representative of debt security holders**	
C.10	**If the security has a derivative component in the interest payment, provide a clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument(s), especially under the circumstances when the risks are most evident.**	Not applicable; the interest rate on the Bonds is fixed and there is no derivative component in the interest payments made in respect of the Bonds. This means that the interest payments are not linked to specific market references, such as inflation, an index or otherwise.
C.11	**An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question.**	It is expected that the admission of the Bonds to the Official List will be granted on or about 16 December 2016, after the publication of the Sizing Announcement subject only to the issue of the Global Certificate. Application will be made to the UK Listing Authority for the Bonds to be admitted to the Official List and to the London Stock Exchange for such Bonds to be admitted to trading on the Regulated Market and through its electronic Order book for Retail Bonds. Admission of the Bonds to trading is also expected to occur on or about 16 December 2016.

SECTION D – RISKS		
D.2	**Key information on the key risks that are specific to the issuer.**	***Summary of the key risks that may affect the Issuer's ability to fulfil its obligations under the Bonds*** • The Issuer is a special purpose company established to issue the Bonds (and any further Bonds issued in accordance with the Conditions of the Bonds) and is dependent on members of the Operations Group to make payments on the Bonds. ***Summary of the key risks that may affect the Guarantors' ability to fulfil their obligations under the Guarantee*** • PfP Operations is the holding company of the Operations Group and is dependent on the financial performance of its subsidiaries and payments of dividends and intercompany payments from these subsidiaries to fulfil its obligations under the Guarantee. • Places for People Retirement Limited is a key subsidiary of PfP Operations and its business may be adversely impacted by a deterioration in economic conditions leading to a lack of consumer confidence, a reduction in mortgage availability and a fall in demand for its properties. High levels of competition in the retirement sector could lead to increases in prices for land and too many sites for sale compared to demand. • Another of PfP Operations' key subsidiaries, Allenbuild Limited (**Allenbuild**), is exposed to risks such as rising costs of materials and increasing competition in the construction sector which may lead to Allenbuild winning less tenders for work. • Worsening economic conditions, changes in consumer tastes and spending patterns and other social and demographic trends could have a negative impact on the discretionary spending of PFPL's members. • PFPL faces significant competition from both private sector health clubs and the continued launch of a number of low-costs gyms. • A long term and valuable contract which expires at the end of September 2017 may not be renewed with RMG or, if renewed, may be split between several service providers. • In acting as an agent for a freeholder or landlord, RMG must ensure that it complies with all applicable statutory and industry guidelines. • The large number of entrants to the residential property

		management sector is increasing competition and may affect Touchstone's business. • The performance of Zero C's business is closely linked to the wider economy and sensitive to changes in interest rates, unemployment and general consumer confidence. As a result of Zero C's focus on the UK, a downturn in the UK economy could have a more pronounced effect on Zero C's business than on the business of competitors with a smaller proportional presence in the UK. • Zero C faces significant competition from other property companies and housebuilders which may lead to an over-supply of premises through over-development or to high prices for targeted acquisitions due to competing bids. • Zero C is reliant on third parties such as contractors and suppliers for the construction of its developments. The failure of such entities may lead to delays in development timetables and increased costs. • Changes in planning or environmental laws and policy or a failure to obtain planning permission may lead to increased costs and delay for Zero C.
D.3	**Key information on the key risks that are specific to the securities.**	• Bondholders will only have recourse to the Issuer and the Guarantors and not to the regulated providers of social housing or any other entity within the Group. • The Bonds are unsecured obligations of the Issuer. • The Bonds are not protected by the Financial Services Compensation Scheme. Therefore (unlike in the case of a bank deposit), if the Issuer or the Guarantors were to become insolvent or go out of business, the Bondholders may lose all or part of their investment in the Bonds and no governmental body or any other person would be required to compensate them for such loss. • The Bonds may be repaid early at the Issuer's option in certain circumstances. • Defined majorities may be permitted to bind all the Bondholders with respect to modification and waivers of the terms and conditions of the Bonds. • A market for the Bonds may not develop, or may not be very liquid (i.e. the Bonds may not be easily tradable) and such illiquidity may have a severely adverse effect on the market value of the Bonds. The realisation from a sale of the Bonds at any time prior to their maturity may be below the investment price. • The Bonds bear interest at a fixed rate and the Issuer will pay

		principal and interest on the Bonds in pounds sterling, which potentially exposes you to interest rate risk and inflation risk.

SECTION E – OFFER		
E.2b	**Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks.**	The offer of the Bonds is being made to enable the Operations Group to further pursue its general corporate purposes. The net proceeds from the issue of the Bonds (after deduction of expenses incurred in connection with the issue) will be made available by the Issuer to PfP Operations for the purpose of on-lending to one or more members of the Operations Group to enable such members of the Operations Group to further pursue their general corporate purposes including the repayment by Zero C of its existing external indebtedness.
E.3	**A description of the terms and conditions of the offer.**	The Offer is expected to open on 28 November 2016 and close at 12.00 (noon) (London time) on 12 December 2016 or such earlier time and date as may be agreed between the Issuer and the Lead Manager and announced via a Regulatory Information Service. You will be notified by the relevant Authorised Offeror of your allocation of Bonds and instructions for delivery of and payment for the Bonds. You may not be allocated all (or any) of the Bonds for which you apply. The Bonds will be issued at the issue price (which is 100 per cent. of the principal amount of the Bonds) and the aggregate principal amount of the Bonds to be issued will be specified in the Sizing Announcement published by the Issuer on a Regulatory Information Service. The issue of Bonds is conditional upon a subscription agreement being signed by the Obligors and the Lead Manager on or about 14 December 2016 (the **Subscription Agreement)**. The Subscription Agreement will include certain conditions, customary for transactions of this type (including the issue of the Bonds and the delivery of legal opinions and comfort letters from the independent auditors of the Obligors satisfactory to the Lead Manager). The minimum subscription amount per investor is for a principal amount of £2,000 of the Bonds.
E.4	**A description of any interest that is material to the issue/offer including conflicting interests.**	So far as the Obligors are aware, no person involved in the offer of the Bonds has an interest material to the offer. There are no conflicts of interest which are material to the offer of the Bonds.
E.7	**Estimated expenses**	None of the Obligors or the Lead Manager will charge you any

	charged to the investor by the issuer or the offeror.	expenses relating to an application for or purchase of any Bonds. However, expenses may be charged to you by an Authorised Offeror. These expenses are beyond the control of the Issuer, are not set by the Issuer and will be disclosed to any potential investor by the relevant Authorised Offeror at the relevant time. The Issuer estimates that, in connection with the sale of Bonds to you, the expenses charged to you by one of the Authorised Offerors known to the Issuer as at the date of the Prospectus may be between 0 per cent. and 7 per cent. of the aggregate principal amount of the Bonds sold to you. This is an estimated range of expenses. The actual expenses to be charged will depend on your individual circumstances and your relationship with your stock broker or other financial adviser; they will vary from investor to investor.

2. RISK FACTORS

RISK FACTORS

The following is a description of the principal risks and uncertainties which may affect the Issuer's or the Guarantors', as the case may be, ability to fulfil their obligations under the Bonds.

Before applying for any of the 4.25 per cent. guaranteed bonds due 2023 (the **Bonds**), you should consider whether the Bonds are a suitable investment for you. There are risks associated with an investment in the Bonds, many of which are outside the control of Places for People Finance plc (the **Issuer**) and PFPL (Holdings) Limited (**PFPL**), Places for People Ventures Operations Limited (**PfP Operations**), Residential Management Group Limited (**RMG**), Touchstone Corporate Property Services Limited (**Touchstone**) and Zero C Holdings Limited (**Zero C** and together with PFPL, PfP Operations, RMG and Touchstone, the **Guarantors** and each a **Guarantor**) which irrevocably and unconditionally guarantee, on a joint and several basis, the Issuer's payment obligations under the Bonds (the **Guarantee**). These risks include those in this Section.

You should carefully consider the risks described below and all other information contained in this Prospectus and reach your own view before making an investment decision. Each of the Obligors believe that the factors described below represent the principal risks and uncertainties which may affect its ability to fulfil its obligations under the Bonds, but the Obligors may face other risks that may not be considered significant risks by the Obligors based upon information available to them at the date of this Prospectus or that they may not be able to anticipate. Factors which the Obligors believe may be material for the purpose of assessing the market risks associated with the Bonds are also described below. If any of the following risks, as well as other risks and uncertainties that are not yet identified or that the Obligors think are immaterial at the date of this Prospectus, actually occur, then these could have a material adverse effect on the Issuer's or Guarantors' ability to fulfil their obligations to pay interest, principal or other amounts in connection with the Bonds.

You should note that the risks relating to the Obligors and their businesses and the Bonds summarised in Section 1 (*Summary*) are the risks that the Obligors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Bonds. However, as the risks which the Obligors face relate to events and depend on circumstances that may or may not occur in the future, you should consider not only the information on the key risks summarised in Section 1 (*Summary*) but also, among other things, the risks and uncertainties described below.

Risks which may affect the Issuer's ability to fulfil its obligations under the Bonds

The Issuer acts as a special purpose company to raise capital by the issue of publicly traded debt, including the Bonds

The Issuer's only material assets are proceeds from issuances of debt which are made available by the Issuer to PfP Operations for the purpose of on-lending to one or more members of the Operations Group. The Issuer's sole function is to act as a special purpose company to raise money by the issue of debt, including the Bonds. The net proceeds from the issue of the Bonds (after deduction of expenses incurred in connection with the issue) will be made available by the Issuer to PfP Operations for the purpose of on-lending to one or more members of the Operations Group to enable such members of the Operations Group to further pursue their general corporate purposes (including the repayment by Zero C of the Zero C Facilities (as defined in "*Description of Zero C Holdings Limited – External Indebtedness*")). Interest payments in respect of the Bonds will effectively be paid from cash flows generated from the business of the Operations Group and, accordingly, the ability of the Issuer to pay interest on and repay the Bonds will be subject to the risks to which the Operations Group is subject.

Risks relating to the Guarantee

If both the Issuer and the Guarantors default on their obligations to make payments on or to repay the Bonds or to make payments under the Guarantee, as applicable, and there are insufficient funds to repay all amounts outstanding under the Bonds, as well as having an unsecured claim against the Issuer, Bondholders will have unsecured claims for any outstanding amount against the Guarantors under the Guarantee. Those unsecured claims will rank behind the claims of any secured creditors of the Obligors. Bondholders will not have any direct claim for such outstanding amount against any subsidiary of the Guarantors.

PfP Operations is a holding company of the Operations Group

If the Issuer defaults on its obligations to make payments, Bondholders will have unsecured claims for any outstanding amount against the Guarantors under the Guarantee. Bondholders will not have any direct claim for such outstanding amount against any subsidiary of any of the Guarantors (other than where those subsidiaries are themselves Guarantors). See "*The Issuer acts as a special purpose company to raise capital by the issue of publicly traded debt, including the Bonds*" above for a description of the risk in relation to the Issuer.

PfP Operations' principal business is that of holding shares in its subsidiaries. As a holding company, PfP Operations conducts all of its operations through its subsidiaries and is dependent on the financial performance of its subsidiaries and payments of dividends and intercompany payments (both advances and repayments) from these subsidiaries to meet its debt obligations, including its ability to fulfil its obligations under the Guarantee.

Generally, creditors of a subsidiary, including trade creditors, secured creditors and creditors holding indebtedness and guarantees issued by the subsidiary and preferred shareholders (if any) of the subsidiary, will be entitled to the assets of that subsidiary before any of those assets can be distributed to its direct or indirect shareholders (including PfP Operations) upon its liquidation or winding up. PfP Operations' subsidiaries may have other liabilities, including secured liabilities and contingent liabilities, which could be substantial. Since Bondholders are not creditors to these subsidiaries to the extent that they are not themselves Guarantors, their claims to the assets of the subsidiaries that generate PfP Operations' income (and consequently, their right to receive payments under the Terms and Conditions of the Bonds) are structurally subordinated to the creditors of these subsidiaries. In the event that members of the Operations Group are unable to remit funds PfP Operations, PfP Operations' ability to fulfil its commitments to Bondholders to make payments under the Guarantee may be adversely affected.

Risks which may affect the Guarantors' ability to fulfil their obligations under the Guarantee

PfP Operations

PfP Operations is the umbrella company that owns a variety of companies that mainly operate in the property development, management and leisure sectors, including the other Guarantors. Other key companies owned by PfP Operations include Places for People Retirement Limited (**Retirement**) and Allenbuild Limited (**Allenbuild**). Retirement was incorporated to bring together the Group's management, market rent and sale activity specifically within the retirement market. Allenbuild is an established contractor focused on carrying out developments for registered providers of social housing. It was acquired by the Operations Group in February 2016.

Economic conditions which may impact Retirement's business

Retirement's principal activity is the development and construction of retirement properties. It is therefore exposed to the risks of deteriorating economic conditions, consumer and market confidence, change and volatility in interest rates and worsening mortgage availability. Retirement may experience negative market conditions which could adversely affect its performance, due to economic recession causing a slowdown in appetite amongst buyers for property. All of Retirement's projects are, and will continue to be, based in the UK and therefore any downturn in the UK economy could have a direct effect on the performance of Retirement. However, Retirement's expertise, including relying on and leveraging the Group's wider capabilities in management, development and sales of residential property, means that such risks are mitigated.

Competitors

Retirement faces competition from other property operators, developers and managers which are active in the retirement sector. Such companies may have greater capital resources available to see through developments to completion. Increased competition in the retirement sector means higher prices for land and too many sites for sale compared to demand. Such competition could adversely affect the financial performance of Retirement, in that potential buyers or renters will be harder to attract at the right price and in the required time frame. Retirements, however, has sought to mitigate this risk by entering into joint ventures with a specialist operator, English Care Villages, which has over 25 years' experience within the retirement sector.

Reputation

Retirement's market credibility and reputation will be tested on the quality of its developments. Defective units of accommodation and sub-standard levels of finishing could lead to the deterioration of sales and rentals, loss of reputation amongst a burgeoning target age group within the population and sector commentators, causing weakened financial performance. All of this in turn could adversely affect its ability to help PfP Operations meet its payment obligations under the Guarantee.

Economic conditions which may impact Allenbuild's business

Allenbuild is contracted to carry out construction work on residential housing. It is therefore exposed to various economic risks such as rising costs of materials and goods, tightening margins, and clients who will be under increasing pressure themselves due to economic conditions to keep costs fixed and as low as possible. Adverse credit markets, rising commodity prices and weak performance of clients could therefore lead to poor financial performance of Allenbuild and affect its ability to help PfP Operations meet its obligations under the Guarantee.

Competitors

Allenbuild currently faces competition from other property contractors, builders and developers which are active in affordable housing developments. Such contractors may have greater capital resources available, and behind them, to win more tenders. The greater the competition, the greater the pressure on Allenbuild to drop its prices in order to win bids. Such competition could lead to Allenbuild squeezing its profit margins and seeing its financial performance drop. Profitable bids on high quality schemes, with leading, high-profile clients will be harder to win. However, Allenbuild seeks to mitigate economic and competition risk when it becomes the internal contractor for the wider Group, across a variety of residential tenures. This will strengthen its pipeline of work further, provide a reliable income source and broaden its market outside of purely affordable housing activity.

Reputation

Allenbuild's reputation is important to its continued financial performances. If the quality of its construction work drops, and the schemes it completes fail to make the sales its clients had aimed for, causing a drop in their profits, it could start to fail to win tenders and its customer base could no longer hold Allenbuild in the same regard. Such a risk could lead to a loss of income for Allenbuild which could ultimately affect PfP Operations' ability to meet its payment obligations under the Guarantee.

PFPL (Holdings) Limited

Worsening economic conditions may impact the spending of PFPL's members

PFPL is primarily engaged in the management of local authority owned leisure facilities and currently operates management contracts gained through both negotiation and competitive tendering. The general performance of the economy and its impact on consumer spending poses the greatest risk to trading. A substantial portion of PFPL's revenue is derived from discretionary or leisure spending by its members and such spending can be particularly sensitive to changes in general economic conditions. The worsening of general economic conditions may lead to further increases in unemployment and loss of consumer confidence which would likely result in additional resignations of existing members, a decrease in the number of new members and reduced spending by PFPL's members. The financial performance of PFPL is susceptible to future economic recessions and downturns and any significant adverse shift in general economic conditions, whether local, regional or national would likely have a material adverse effect on PFPL's business, financial condition and results of its operation and may affect its ability to meet its payment obligations under the Guarantee. PFPL has an in depth understanding of the income likely to be generated from its contracts with local authorities. It understands the risk and to mitigate against it, PFPL's business plan continues to assume tight cost control to protect against any unexpected future downturn.

Factors beyond PFPL's control may have an effect on membership levels

The success of PFPL's business depends on its ability to attract and retain members for the leisure facilities that it manages and maintain or increase use of such facilities. Consumer spending patterns, particularly discretionary expenditure for leisure and recreation, are particularly susceptible to factors beyond PFPL's control that may reduce demand for PFPL's services. These factors include low consumer confidence, depressed house prices and changes in the desirability of particular locations, residential neighbourhoods, office space, or travel patterns of members. Changes in consumer tastes and preferences, particularly those affecting the popularity of health and fitness, and other social and demographic trends could adversely affect PFPL's business. PFPL must continually engage existing members and attract new members in order to maintain or increase its membership levels. Significant periods where attrition rates exceed enrolment rates or where facilities usage is below historical levels would have a material adverse effect on PFPL's business, results of operations and financial condition. PFPL's attention to detail, consumer interaction, choice of venue location and focus on customer experience are all mitigating factors against the risk of attracting and retaining customers.

Competitors may take market share from PFPL

PFPL operates in a highly competitive industry and competes primarily on the basis of management expertise, reputation, featured facilities, location, quality and breadth of member product offerings and price. In order to succeed, PFPL must take market share from local and regional competitors and sustain its member base in the face of increasing recreational alternatives available to its existing and potential members. A principal risk to PFPL's business is local competition from private sector health clubs and the continued launch of significant numbers of low-cost gyms in the UK. The number and variety of competitors varies based on the location and setting of each facility, with some situated in intensely competitive urban areas. As a result the supply in a given region often exceeds the demand for such facilities and any decrease in the demand for membership may lead to loss of revenues and affect the ability of PFPL to meet its payment obligations under the Guarantee. This risk is, to some extent, mitigated however by the geographical spread of PFPL's sites and the capability of PFPL to respond through active promotion of its fully inclusive offer, and revising its equipment mix to optimise the offering to customers. In addition, approximately two thirds of PFPL's gyms are now operating to a budget formula.

Significant increases in the cost of utilities could lower PFPL's operating margins

The volatile nature of the price of utilities and increases in utility costs are also a potential risk to PFPL's business. Significant increases in the cost of utilities could lower PFPL's operating margins and this could have a negative impact on PFPL's ability to meet its payment obligations under the Guarantee. PFPL seeks to mitigate this risk by reducing consumption and working with its local authority partners on their sustainability and carbon objectives. PFPL uses forward contracts to mitigate the risk of fluctuating gas and electricity prices and approximately 61 per cent. of PFPL's contracts are now structured so that PFPL does not carry the risk on energy price increases.

Staffing costs

Staffing costs account for approximately half of PFPL's operational expenditure. The proposed increase in the national living wage to £9 per hour by 2020 poses a potential risk to PFPL's business as it would increase PFPL's expenditure on staff by approximately 4 per cent. In addition, a levy on apprenticeship funding currently utilised by PFPL which comes into effect from April 2017 poses a potential risk, particularly as full details of how the funding will operate are currently unavailable. However, PFPL has sought to forecast the effects of the risk and believes that any increase in costs would be minimal.

Residential Management Group Limited

Conclusion of long term contracts

A long term and valuable contract of RMG expires at the end of September 2017. RMG has expressed an interest in bidding for the new contract but early indications are that the new contract will be fragmented with the likelihood that it will be split over several service providers. RMG is well placed to win any work for which it bids but the fragmentation of the renewed contract creates a risk that it would, if won, contribute lower revenue and profits than RMG has previously experienced under the existing contract. It is unlikely that the outcome of the bidding process will be known before March 2017.

Factors outside of RMG's control

Typically, RMG is appointed as an agent acting for a freeholder or landlord in the management of properties occupied by residents pursuant to the private sector management agreements that it enters into. In acting as an agent, RMG is required to ensure that it does so in accordance with all relevant statutory and industry guidelines with may include, without limitation, matters such as client money protection, data protection, health and safety, major works and accounting. Risks arising are typically specific to one matter within a single property but can be time consuming and demanding upon resources to resolve. To mitigate against these risks, RMG builds controls into its procedures and processes to ensure that the risks are identified and controlled. RMG's flexible approach ensures that it is able to respond proactively to any new risks identified and improve processes across the whole portfolio ensuring very little risk of contagion.

Touchstone Corporate Property Services Limited

Risks in relation to the build to rent market

Touchstone's core business is the management of properties in the private rented sector. The private rented sector is at the forefront of the political housing agenda and seen by the UK Government as part of the solution to the housing crisis that the UK is currently facing. The build to rent market is gathering momentum but there is a risk that some of the early schemes may underperform financially due to inflated rents and suppressed costs in the early stages of the developments, which could potentially have an adverse effect on investor sentiment.

Increase in competitors

As the sector in which Touchstone operates grows, it brings with it more competition with new entrants to the sector pricing schemes as loss leaders in order to secure market share. To mitigate against the risk of losing existing clients to competitors, Touchstone regularly carries out reviews of key performance indicators and conducts regular external client meetings to ensure the needs of each client are fully met. In addition, Touchstone recognises the demands from both clients and customers and the need to keep up with technological requirements and has developed both tenant and client portals and property applications.

Zero C Holdings Limited

Worsening economic conditions may impact Zero C's business

The principal activity of Zero C is the construction and development of residential and mixed use developments. Zero C's business is therefore sensitive to changes in general economic conditions, interest rates, unemployment and general consumer confidence. Property markets tend to be cyclical and related to the condition of the economy as a whole. Zero C has experienced, and may experience in the future, the negative impact of periods of economic slowdown or recession and corresponding declines in the demand for property in the markets in which it operates. The financial performance of Zero C's business could be adversely affected by any worsening of general economic conditions in the UK, Europe, globally or in certain individual markets. Furthermore, as all of Zero C's properties are located in the UK, if there is a downturn in the UK's economy as a whole or if there is a decline in the residential or commercial property market in the UK which is more pronounced or sustained than in other geographic markets, the adverse impact on Zero C's business could be greater than on the business of competitors with a smaller proportional presence in the UK.

Competitors may affect Zero C's business

Zero C faces significant competition from other property companies and housebuilders, including competitors which may have greater capital resources or other resources. Such competition may lead either to an over-supply of premises through over development or to high prices for targeted acquisitions and new schemes due to competing bids from other potential purchasers. In addition, Zero C may face significant competition in identifying and acquiring suitable properties. If Zero C is not able to compete effectively or maintain its current profile, the existence of such competition may have an adverse effect on Zero C, including its ability to secure attractive tenants for its properties at satisfactory rental rates (either on a pre-let basis or otherwise) or buyers for its properties at satisfactory prices (either on a pre-sale basis or otherwise) and on a timely basis and on its ability to acquire properties or sites at satisfactory prices or terms. The existence of such competition may also have an impact on Zero C's ability to secure future joint venture partners and preferred developer appointments and/or the financing required for such schemes. An inability to match supply to demand in terms of product, location and price could result in high levels of completed but unsold stock which would impact on Zero C's cash flow.

An inability of customers to secure a mortgage may have an effect on the number of completions by Zero C

Mortgage providers have been negatively impacted by the financial crisis and this has reduced their ability to provide mortgages to potential purchasers. An inability of customers to secure a mortgage could have a direct and unwelcome impact on Zero C's level of unit completions.

The failure of contractors and suppliers may affect Zero C's business

Zero C is dependent on contractors and suppliers for the construction of its developments. In the event that a contractor or supplier fails to deliver and/or ceases to be financially viable, the timetable of the development may be delayed, Zero C may need to provide additional resources to the development (financial or otherwise) and/or may incur financial liabilities. Failure of a contractor or supplier could therefore have an adverse effect on Zero C's business, results of operations and/or prospects and may affect its ability to meet its payment obligations under the Guarantee. Build costs are affected by the availability of skilled labour and the price and availability of materials. Procurement inflation and long lead times for building materials could adversely impact on the profitability of each scheme and therefore may affect Zero C's ability to meet its payment obligations under the Guarantee.

Zero C's reputation may be affected by a failure to deliver to its high standards

Zero C has a reputation for delivering high quality, design led, sustainable homes. Developments may not, when completed, be free from defects. If Zero C fails to deliver against these standards, it could be exposed to reputational damage, as well as reduced sales and increased costs. Any failure in this regard could have an adverse effect on Zero C's business, results of operations and/or financial condition and its ability to meet its payment obligations under the Guarantee.

Changes in planning and environmental laws and policy or a failure to obtain planning permission may lead to increased costs and delay

Zero C's continued progress with its projects for future delivery is dependent on the continued success of its applications for planning permission. Current or future planning applications may not result in full planning permission and planning permission, if granted, may be on unduly onerous terms. Failure to obtain such permissions may reduce the speed at which Zero C can implement its strategy, which may have an adverse effect on Zero C's business, results of operations and financial condition. Furthermore, Zero C's development operations are contingent upon an effectively functioning planning system. Changes in law and policy affecting planning, infrastructure or environmental (including waste disposal) issues could adversely affect the timing or costs associated with development opportunities. In addition, new developments can also be subject to financial and other obligations for public improvements which can be substantial. Laws and regulations relating to the protection of the environment and sustainable building can also cause delays and increased costs. There is a risk that if national or local planning policy changes and becomes more restrictive, there may be an impact upon the development opportunities for Zero C's existing and future landbank or upon Zero C's ability to obtain planning permissions in the timescales required. Laws and regulations may change in ways that may have an adverse impact on Zero C's business, results of operations and/or financial condition. This may affect the ability of Zero C to meet its payment obligations under the Guarantee.

Factors which are material for the purpose of assessing the market risks associated with the Bonds

Risks related to the Bonds

Bondholders will only have recourse to the Obligors: The Group consists of three regulated registered providers of social housing and one registered social landlord which (a) provide supported housing and manage affordable rented homes in the UK, with a particular focus on England and

Scotland and (b) are run as businesses and any surplus which may result from their operations is reinvested in the Group.

In addition, the Group also includes several other operating subsidiaries (such as the Guarantors) which pursue non-regulated complementary activities. Bondholders will only have recourse to the Issuer and the Guarantors and not to the regulated providers of social housing or any other entity within the Group.

The Bonds are not protected by the Financial Services Compensation Scheme (FSCS): Unlike a bank deposit, the Bonds are not protected by the FSCS. As a result, neither the FSCS nor anyone else will pay compensation to you upon the failure of the Issuer and the Guarantors to pay amounts owing under the Bonds. If the Issuer and the Guarantors go out of business or become insolvent, the Bondholders may lose all or part of their investment in the Bonds.

The value of the Bonds could be adversely affected by a change in English law: The structure of the issue of the Bonds is based on English law, regulatory and administrative practice in effect as at the date of this Prospectus, and has due regard to the expected tax treatment of all relevant entities under UK tax law and the published practice of HM Revenue & Customs in force or applied in the UK as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to English law, regulatory or administrative practice in the UK, or to UK tax law, or the interpretation or administration thereof, or to the published practice of HM Revenue & Customs as applied in the UK after the date of this Prospectus.

Risk of early repayment: In the event of any change in tax law after the Bonds have been issued that would result in the Issuer or the Guarantors being required to pay any additional amount in respect of a withholding or deduction on account of tax, the Bonds may be repaid if the Issuer chooses to do so pursuant to Condition 8.2 (*Redemption for Taxation Reasons*). The redemption price in these circumstances is at the principal amount of the Bonds plus accrued interest.

In addition, the Bonds may be repaid early, at any time, if the Issuer chooses to do so pursuant to Condition 8.3 (*Redemption at the Option of the Issuer*), at 100 per cent. of their principal amount or, if higher, an amount calculated by reference to the then current yield of the UK 2¼% Treasury Gilt 2023 plus a margin of 0.5 per cent., together with any accrued interest.

Upon repayment of the Bonds, if you chose to reinvest the repayment proceeds from the Bonds, you may not be able to reinvest those proceeds at an effective interest rate as high as the interest rate on the Bonds being repaid and may only be able to do so at a significantly lower rate. At the time you invest in the Bonds, you should consider this reinvestment risk in light of other investments available at that time.

The Terms and Conditions of the Bonds contain provisions which may permit their modification, waiver and substitution without the consent of all Bondholders: The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit majorities of certain sizes to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a different manner than the majority did.

The Terms and Conditions of the Bonds also provide that the Trustee may agree, without the consent of Bondholders, to: (a) any modification (except as mentioned in the Trust Deed) of, or to the waiver or authorisation of any breach or proposed breach of, any of the Bonds, the Trust Deed (which includes the Guarantee) or the Agency Agreement, or determine that any Event of Default or Potential Event of Default shall not be treated as such, where it is not, in the opinion of the Trustee, materially prejudicial to do so; (b) any modification which, in the opinion of the Trustee, is of a formal, minor or technical nature or to correct a manifest error or an error which, to the satisfaction of the Trustee, is proven; or (c) the substitution of another company or other entity, being a member of the Group, as principal debtor under the Bonds in place of the Issuer, in the circumstances described in Condition 14 (*Meetings of Bondholders, Modification, Waiver and Substitution*) and subject to the satisfaction of certain conditions.

Trustee Indemnity: In certain circumstances, the Bondholders may be dependent on the Trustee to take certain actions in respect of the Bonds. Prior to taking such action, pursuant to the Terms and Conditions of the Bonds the Trustee may require to be indemnified and/or secured and or pre-funded to its satisfaction. If so, and the Trustee is not indemnified and/or secured and/or pre-funded to its satisfaction, it may decide not to take such action and such inaction will not constitute a breach by it of its obligations under the Trust Deed. Consequently, the Bondholders would have to either provide such indemnity and/or security and/or pre-funding or accept the consequences of such inaction by the Trustee. Bondholders should be prepared to bear the costs associated with any such indemnity and/or security and/or pre-funding and/or the consequences of any potential inaction by the Trustee. Such inaction by the Trustee will not entitle Bondholders to take action directly against the Issuer or the Guarantors to pursue remedies for any breach by any of them of terms of the Trust Deed or the Bonds unless the Trustee has failed within a reasonable time to do so.

Holding CREST depository interests: You may hold the Bonds through Euroclear UK & Ireland Limited (formerly known as CREST Co Limited) (**CREST**). CREST allows bondholders to hold bonds in a dematerialised form, rather than holding physical bonds. Instead of issuing physical bonds, CREST issues what are known as depositary interests which are held and transferred through CREST (CDIs), representing the interests in the relevant Bonds underlying the **CDIs** (the **Underlying Bonds**). Holders of CDIs (the **CDI Holders**) will not be the legal owners of the Underlying Bonds. The rights of CDI Holders to the Underlying Bonds are represented by the relevant entitlements against CREST Depository Limited (the **CREST Depository**) through which CREST International Nominees Limited (the **CREST Nominee**) holds interests in the Underlying Bonds. Accordingly, rights under the Underlying Bonds cannot be enforced by CDI Holders directly against the Issuer; instead they must be enforced through CREST. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Bonds in the event of any insolvency or liquidation of any of CREST, the CREST Depositary and the CREST Nominee, in particular where the Underlying Bonds held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of CREST.

The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Issuer, including the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (**CREST Deed Poll**). You should note that the provisions of the CREST Deed Poll, the CREST International Manual dated 14 April 2008 as amended, modified, varied or supplemented from time to time (the **CREST Manual**) and the CREST Rules contained in the CREST Manual applicable to the CREST International Settlement Links Service (the **CREST Rules**) contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the CREST Depository. CDI Holders are bound by such provisions and may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the amounts originally invested by them. As a result, the rights of and returns received by CDI Holders may differ from those of holders of Bonds which are not represented by CDIs.

In addition, CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service (the **CREST International Settlement Links Service**). These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Bonds through the CREST International Settlement Links Service.

You should note that none of the Issuer, the Lead Manager, the Trustee or the Paying Agent will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Prospectus.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

There may not be a liquid secondary market for the Bonds and their market price may be volatile: The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, neither the Lead Manager nor any other person is under an obligation to maintain such a market for the life of the Bonds and the market may not be liquid. Therefore, you may not be able to sell your Bonds easily or at prices that will provide you with a then current yield comparable to similar investments that have a developed secondary (i.e. after the Issue Date) market. The Bonds are sensitive to interest rate, currency or market risks and are designed to meet the investment requirements of limited categories of investors. For these reasons, the Bonds generally will have a limited secondary market. This lack of liquidity may have a severely adverse effect on the market value of the Bonds.

The Lead Manager is expected to be appointed as registered market-maker on the Order book for Retail Bonds in respect of the Bonds from the date of admission of the Bonds to trading. Market-making means that a person will quote prices for buying and selling the Bonds during trading hours. However, the Lead Manager may not continue to act as market-maker for the life of the Bonds. If a replacement market-maker was not appointed in such circumstances, this could have an adverse impact on your ability to sell the Bonds.

Global economic disruption: In addition, Bondholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Bonds, concerns over the liquidity of major banks and building societies and the consequent effects on the general economy. The Issuer cannot predict when these circumstances will change and, if and when they do, whether conditions of general market illiquidity for the Bonds and instruments similar to the Bonds will be available in the future.

Legal investment considerations may restrict certain investments: The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent the Bonds are legal investments for it. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

A credit rating is only an opinion and is subject to change: At the date of this Prospectus, neither the Issuer nor the Guarantors have been assigned a credit rating by any independent credit rating agency and, accordingly, the Bonds have not been assigned a credit rating by any independent credit rating agency. Investors will need to make their own assessment of the credit of the Issuer and the Guarantors and the other factors which may affect the value of the Bonds without the benefit of an independent credit rating.

There can be no guarantee that a credit rating will be assigned to the Issuer, the Guarantors or the Bonds in the future. Even if such a credit rating is obtained, investors in the Bonds should be aware that a credit rating is not a recommendation to buy, sell or hold any of the Bonds and any credit rating that may be assigned to the Bonds may be subject to suspension, change or withdrawal at any time by the rating agency. Any credit rating that may be assigned to the Bonds may go down as well as up.

Yield: The indication of yield (i.e. the income return on the Bonds) stated within this Prospectus (see Section 3 (*Information about the Bonds –What is the yield on the Bonds?*) applies only to investments made at (as opposed to above or below) the issue price of the Bonds. If you invest in the Bonds at a price other than the issue price of the Bonds, the yield on the investment will be different from the indication of yield on the Bonds as set out in this Prospectus.

Realisation from sale of the Bonds may be less than your original investments: If you choose to sell the Bonds at any time prior to their maturity, the price received from such sale could be less than the original investment you made. Factors that will influence the price may include, but are not limited to, market appetite, inflation, the time of redemption, interest rates and the current financial position and an assessment of the future prospects of the Issuer and the Guarantors.

Changes in interest or inflation rates may adversely affect the value of the Bonds: The Bonds bear interest at a fixed rate rather than by reference to an underlying index. Accordingly, you should note that if interest rates rise, then the income payable on the Bonds might become less attractive and the price that you could realise on a sale of the Bonds may fall. However, the market price of the Bonds from time to time has no effect on the total income you receive on maturity of the Bonds if you hold the Bonds until the Maturity Date. Further, inflation will reduce the real value of the Bonds over time, which may affect what you could buy with your investment in the future and may make the fixed rate payable on the Bonds less attractive in the future, again affecting the price that you could realise on a sale of the Bonds.

The clearing systems: Because the Global Certificate may be held by or on behalf of Euroclear and Clearstream, Luxembourg and a nominee of the common depository of such clearing systems entered in the register of Bondholders, you will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Bonds will be evidenced by the Global Certificate. Such Global Certificate may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Certificate, you will not be entitled to receive Definitive Certificates. Euroclear and Clearstream, Luxembourg will maintain records of the interests in the Global Certificate. While the Bonds are represented by the Global Certificate, you will be able to trade your interests only through Euroclear or Clearstream, Luxembourg.

While the Bonds are evidenced by the Global Certificate, the Issuer will discharge its payment obligations under such Bonds by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of an interest in the Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, interests in the Global Certificate.

Holders of interests in the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear or Clearstream, Luxembourg.

3. INFORMATION ABOUT THE BONDS

INFORMATION ABOUT THE BONDS

The following is an overview of the key terms of the Bonds.

The full Terms and Conditions of the Bonds are contained in Appendix 2. It is important that you read the entirety of this Prospectus, including the Terms and Conditions of the Bonds, before deciding to invest in the Bonds. If you have any questions, you should seek advice from your independent financial adviser or other professional adviser before deciding to invest.

		Refer to
What are the Bonds?	The Bonds are debt instruments issued by the Issuer and guaranteed by the Guarantors. The Bonds will be subject to the "*Terms and Conditions of the Bonds*" which are set out in Appendix 2. The **Bonds**: (a) entitle Bondholders to receive semi-annual interest payments at a fixed interest rate of 4.25 per cent. per annum; (b) have a principal amount of £100 per Bond; (c) must be paid back in full on 15 December 2023 (the **Maturity Date**); (d) in certain circumstances however, may be repaid prior to the Maturity Date if the Issuer chooses to do so; (e) are not secured by the Issuer's or the Guarantors' assets; and (f) are intended to be admitted to trading on the London Stock Exchange, through its Order book for Retail Bonds.	Appendix 2 (*Terms and Conditions of the Bonds*)
Who is issuing the Bonds?	The Bonds will be issued by Places for People Finance plc (the **Issuer**).	Section 7 (*Description of the Issuer*)
Who is guaranteeing the Bonds?	The obligation of the Issuer to pay interest and principal in respect of the Bonds is guaranteed, on a joint and several basis, by PFPL (Holdings) Limited (**PFPL**), Places for People Ventures Operations Limited (**PfP Operations**), Residential Management Group Limited (**RMG**), Touchstone Corporate Property Services Limited (**Touchstone**) and Zero C Holdings Limited (**Zero C** and together with PFPL, PfP Operations, RMG and Touchstone, the **Guarantors** and each a **Guarantor**).	Section 8 (*Description of the Guarantors*)
What is the relationship between the Issuer, the Guarantors	The Issuer is a direct, wholly-owned subsidiary of Places for People Group Limited (the **Group Parent**). The Guarantors (other than PfP Operations) are all direct or indirect subsidiaries of PfP Operations which is itself an indirect subsidiary of the Group Parent.	Sections 7 (*Description of the Issuer*) and 8 (*Description of the*

and the Group?		*Guarantors*)
Why are the Bonds being issued? What will the proceeds be used for?	The offer of the Bonds is being made to enable members of the Operations Group to further pursue their general corporate purposes (including the repayment by Zero C of the Zero C Facilities) and the net proceeds from the issue of the Bonds (after deduction of expenses incurred in connection with the issue) will be made available by the Issuer to PfP Operations for the purpose of on-lending to one or more members of the Operations Group for such purposes.	Section 8 (*Description of the Guarantors*)
Will I be able to trade the Bonds?	The Issuer will make an application for the Bonds to be admitted to trading on the London Stock Exchange plc, on its regulated market and through its electronic Order book for Retail Bonds (the **ORB**). If this application is accepted, the Bonds are expected to commence trading on or about 16 December 2016. Once admitted to trading, the Bonds may be purchased or sold through a broker. The market price of the Bonds may be higher or lower than their issue price depending on, among other things, the level of supply and demand for the Bonds, movements in interest rates and the financial performance of the Issuer, the Guarantors and the Group. See Section 2 (*Risk Factors – Risks related to the market generally – There may not be a liquid secondary market for the Bonds and their market price may be volatile*).	Section 11 (*Additional Information – Listing and admission to trading of the Bonds*)
How will interest payments on the Bonds be funded?	Interest payments in respect of the Bonds will effectively be paid from cash flows generated from the business of the Group.	Section 8 (*Description of the Guarantors*)
What is the interest rate?	The interest rate payable on the Bonds will be fixed until the Maturity Date at 4.25 per cent. per year.	Appendix 2 (*Terms and Conditions of the Bonds – Condition 6 (Interest)*)
Can the interest rate change?	No, the interest rate payable on the Bonds is fixed for the life of the Bonds.	Appendix 2 (*Terms and Conditions of the Bonds – Condition 6 (Interest)*)
When will interest payments be made?	The first payment of interest in relation to the Bonds is due to be made on 15 June 2017. Following the first payment, interest is expected to be paid on 15 June and 15 December in each year up to and including the date the	Appendix 2 (*Terms and Conditions of the Bonds – Condition 6*

	Bonds are repaid.	*(Interest)*)
How is the amount of interest payable calculated?	The Issuer will pay a fixed rate of 4.25 per cent. interest per year in respect of the Bonds. Interest will be payable in two semi-annual instalments. Therefore, for each £100 principal amount of Bonds that you buy on 15 December 2016, for instance, you will receive £2.125 on 15 June 2017 and £2.125 on 15 December 2017, and so on every six months until and including the Maturity Date (unless you sell the Bonds or they are repaid by the Issuer before the Maturity Date).	Appendix 2 (*Terms and Conditions of the Bonds – Condition 6 (Interest)*)
What is the yield on the Bonds?	On the basis of the issue price of the Bonds being 100 per cent. of their principal amount and the rate of interest being 4.25 per cent. per annum, the initial yield (being the interest received from the Bonds expressed as a percentage of their principal amount) of the Bonds on the Issue Date is 4.25 per cent. on an annual basis. This initial yield is not an indication of future yield.	N/A
What will Bondholders receive in a winding up of the Issuer and the Guarantors?	If any of the Issuer or the Guarantors becomes insolvent and is unable to pay its debts, an administrator or liquidator would be expected to make distributions to its creditors in accordance with a statutory order of priority. Your claim as a Bondholder would be expected to rank after the claims of any creditors that are given preferential treatment by applicable laws of mandatory application relating to creditors, but ahead of any shareholder of the Issuer or Guarantor, as applicable. A simplified diagram illustrating the expected ranking of the Bonds compared with other creditors of the Issuer and the Guarantors, as the case may be, is set out below:	N/A

	Type of obligation	**Examples of obligations**
Higher Ranking	Proceeds of fixed charge assets	Fixed charges granted by the Guarantors over their assets securing loan facilities and/or bonds
	Expenses of the liquidation /administration	Currently none
	Preferential creditors	Including remuneration due to employees of the Guarantors
	Proceeds of floating charge assets	Currently none
	Unsecured obligations, including guarantees in respect of them	Including the Bonds and the Guarantee of the Guarantors.

	Lower ranking Shareholders/Members Requirement to distribute to shareholders or a Group member.	
Are the Bonds secured?	Neither the Issuer's nor the Guarantors' obligations to pay interest and principal on the Bonds will be secured either by any of the Issuer's or any other member of the Group's assets or otherwise.	N/A
Do the Bonds have a credit rating?	Neither the Issuer nor the Guarantors have been assigned a credit rating by any independent credit rating agency and, accordingly, the Bonds have not been assigned a credit rating by any independent credit rating agency.	Section 2 (*Risk Factors*)
When will the Bonds be repaid?	The Issuer must repay all the Bonds on the Maturity Date (unless repaid earlier), which is 15 December 2023. The repayment price under such circumstances will be the principal amount of the Bonds. The Issuer may repay all or any part of the Bonds prior to the Maturity Date in certain circumstances. In the event of any change in tax law after the Bonds have been issued that would result in the Issuer or the Guarantors being required to pay any additional amount in respect of a withholding or deduction on account of tax, the Bonds may be repaid if the Issuer chooses to do so. The redemption price in these circumstances is at the principal amount of the Bonds plus accrued interest. The Issuer also has a right to redeem the Bonds early at its option at any time. In this case, you will receive back a minimum of the principal amount of your Bonds plus any interest accrued thereon until the date of repayment; in certain circumstances you may receive a higher amount of cash compensation for the loss of income you would have received had the Bonds remained outstanding. On repayment, such payments will be made to you equal to the higher of the principal amount of the Bonds (£100 per £100 in principal amount of Bonds) you hold, or a price whereby the yield given up as a result of the Bonds being repaid early will equal that of a bond issued by HM Treasury of comparable maturity plus a margin of 0.5 per cent., together with any accrued interest. For example, as the Bonds have a fixed interest rate of 4.25 per cent. and mature on 15 December 2023, if the Bonds were repaid on 16 December 2016 the cash payment would amount to £118.20 for every Bond issued at a principal amount of £100.	Appendix 2 (*Terms and Conditions of the Bonds – Condition 8 (Redemption and Purchase)*)
Do the Bonds have voting rights?	Bondholders have certain rights to vote at meetings of Bondholders, but are not entitled to vote at any meeting of shareholders or members of the Issuer, the Guarantors or any member of the Group.	Appendix 2 (*Terms and Conditions of the Bonds – Condition 14* (*Meetings of*

		Bondholders, Modification, Waiver and Substitution)
Who will represent the interests of the Bondholders?	Prudential Trustee Company Limited (the **Trustee**) is appointed to act on behalf of the Bondholders as an intermediary between Bondholders and the Obligors throughout the life of the Bonds. The main obligations of the Obligors (such as the obligation to pay and observe the various covenants in the Terms and Conditions of the Bonds) are owed to the Trustee. These obligations are enforceable by the Trustee only, not the Bondholders themselves. Although the entity chosen to act as Trustee is chosen and appointed by the Issuer, the Trustee's role is to act in the interests of the Bondholders.	Appendix 2 (*Terms and Conditions of the Bonds*)
Can the Terms and Conditions of the Bonds be amended?	The Terms and Conditions of the Bonds provide that the Trustee may agree to: (a) any modification of any of the provisions of the trust deed pursuant to which the Bonds are constituted (which includes the Guarantee) dated 15 December 2016 (the **Trust Deed**) that is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error (which is an indisputable error) or an error which, to the satisfaction of the Trustee, is proven; (b) waive, modify (except a modification as mentioned in the Trust Deed) or authorise a proposed breach by the Issuer of a provision of the Trust Deed if, in the opinion of the Trustee, such modification is not prejudicial to the interests of the Bondholders; or (c) the substitution of another company or other entity, being a member of the Group, as principal debtor under the Bonds in place of the Issuer, in certain circumstances and subject to the satisfaction of certain conditions. The Trustee can agree to any such changes without obtaining the consent of any of the Bondholders. Bondholders may also sanction a modification of the Terms and Conditions of the Bonds by passing an Extraordinary Resolution.	Appendix 2 (*Terms and Conditions of the Bonds – Condition 14 (Meetings of Bondholders, Modification, Waiver and Substitution)*)
How do I apply for Bonds?	Details on how to apply for the Bonds are set out in Section 4 (*How to apply for the Bonds*).	Section 4 (*How to apply for the Bonds*)
What if I have further queries?	If you are unclear in relation to any matter, or uncertain if the Bonds are a suitable investment, you should seek professional advice from your broker, solicitor, accountant or other independent financial adviser before deciding whether to invest.	N/A

4. HOW TO APPLY FOR THE BONDS

HOW TO APPLY FOR THE BONDS

The following is a description of what you must do if you wish to apply for any Bonds.

How and on what terms will Bonds be allocated to me?	Applications to purchase the 4.25 per cent. guaranteed bonds due 2023 (the **Bonds**) cannot be made directly to Places for People Finance plc (the **Issuer**). Bonds will be issued to you in accordance with the arrangements in place between you and your stockbroker or other financial intermediary, including as to application process, allocations, payment and delivery arrangements. You should approach your stockbroker or other financial intermediary to discuss any application arrangements that may be available to you. It is important to note that none of the Issuer, PFPL (Holdings) Limited (**PFPL**), Places for People Ventures Operations Limited (**PfP Operations**), Residential Management Group Limited (**RMG**), Touchstone Corporate Property Services Limited (**Touchstone**), Zero C Holdings Limited (**Zero C** and together with PFPL, PfP Operations, RMG and Touchstone, the **Guarantors** and each a **Guarantor**), Investec Bank plc (the **Lead Manager**) or Prudential Trustee Company Limited (the **Trustee**) are party to such arrangements between you and the relevant Authorised Offeror (being any financial intermediary which satisfies the conditions as set out in the section of the Prospectus titled "*Important Legal Information*"). You must therefore obtain this information from the relevant **Authorised Offeror**. Because they are not party to the dealings you may have with the Authorised Offeror, the Issuer, the Guarantors, the Lead Manager and the Trustee will have no responsibility to you for any information provided to you by the Authorised Offeror.
How many Bonds will be issued to investors?	The total amount of the Bonds to be issued will depend partly on the amount of Bonds for which indicative offers to purchase Bonds are received during the Offer Period (as defined below). This total amount will be specified in an announcement which the Issuer intends to publish through a Regulatory Information Service (which is expected to be the Regulatory News Service operated by the London Stock Exchange plc (the **London Stock Exchange**) (www.london stock exchange.com/exchange/news/market-news/market-news-home.html)) on or about 13 December 2016 (the **Sizing Announcement**).
How and when must I pay for my allocation and when will that allocation be delivered to me?	You will be notified by the relevant Authorised Offeror of your allocation of Bonds (if any) and the arrangements for the Bonds to be delivered to you in return for payment.
When can the Authorised Offerors offer the Bonds for sale?	An offer of the Bonds may, subject to applicable law or regulation, be made by the Lead Manager and the other Authorised Offerors in the UK, the Bailiwick of Guernsey, Jersey and/or the Isle of Man during the period from 28 November 2016 until 12.00 (noon) (London time) on 12 December 2016, or such earlier time and date as agreed between the Obligors and the Lead Manager and announced via a Regulatory Information Service (which is expected to be the Regulatory News Service operated by the London Stock Exchange) (the **Offer Period**).

Is the offer of the Bonds conditional on anything else?	The issue of the Bonds is conditional upon the subscription agreement to be dated on or around 14 December 2016 (the **Subscription Agreement**) being signed by the Obligors and the Lead Manager. The Subscription Agreement will include certain conditions which must be satisfied (including the delivery of legal opinions and auditors comfort letters satisfactory to the Lead Manager and the execution of the Trust Deed). If these conditions are not satisfied, the Lead Manager may be released from its obligations under the Subscription Agreement before the issue of the Bonds. For further information on the Subscription Agreement, see Section 10 (*Subscription and Sale*).
Is it possible that I may not be issued with the number of Bonds I apply for? Will I be refunded for any excess amounts paid?	You may not be allocated all (or any) of the Bonds for which you apply. This might happen for example if the total amount of orders for the Bonds exceeds the number of Bonds that are issued. There will be no refund as you will not be required to pay for any Bonds until any application for the Bonds has been accepted and the Bonds have been allocated to you.
Is there a minimum or maximum amount of Bonds that I can apply for?	The minimum application amount for each investor is £2,000. There is no maximum amount of application.
How and when will the results of the offer of the Bonds be made public?	The results of the offer of the Bonds will be made public in the Sizing Announcement, which will be published prior to the Issue Date. The Sizing Announcement is currently expected to be made on or around 13 December 2016.
Who can apply for the Bonds? Have any Bonds been reserved for certain countries?	Subject to certain exceptions, and to applicable law and regulation, Bonds may only be offered by the Authorised Offerors in the UK, the Bailiwick of Guernsey, Jersey and/or the Isle of Man during the Offer Period. No Bonds have been reserved for certain countries.
When and how will I be told of how many Bonds have been allotted to me?	You will be notified by the relevant Authorised Offeror of your allocation of Bonds (if any) in accordance with the arrangements in place between you and the Authorised Offeror.
Have any steps been taken to allow dealings in the Bonds before investors	No steps have been taken by the Issuer to allow the Bonds to be traded before informing you of your allocation of Bonds.

are told how many Bonds have been allotted to them?	
What is the amount of any expenses and taxes specifically that will be charged to me?	None of the Obligors or the Lead Manager will charge you any expenses relating to an application for or purchase of any Bonds. However, expenses may be charged to you by an Authorised Offeror. These expenses are beyond the control of the Issuer, are not set by the Issuer and will be disclosed to any potential investor by the relevant Authorised Offeror at the relevant time. The Issuer estimates that, in connection with the sale of Bonds to you, the expenses charged to you by one of the Authorised Offerors known to the Issuer as at the date of the Prospectus may be between 0 per cent. and 7 per cent. of the aggregate principal amount of the Bonds sold to you. This is an estimated range of expenses. The actual expenses to be charged will depend on your individual circumstances and your relationship with your stock broker or other financial adviser; they will vary from investor to investor.
What are the names and addresses of those distributing the Bonds?	As of the date of this Prospectus, the persons listed below are the Lead Manager and the initial Authorised Offerors who have each been appointed by the Obligors and the Lead Manager (as applicable) to offer and distribute, subject to applicable law or regulation, the Bonds in the UK, the Bailiwick of Guernsey, Jersey and/or the Isle of Man during the Offer Period. **Investec Bank plc** 2 Gresham Street London EC2V 7QP www.investec.co.uk **Barclays Bank PLC** 1 Churchill Place London E14 5HP www.barclaysstockbrokers.co.uk/investments/new-issues/pages/at-a-glance.aspx **Equiniti Financial Services Limited** Aspect House Spencer Road Lancing West Sussex BN99 6DA www.sagasharedirect.co.uk www.selftrade.co.uk www.shareview.co.uk **Hargreaves Lansdown Asset Management Limited** One College Square South Anchor Road Bristol BS1 5HL www.hl.co.uk **Interactive Investor Trading Limited** Standon House 21 Mansell Street

	London E1 8AA www.iii.co.uk **Redmayne-Bentley LLP** 9 Bond Court Leeds LS1 2JZ www.redmayne.co.uk/pfp **Walker Crips Stockbrokers Limited** 7th Floor 103 – 105 Bunhill Row London EC1Y 8LZ www.wcgplc.co.uk Each of the Obligors has granted consent to the use of this Prospectus by other relevant stockbrokers and financial intermediaries during the Offer Period on the basis of, and so long as they comply with, the conditions described in Section 12 (*Important Legal Information - Consent*). None of the Obligors or the Lead Manager has authorised, nor will they authorise, the making of any other offer of the Bonds in any other circumstances.
Will a registered market-maker be appointed?	The Lead Manager will be appointed as registered market-maker through the Order book for Retail Bonds in respect of the Bonds from the date on which the Bonds are admitted to trading on the London Stock Exchange. Market-making means that a person will quote prices for buying and selling the Bonds during trading hours.

5. TAXATION

TAXATION

If you are considering applying for the Bonds, it is important that you understand the taxation consequences of investing in the Bonds. You should read this Section and discuss the taxation consequences with your tax adviser, financial adviser or other professional adviser before deciding whether to invest.

The summary below is intended as a general guide only and is not intended to be, nor should it be construed to be, legal or tax advice. It is based on the Issuer's understanding of current law and practice in the relevant jurisdictions as of the date of this Prospectus, both of which are subject to change, possibly with retrospective effect. If you may be subject to tax in a jurisdiction other than the UK or are unsure as to your tax position, you should seek your own professional advice.

UK

The summary set out below describes certain UK taxation considerations relating to the Bonds and is based on current UK tax law as applied in England and Wales and HM Revenue & Customs (**HMRC**) practice (which may not be binding on HMRC). It applies only to persons who are the absolute beneficial owners of Bonds and who hold their Bonds as investments. References to "interest" refer to interest as that term is understood for UK tax purposes. Some aspects do not apply to certain classes of person (such as dealers, certain professional investors and persons connected with the Issuer) to whom special rules may apply. The UK tax treatment of prospective Bondholders depends on their individual circumstances and may therefore differ to that set out below.

This summary only deals with the matters expressly set out below. It does not purport to be a complete analysis of all tax considerations relating to the Bonds.

Interest on the Bonds

Withholding tax on the Bonds

Payments of interest by the Issuer on the Bonds may be made without deduction of or withholding on account of UK income tax provided that the Bonds continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the **Act**). The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000 (**FSMA**)) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Bonds remain so listed, interest on the Bonds will be payable without withholding or deduction on account of UK tax.

In other cases, an amount must generally be withheld from payments of interest on the Bonds on account of UK income tax at the basic rate (currently 20 per cent.), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Bondholder, HMRC can issue a notice to the Issuer to pay interest to the Bondholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

If the interest were paid under deduction of UK income tax (e.g. if the Bonds ceased to be listed on a "recognised stock exchange"), Bondholders who are not resident in the UK may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double tax treaty.

Further UK income tax issues

Interest on the Bonds constitutes UK source income for tax purposes and, as such, may be subject to income tax by direct assessment even where paid without withholding.

However, interest with a UK source properly received without deduction or withholding on account of UK tax will not be chargeable to UK tax in the hands of a Bondholder (other than certain trustees) who is not resident for tax purposes in the UK unless that Bondholder carries on a trade, profession or vocation in the UK through a UK branch or agency or for holders who are companies through a UK permanent establishment, in connection with which the interest is received or to which the Bonds are attributable. There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Bondholders.

Bondholders should note that the provisions relating to additional amounts referred to in Condition 9 (*Taxation*) of the Terms and Conditions of the Bonds would not apply if HMRC sought to assess directly the person entitled to the relevant interest to UK tax. However, exemption from, or reduction of, such UK tax liability might be available under an applicable double treaty.

Guaranteed Issues

If a Guarantor makes any payments in respect of interest on the Bonds, such payments may be subject to withholding at the basic rate on account of UK tax, subject to such relief as may be available under the provisions of any applicable double taxation treaty or any other relief that may apply. Such payments by such Guarantor may not, however, be eligible for the exemption from the obligation to withhold tax described in the first paragraph under *Withholding tax on the Bonds* above.

UK Corporation Tax Payers

In general, Bondholders which are within the charge to UK corporation tax will be charged to tax as income on all returns, profits or gains on, and fluctuations in value of, the Bonds (whether attributable to currency fluctuations or otherwise) broadly in accordance with their statutory accounting treatment so long as the accounting treatment is in accordance with generally accepted accounting practice as that term is defined for tax purposes.

Other UK Tax Payers

Interest

Bondholders who are individuals and are resident for tax purposes in the UK or who carry on a trade, profession or vocation in the UK through a branch or agency to which the Bonds are attributable will generally be liable to UK tax on the amount of any interest received in respect of the Bonds.

Taxation of Chargeable Gains

For Bondholders who are individuals, the Bonds will constitute "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992. Accordingly, a disposal by a Bondholder of a Bond (including a redemption) will not give rise to a chargeable gain or an allowable loss for the purposes of the UK taxation of chargeable gains.

Accrued Income Scheme

On a disposal of Bonds by a Bondholder who is an individual, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules of the accrued income scheme as set out in Part 12 of the Act, if that Bondholder is resident for tax purposes in the UK or carries on a trade in the UK through a branch or agency to which the Bonds are attributable.

Individual Savings Accounts

For Bondholders who are individuals, the Bonds will be qualifying investments for the stocks and shares component of an Individual Savings Account (an **ISA**) under the Individual Savings Account Regulations 1998 (the **ISA Regulations**) provided the Bonds are listed on the official list of a recognised stock exchange within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange for these purposes. Individual Bondholders who acquire or hold their Bonds through an ISA and who satisfy the requirements for tax exemption in the ISA Regulations will not be subject to UK tax on interest or other amounts received in respect of the Bonds.

The opportunity to invest in Bonds through an ISA is restricted to individuals. Individuals wishing to purchase the Bonds through an ISA should contact their professional advisers regarding their eligibility.

Stamp Duty and Stamp Duty Reserve Tax

No UK stamp duty or stamp duty reserve tax is payable on the issue, transfer or redemption of the Bonds.

SIPP Eligibility

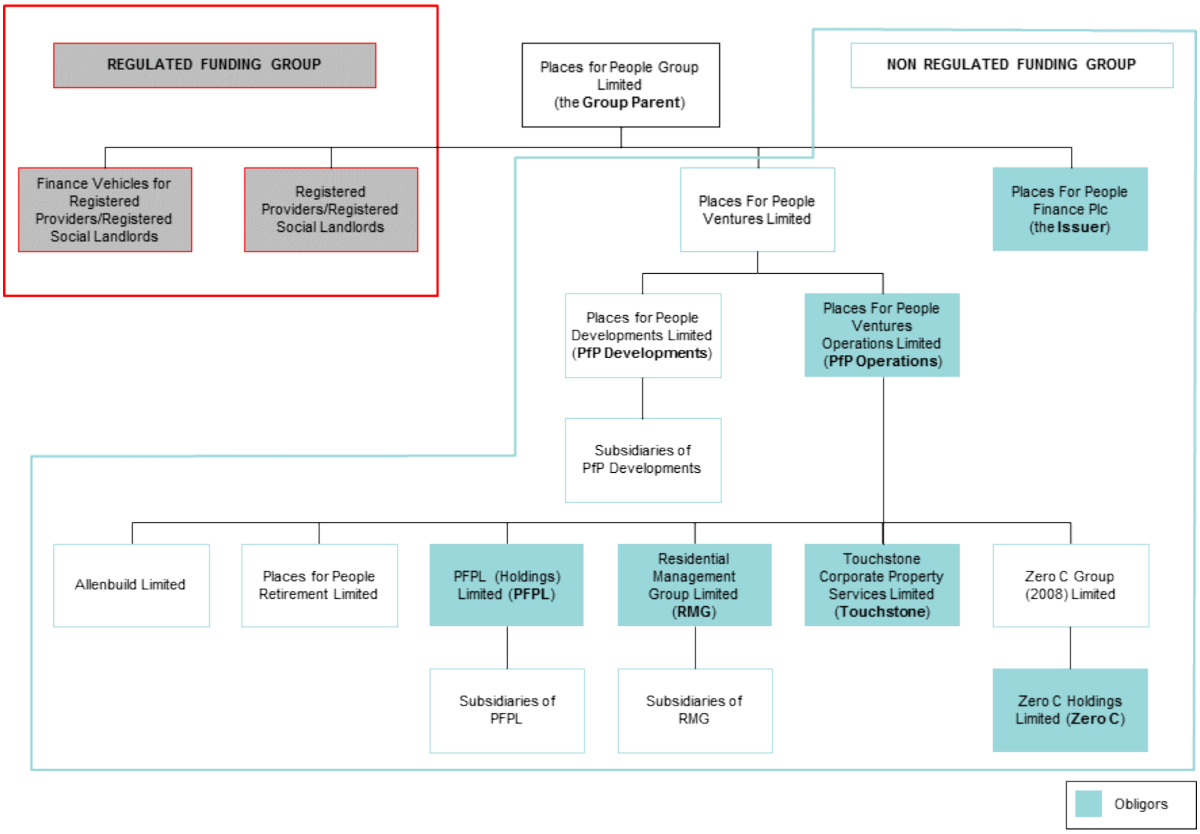
The Bonds should be eligible for inclusion within a SIPP (a self-invested personal pension) that is a registered pension scheme under the Finance Act 2004.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer does not expect to be a foreign financial institution for these purposes, but no assurances can be given that the Issuer will not be treated as a foreign financial institution for purposes of FATCA. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, such withholding would not apply prior to 1 January 2019. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Bonds.

6. DESCRIPTION OF THE GROUP AND THE OPERATIONS GROUP

DESCRIPTION OF THE GROUP AND THE OPERATIONS GROUP



Places for People Group Limited (the **Group Parent**) is the parent company of the Places for People group of companies (the **Group**). The Group is a leading property management, development, regeneration and leisure group. The Group owns or manages 152,783 properties (as at 31 March 2016) in a mixture of different tenures and has an asset base at a cost of £3.1 billion. With 5,475 full-time equivalent employees (average for the year to 31 March 2016), the Group provides a diverse range of products and services to create high quality, safe and sustainable communities.

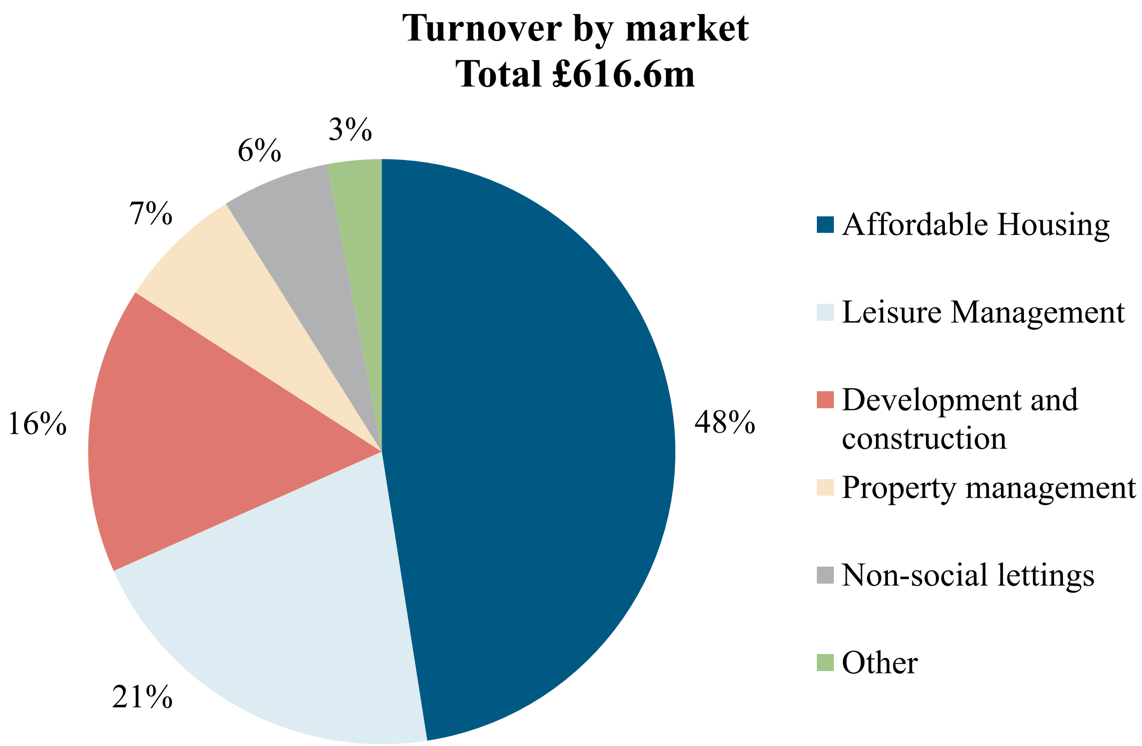
The Group consists of three regulated registered providers of social housing and one registered social landlord which (a) provide supported housing and manage affordable rented homes in the UK, with a particular focus on England and Scotland and (b) are run as businesses and any surplus which may result from their operations is reinvested in the Group.

In addition, the Group also consists of a number of other operating subsidiaries which pursue non-regulated complementary activities. The Operations Group is a non-regulated sub-group of the Group and carries out various commercial activities in the property management, leisure management, development and construction sectors.

Bondholders will only have recourse to the Obligors and not to the providers of social housing or any other entity within the Group.

Turnover of the Group by Market

As at 31 March 2016, the turnover of the Group was £616.6 million and was divided as follows:



Group Audit and Risk Committee

The Group has established an Audit and Risk Committee (the **Group Audit and Risk Committee**) which oversees, reviews and monitors the Group's application of accounting policies and standards, the appointment and remuneration of the external auditors, the resources and work programme of Business Assurance (the internal auditors), the risk management framework and the adequacy of internal control. The Group Audit and Risk Committee receives and reviews reports from Business Assurance on a regular basis. The external auditors submit reports to the Group Audit and Risk Committee when appropriate. The programme of reports reviewed in the year ensures that the Group Audit and Risk Committee covers all material areas of risk on a regular basis. The Group Audit and Risk Committee also reviews regular presentations from management on the operation of controls throughout the business. It takes initiatives to satisfy itself that risk avoidance measures are fully embedded within the Group structure.

The Group's Audit and Risk Committee comprises Lynette Lackey (as Chair), Nigel Hopkins and Jonathan Lloyd.

7. DESCRIPTION OF THE ISSUER

DESCRIPTION OF THE ISSUER

This Section sets out information about the Issuer.

Information about the Issuer

The Issuer's legal and commercial name is Places for People Finance plc. The Issuer was incorporated and registered in England and Wales on 28 October 2016 under the Companies Act 2006 as a public limited company with registered number 10451754. The principal legislation under which the Issuer operates is the Companies Act 2006.

The Issuer's registered office and principal place of business is 80 Cheapside, London EC2V 6EE and its telephone number is 0207 429 0400.

Principal Activities

The Issuer is a special purpose company established for the purpose of issuing debt and making such proceeds thereof available to PfP Operations for the purpose of on-lending to one or more members of the Operations Group.

Directors and Secretary

The Directors of the Issuer are:

Name	**Principal activities outside the Issuer which are significant with respect to the Issuer**
David Cowans	Group Chief Executive One hundred other Group Directorships (including each of the Guarantors)
Simran Soin	Group Finance Director Forty-six other Group Directorships (including PfP Operations and Zero C)

The Secretary of the Issuer is Christopher Martin.

The business address of each of the above persons is 80 Cheapside, London ECEV 6EE.

Subject as follows, there are no potential conflicts of interest between the private interests or other duties to third parties of the directors of the Issuer and their duties to the Issuer. David Cowans is a Director of the Issuer and each of the Guarantors and Simran Soin is a Director of the Issuer and each of PfP Operations and Zero C. A conflict of interests could therefore arise if these Directors are required to approve any transactions between such Obligors. However, the Issuer's Articles of Association provide that, so long as Directors disclose the nature and extent of such a conflict, they may nevertheless vote on behalf of the Issuer in respect of such transactions.

Use of Proceeds

The net proceeds from the issue of the Bonds (after deduction of expenses incurred in connection with the issue) will be made available by the Issuer to PfP Operations for the purpose of on-lending to one or more members of the Operations Group to enable such members of the Operations Group to further pursue their general corporate purposes (including the repayment by Zero C of the Zero C Facilities).

Share Capital and Major Shareholders

The entire issued share capital of the Issuer comprises 50,000 ordinary shares of £1 each (all of which are paid up to 25 pence), which are held by Places for People Group Limited.

Operations

Since the date of its incorporation, the Issuer has not commenced operations and no financial statements have been made up as at the date of this Prospectus.

Financial Information

The Issuer has appointed KPMG LLP of Arlington Business Park, Theale, Reading RG7 4SD, as its auditors. KPMG is a member of the Institute of Chartered Accountants in England and Wales.

Recent Developments

There have been no recent events particular to the Issuer that are, to a material extent, relevant to the evaluation of the Issuer's solvency.

8. DESCRIPTION OF THE GUARANTORS

DESCRIPTION OF PFPL (HOLDINGS) LIMITED

This Section sets out information about PFPL (Holdings) Limited (**PFPL**).

Information on PFPL

PFPL's legal and commercial name is PFPL (Holdings) Limited. PFPL was incorporated and registered in England and Wales on 14 July 2003 under the Companies Act 1985 with registered number 04832063. The principal legislation under which PFPL operates is the Companies Act 2006.

PFPL's registered office is 80 Cheapside, London EC2V 6EE and its principal place of business is Waters Edge, Riverside Way, Camberley, Surrey GU15 3YL. PFPL's telephone number is 01276 418 200.

Principal Activities

PFPL is primarily engaged in the management of local authority owned leisure facilities and currently operates management contracts gained through both negotiation and competitive tendering.

In the financial year ended 31 March 2016, PFPL worked in partnership and secured new contracts with the following local authorities to manage their leisure facilities:

Amber Valley Borough Council	Birmingham City Council
Dartford Borough Council	Dorset County Council
East Hampshire District Council	Eastleigh Borough Council
Embridge Borough Council	Gosport Borough Council
High Peak Borough Council	Hinckley and Bosworth Borough Council
Horsham District Council	Kingston Council
Maldon District Council	Mid Sussex District Council
Mole Valley District Council	Newport Pagnell Town Council
North Norfolk District Council	North Somerset Council
Norwich City Council	Rotherham Metropolitan Borough Council
Rushmoor Borough Council	Sandwell Metropolitan Borough Council
Sheffield City Council	Southampton City Council
Suffolk Coastal District Council	Surrey Heath Borough Council
Tewkesbury Borough Council	Wandsworth Council
Waverley Borough Council	Borough Council of Wellingborough
Wiltshire Council	Winchester City Council

Wolverhampton City Council | Wycombe District Council

Wyre Forest District Council

The average length of PFPL's contracts is 20 years with the shortest being 9 years and the longest being 45 years.

PFPL is an award winning leisure management contractor that specialises in the development and management of leisure facilities on behalf of local authorities throughout the UK. PFPL is one of the largest leisure contractors employing approximately 9,000 people and managing over 100 leisure centres on behalf of 35 clients in addition to three private Places Gyms. On average there are 30 million visits per year to PFPL's leisure centres.

PFPL won the UK Active Flame award for Leisure Centre Operator of the Year in 2015, retaining the title for the fourth year running. PFPL has also received accolades from the Amateur Swimming Association, Quest, Active IQ and the Royal Society of Public Health and is a Royal Life Saving Society UK approved Training Centre. PFPL holds the CHAS certification mark and is a member of the UK Active Code of Practice.

PFPL works closely alongside a dedicated project team of architects, project managers, construction companies and subcontractors to offer local authorities one complete solution to new designs and builds that are in synergy with their requirements and vision for the sites. PFPL can provide local authorities with design and build solutions, funding and investment opportunities and facility management and lifecycle maintenance services.

PFPL's development and refurbishment packages include internal and external building alterations, fixtures and fittings and the management and installation of new equipment such as fitness and catering. In the financial year ended 31 March 2016, PFPL completed substantial refurbishment works on behalf of its local authority partners across a number of contracts including Kingston and Maldon totalling £7.5 million. In addition, High Places, PFPL's first aerial adventure course opened at its Horsham site in February 2016, following a £400,000 investment.

PFPL, through its management of local authority gyms, are partners in public health, contributing to improved community health outcomes. All PFPL Contract and General Managers are aware of their area's Joint Strategic Needs Assessments and are active within local Health and Wellbeing partnerships and committees in order to deliver effective programmes within their Leisure Centre(s). PFPL has strong links with public health teams, Street Games, National Governing Bodies of sports and County Sports Partnerships to develop new initiatives to tackle health inequalities.

PFPL is also signed up to the Government's Responsibility Deal and is experienced in delivering quality Health and Wellbeing initiatives including:

- GP exercise referral programmes;
- Fall prevention classes;
- Stroke rehabilitation;
- Cardiac rehabilitation;
- Cancer rehabilitation;
- Smoking cessation; and
- Swim4Health - an initiative that encourages people to use the pool as an exercise space with a tailored programme to improve their health outcomes.

Principal Markets

PFPL operates in the UK leisure management market.

Investments

PFPL has not made any principal investments since 31 March 2016 and there are no principal investments on which PFPL's management bodies have made firm commitment.

Directors and Secretary

The Directors of PFPL are:

Name	**Principal activities outside PFPL which are significant with respect to PFPL**
John Bates	None
David Cowans	Group Chief Executive One hundred other Group Directorships (including the Issuer and each of the other Guarantors)
Carolyn D'Costa	None
Sandra Dodd	None
John Oxley	None
Christopher Phillips	Group Chairman Chairman of Londonewcastle Group Limited Twenty-three other Group Directorships (including PfP Operations, RMG and Touchstone)

The Secretary of PFPL is Christopher Martin.

The business address of each of the above is 80 Cheapside, London EC2V 6EE.

Subject as follows, there are no potential conflicts of interest between duties to PFPL of its Directors and their private interests and other duties. David Cowans is a Director of the Issuer and each of the Guarantors and Christopher Phillips is a Director of PFPL and each of PfP Operations, RMG and Touchstone. A conflict of interests could therefore arise if these Directors are required to approve any transactions between such Obligors. However, PFPL's Articles of Association provide that, so long as Directors disclose the nature and extent of such a conflict, they may nevertheless vote on behalf of the PFPL in respect of such transactions.

Audit Committee

PFPL's application of accounting policies and standards and compliance with the risk management framework is reviewed and monitored by the Group Audit and Risk Committee.

Corporate Governance

PFPL adheres to the corporate governance policies applied by Places for People Group Limited.

Share Capital and Major Shareholders

As of the date of this Prospectus, PFPL has allotted, issued and fully paid 999,999 ordinary shares of £0.25 each.

PFPL is a wholly-owned subsidiary of Places for People Ventures Operations Limited, which itself is an indirect subsidiary of Places for People Group Limited.

Material Contracts

As at the date of this Prospectus, no contract has been entered into by PFPL which could result in the Issuer or any member of the Operations Group being under an obligation or entitlement that is material to the Issuer's, or the Guarantors', as the case may be, ability to meet its obligations to Bondholders in respect of the Bonds.

Recent Developments

There have been no recent events particular to PFPL that are, to a material extent, relevant to the evaluation of PFPL's solvency.

DESCRIPTION OF PLACES FOR PEOPLE VENTURES OPERATIONS LIMITED

This Section sets out information about Places for People Ventures Operations Limited (**PfP Operations**).

Information on PfP Operations

PfP Operations' legal and commercial name is Places for People Ventures Operations Limited. PfP Operations was incorporated and registered in England and Wales on 21 October 2013 under the Companies Act 2006 with registered number 08740397. The principal legislation under which PfP Operations operates is the Companies Act 2006.

PfP Operations' registered office and principal place of business is 80 Cheapside, London EC2V 6EE and its telephone number is 0207 429 0400.

Principal Activities

PfP Operations' principal activity is the holding of investments in various commercial subsidiaries.

Principal Markets

PfP Operations owns companies in the UK retirement, development, leisure and property management markets.

Investments

PfP Operations has not made any principal investments since 31 March 2016 and there are no principal investments on which PfP Operations' management bodies have made firm commitment.

Directors and Secretary

The Directors of PfP Operations are:

Name	**Principal activities outside PfP Operations which are significant with respect to PfP Operations**
David Cowans	Group Chief Executive One hundred other Group Directorships (including the Issuer and each of the other Guarantors)
Cecily Davis	None
Brenda Dean	Non-executive Director of the Group Parent
Jonathan Lloyd	Non–executive Director of the Group Parent Non-executive Chairman of Reform Energy plc
Mary Parsons	None
Christopher Phillips	Group Chairman Chairman of Londonewcastle Group Limited

	Twenty-three other Group Directorships (including PFPL, RMG and Touchstone)
Colin Rae	None
Joe Seet	Non-executive Director of the Group Parent
Simran Soin	Group Finance Director Forty-six other Group Directorships (including the Issuer and Zero C)

The Secretary of PfP Operations is Christopher Martin.

The business address of each of the above is 80 Cheapside, London EC2V 6EE.

Subject as follows, there are no potential conflicts of interest between duties to PfP Operations of its Directors and their private interests and other duties. David Cowans is a Director of the Issuer and each of the Guarantors; Christopher Phillips is a Director of PfP Operations and each of PFPL, RMG and Touchstone; and Simran Soin is a Director of PfP Operations and each of the Issuer and Zero C. A conflict of interests could therefore arise if these Directors are required to approve any transactions between such Obligors. However, the PfP Operations' Articles of Association provide that, so long as Directors disclose the nature and extent of such a conflict, they may nevertheless vote on behalf of the PfP Operations in respect of such transactions.

Audit Committee

PfP Operations' application of accounting policies and standards and compliance with the risk management framework is reviewed and monitored by the Group Audit and Risk Committee.

Corporate Governance

PfP Operations adheres to the corporate governance policies applied by Places for People Group Limited.

Share Capital and Major Shareholders

As of the date of this Prospectus, PfP Operations has allotted, issued and fully paid 100 ordinary shares of £1 each and 200,000,000 preference shares of £1 each.

PfP Operations is a subsidiary of Places for People Ventures Limited, which itself is a direct subsidiary of Places for People Group Limited.

Material Contracts

As at the date of this Prospectus, no contract has been entered into by PfP Operations which could result in the Issuer or any member of the Operations Group being under an obligation or entitlement that is material to the Issuer's, or the Guarantors', as the case may be, ability to meet its obligations to Bondholders in respect of the Bonds.

Recent Developments

There have been no recent events particular to PfP Operations that are, to a material extent, relevant to the evaluation of PfP Operations' solvency.

DESCRIPTION OF RESIDENTIAL MANAGEMENT GROUP LIMITED

This Section sets out information about Residential Management Group Limited (**RMG**).

Information on RMG

RMG's legal and commercial name is Residential Management Group Limited. RMG was incorporated and registered in England and Wales on 21 August 1980 under the Companies Act 1948 with registered number 01513643. The principal legislation under which RMG operates is the Companies Act 2006.

RMG's registered office and principal place of business is RMG House, Essex Road, Hoddesdon, Hertfordshire EN11 0DR and its telephone number is 0845 002 4214.

Principal Activities

The principal activity of RMG is the management of residential housing in the private and public sectors.

RMG is one of the leading residential property management businesses in the UK, providing management and support services to the public and private sectors. As at 31 March 2016, RMG had 76,402 leasehold properties under management in the private sector and a contracted order book of 24,919 units under construction. RMG mainly looks after purchased properties that are under leasehold.

RMG's services include:

Leasehold management services including:
- Cleaning;
- Maintenance;
- Gardening;
- Budgeting;
- Tenants' charges;
- Service charges;
- Rent collection; and
- Annual accounts.

Health and safety support including:
- Health and safety fire assessments and consulting;
- Fire safety;
- Water safety;
- Asbestos control; and
- Advice on regulations and responsibilities.

Housing options including:
- Housing advice;
- Homelessness prevention;
- Managing temporary accommodation; and
- Supporting vulnerable households.

RMG has achieved growth through winning a number of new contracts and the acquisition of Southampton-based F&S Property Management, which has 4,400 units under management. This acquisition provides a strong platform for further growth on the south coast of England through an established and trusted brand. In the public sector, RMG has continued to strengthen its relationship with external partners such as Westminster City Council by increasing the number of homes in its private sector leasing scheme for homeless people and extending its offering through the introduction of a new public sector consultancy service. In turn, this has secured work for RMG with a number of the other London boroughs.

Principal Markets

RMG operates in the UK residential property management market both in the private and public sectors.

Investments

RMG has not made any principal investments since 31 March 2016 and there are no principal investments on which RMG's management bodies have made firm commitment.

Directors and Secretary

The Directors of RMG are:

Name	**Principal activities outside RMG which are significant with respect to RMG**
David Cowans	Group Chief Executive One hundred other Group Directorships (including the Issuer and each of the other Guarantors)
Alan Inglis	None
Hugh McGeever	None
Christopher Phillips	Group Chairman Chairman of Londonewcastle Group Twenty-three other Group Directorships (including PFPL, PfP Operations and Touchstone)

The Secretary of RMG is Christopher Martin.

The business address of each of the above is 80 Cheapside, London EC2V 6EE.

Subject as follows, there are no potential conflicts of interest between duties to RMG of its Directors and their private interests and other duties. David Cowans is a Director of the Issuer and each of the Guarantors and Christopher Phillips is a Director of RMG and each of PFPL, PfP Operations and Touchstone. A conflict of interests could therefore arise if these Directors are required to approve any transactions between such Obligors. However, the RMG's Articles of Association provide that, so long as Directors disclose the nature and extent of such a conflict, they may nevertheless vote on behalf of RMG in respect of such transactions.

Audit Committee

RMG's application of accounting policies and standards and compliance with the risk management framework is reviewed and monitored by the Group Audit and Risk Committee.

Corporate Governance

RMG adheres to the corporate governance policies applied by Places for People Group Limited.

Share Capital and Major Shareholders

As of the date of this Prospectus, RMG has allotted, issued and fully paid 2,500,544 ordinary shares of £1 each and 10,000 Class A shares of £0.01 each. Holders of Class A shares have no right to attend, vote at or speak at a general meeting of RMG. In a return of capital, the holders of the Class A shares are entitled to receive a share of surplus assets before the holders of the ordinary shares. The holders of the Class A shares have no entitlement to a dividend.

RMG is a wholly-owned subsidiary of Places for People Ventures Operations Limited, which itself is an indirect subsidiary of Places for People Group Limited.

Material Contracts

As at the date of this Prospectus, no contract has been entered into by RMG which could result in the Issuer or any member of the Operations Group being under an obligation or entitlement that is material to the Issuer's, or the Guarantors', as the case may be, ability to meet its obligations to Bondholders in respect of the Bonds.

Recent Developments

There have been no recent events particular to RMG that are, to a material extent, relevant to the evaluation of RMG's solvency.

DESCRIPTION OF TOUCHSTONE CORPORATE PROPERTY SERVICES LIMITED

This Section sets out information about Touchstone Corporate Property Services Limited (**Touchstone**).

Information on Touchstone

Touchstone's legal and commercial name is Touchstone Corporate Property Services Limited. Touchstone was incorporated and registered in England and Wales on 12 March 2003 under the Companies Act 1985 with registered number 04695692. The principal legislation under which Touchstone operates is the Companies Act 2006.

Touchstone's registered office and principal place of business is 80 Cheapside, London EC2V 6EE and its telephone number is 01225 838 490.

Principal Activities

The principal activity of Touchstone is the provision of residential property management services.

Touchstone, one of the UK's leading property management companies, is a specialist market rent and tenancy management company that manages homes throughout the UK, including Northern Ireland. This includes a whole variety of different types of stock but increasingly Touchstone's focus is on new-build, purpose-built properties or conversions. Touchstone manages properties for institutional and corporate investors, retailers with residential upper parts and buy-to-let mortgage lenders. As at 31 October 2016, 18,484 units were managed by Touchstone.

Touchstone's services include:

Residential portfolio management including:
- Marketing and letting;
- Inventories and deposit management;
- Rent setting, collection and credit control;
- Maintenance and refurbishment;
- Compliance management; and
- Client reporting.

Consultancy and advisory services including:
- Property acquisition;
- Stock surveys; and
- "Sell or hold" decisions.

LPA Receivership;

Commercial property management; and

Student accommodation.

Touchstone is working with other companies in the Group to deliver over 400 new-build affordable homes in central London for Dolphin Living through its integrated property management approach. Touchstone also helped to stabilise the much-publicised New Era estate in Hoxton, London where a major challenge was to implement a new management regime.

On behalf of Matrix Homes, Touchstone manages and maintains market rented family homes across five suburban areas through the pioneering Manchester Housing Investment Fund. For the financial year ended 31 March 2016, Touchstone achieved an average lettings time of ten days across the Manchester Housing Investment Fund portfolio.

Touchstone is perfectly placed to deliver comprehensive management services to build-to-rent projects and has recently secured its first contract to deliver on-site management at Moorfield's "The Keel" development on Liverpool's waterfront. At this conversion of an ex-HMRC building into 240 apartments, Touchstone worked with Moorfield and its partners through the design, marketing and mobilisation stages to deliver a new offer in the city's rental market. In addition, Touchstone has created a strategic alliance with Legal & General and Laing O'Rourke to work with the public sector to generate long-term revenue streams by developing market rent properties on public sector land.

Touchstone is: (i) regulated by the Royal Institution of Chartered Surveyors; (ii) a member of the National Approved Letting Scheme and the Association of Residential Letting Agents; and (iii) a founding member of SAFEagent.

Principal Markets

Touchstone operates in the UK market rent and tenancy management sector.

Investments

Touchstone has not made any principal investments since 31 March 2016 and there are no principal investments on which Touchstone's management bodies have made firm commitment.

Directors and Secretary

The Directors of Touchstone are:

Name	**Principal activities outside Touchstone which are significant with respect to Touchstone**
Simon Barton	None
Jon Clark	None
David Cowans	Group Chief Executive One hundred other Group Directorships (including the Issuer and each of the other Guarantors)
Matthew Hunt	None
John Midgley	None
James Perrett	None
Christopher Phillips	Group Chairman Chairman of Londonewcastle Group Limited Twenty-three other Group Directorships (including PFPL, PfP Operations and RMG)

The Secretary of Touchstone is Christopher Martin.

The business address of each of the above is 80 Cheapside, London EC2V 6EE.

Subject as follows, there are no potential conflicts of interest between duties to Touchstone of its Directors and their private interests and other duties. David Cowans is a Director of the Issuer and each of the Guarantors and Christopher Phillips is a Director of Touchstone and each of PFPL, PfP Operations and RMG. A conflict of interests could therefore arise if these Directors are required to approve any transactions between such Obligors. However, the Touchstone's Articles of Association provide that, so long as Directors disclose the nature and extent of such a conflict, they may nevertheless vote on behalf of Touchstone in respect of such transactions.

Audit Committee

Touchstone's application of accounting policies and standards and compliance with the risk management framework is reviewed and monitored by the Group Audit and Risk Committee.

Corporate Governance

Touchstone adheres to the corporate governance policies applied by Places for People Group Limited.

Share Capital and Major Shareholders

As of the date of this Prospectus, Touchstone has allotted, issued and fully paid 35,000 ordinary shares of £1 each.

Touchstone is a wholly-owned subsidiary of Places for People Ventures Operations Limited, which itself is an indirect subsidiary of Places for People Group Limited.

Material Contracts

As at the date of this Prospectus, no contract has been entered into by Touchstone which could result in the Issuer or any member of the Operations Group being under an obligation or entitlement that is material to the Issuer, or the Guarantors', as the case may be, ability to meet its obligations to Bondholders in respect of the Bonds.

Recent Developments

There have been no recent events particular to Touchstone that are, to a material extent, relevant to the evaluation of Touchstone's solvency.

DESCRIPTION OF ZERO C HOLDINGS LIMITED

This Section sets out information about Zero C Holdings Limited (**Zero C**).

Information on Zero C

Zero C's legal and commercial name is Zero C Holdings Limited. Zero C was incorporated and registered in England and Wales on 20 March 2008 under the Companies Act 2006 with registered number 06540829. The principal legislation under which Zero C operates is the Companies Act 2006.

Zero C's registered office is 80 Cheapside, London EC2V 6EE and its principal place of business is Armitage House, 1 Victor Jackson Avenue, Poundbury, Dorchester, Dorset DT1 3GY. Zero C's telephone number is 01305 250 427.

Principal activities

The principal activity of Zero C is the construction and development of residential and mixed use developments.

Zero C is a design led, highly experienced, sustainable developer and has been building high quality homes and mixed use developments for the past 13 years. Zero C is resourced to deliver in excess of 200 homes a year and has consents or subject to planning options for over 1,500 homes, offices and commercial buildings. Zero C is at the forefront of sustainable development and leads the way in delivering outstanding homes that are inexpensive to live in and that respect the environment. Zero C is an award winning developer and has received over a dozen major building awards in recent years.

Zero C's current joint venture partners include The Homes and Communities Agency, The Duchy of Cornwall, Elsick Development Company and a number of private landowners.

Zero C continues to promote its sustainability ethos through its own design process and by promoting sustainable technologies wherever viable. Zero C ensures that all homes are built to the minimum standard of Code for Sustainable Homes Level 4 which represents a 44 per cent. reduction in Carbon Dioxide emissions compared to the 2006 regulations (25 per cent. compared to the 2010 version) and a 50 per cent. reduction in water usage in a typical home. A number of new homes are now being built to the Zero Carbon Code Level 6. The Bickleigh Eco Village is a 93-unit scheme designed according to the Code for Sustainable Homes and Code 6 energy standards.

Other previous and upcoming Zero C developments include:

Poundbury, Dorchester – Zero C has delivered a number of developments in the experimental new town of Poundbury, Dorchester. Ansbury House, Poundbury is an example of traditional architecture which has been reconfigured to accommodate nine apartments. St John's Park, Poundbury is an exclusive development of twelve homes, ranging from a detached two bedroom coach house to substantial four bedroom, three bathroom, family homes. The development is situated on the eastern edge of Poundbury in a quiet cul-de-sac overlooking the park.

Officer's Field, Dorset - Officer's Field, Portland is an award winning development of 77 homes adjacent to the sailing venue of the 2012 Olympic Games and was the hugely successful home of the athletes' village. All of the homes are extremely spacious and the majority boast spectacular views.

Harton, North Yorkshire - ZeroC Harton is a small scheme of just three traditional Georgian four bedroom houses in the picture postcard village of Harton to the East of York.

Trumpet Junction, Basingstoke – Zero C has been selected to deliver a custom build scheme in Basingstoke. The Trumpet Junction development offers a unique opportunity for purchasers to be involved from the very beginning, designing their own home and, in some cases, even building it.

Tornagrain, Scotland - Tornagrain is a new town, located between Inverness and Nairn in the Scottish Highlands. Surrounded by estate woodlands, country walks and rolling fields the town will be a self-sufficient community.

External Indebtedness

On 11 September 2008, Zero C entered into a loan agreement with Barclays Bank PLC (**Barclays**) under which Barclays made available facilities totalling £16,000,000 (the **2008 Facility**). The 2008 Facility is secured by way of a guarantee from the Group Parent for interest and costs overruns, capped at £10,000,000. In addition, the 2008 Facility is secured by way of assignment over building contracts, fixed charges over project sites and collateral warranties. The 2008 Facility has been amended and restated from time to time and expires on 11 September 2020. It is to be used for development finance.

On 21 July 2014, Zero C entered into an overdraft agreement with Barclays under which Barclays made available an overdraft facility totalling £3,000,000 (the **First Overdraft Facility**). The First Overdraft Facility is secured by way of a guarantee from the Group Parent for interest and costs overruns, capped at £10,000,000. It is to be used for working capital.

On 21 July 2014, Zero C entered into an overdraft agreement with Barclays under which Barclays made available an overdraft facility totalling £4,000,000 (the **Second Overdraft Facility**). The Second Overdraft Facility is secured by way of a guarantee from the Group Parent for interest and costs overruns, capped at £10,000,000. It is to be used for working capital and development finance.

The 2008 Facility, the First Overdraft Facility and the Second Overdraft Facility are together, the **Zero C Facilities**.

Principal Markets

Zero C operates in the UK housebuilding sector.

Investments

Zero C has not made any principal investments since 31 March 2016 and there are no principal investments on which Zero C's management bodies have made firm commitment.

Directors and Secretary

The Directors of Zero C are:

Name	**Principal activities outside Zero C which are significant with respect to Zero C**
David Cowans	Group Chief Executive One hundred other Group Directorships (including the Issuer and each of the other Guarantors)
Colin Rae	None

Peter Lacey	None
Mark Robinson	None
Simran Soin	Group Finance Director Forty-six other Group Directorships (including the Issuer and PfP Operations)

The Secretary of Zero C is Christopher Martin.

The business address of each of the above is 80 Cheapside, London EC2V 6EE.

Subject as follows, there are no potential conflicts of interest between duties to Zero C of its Directors and their private interests and other duties. David Cowans is a Director of the Issuer and each of the Guarantors and Simran Soin is a Director of Zero C and each of the Issuer and PfP Operations. A conflict of interests could therefore arise if these Directors are required to approve any transactions between such Obligors. However, the Zero C's Articles of Association provide that, so long as Directors disclose the nature and extent of such a conflict, they may nevertheless vote on behalf of Zero C in respect of such transactions.

Audit Committee

Zero C's application of accounting policies and standards and compliance with the risk management framework is reviewed and monitored by the Group Audit and Risk Committee.

Corporate Governance

Zero C adheres to the corporate governance policies applied by Places for People Group Limited.

Share Capital and Major Shareholders

As of the date of this Prospectus, Zero C has allotted, issued and fully paid 9,250 ordinary shares of £0.10 each and 85,000 A Ordinary shares of £0.10 each. The A Ordinary shares and the ordinary shares rank *pari passu* in all respects other than that the ordinary shares benefit from superior rights on a sale of a controlling interest in Zero C, a listing or a winding up.

Zero C is a wholly-owned subsidiary of Zero C Group (2008) Limited, which itself is a wholly-owned subsidiary of Places for People Ventures Operations Limited. Places for People Ventures Operations Limited is itself an indirect subsidiary of Places for People Group Limited.

Material Contracts

As at the date of this Prospectus, no contract has been entered into by Zero C which could result in the Issuer or any member of the Operations Group being under an obligation or entitlement that is material to the Issuer's, or the Guarantors', as the case may be, ability to meet its obligations to Bondholders in respect of the Bonds.

Recent Developments

There have been no recent events particular to Zero C that are, to a material extent, relevant to the evaluation of Zero C's solvency.

9. SELECTED FINANCIAL INFORMATION

SELECTED FINANCIAL INFORMATION

This Section sets out important historical financial information relating to the Guarantors.

The following tables set out in summary form the consolidated income statement, consolidated balance sheet and consolidated statement of cash flows of PFPL (Holdings) Limited (**PFPL**) for the financial years ended 31 March 2015 and 31 March 2016 and the consolidated profit and loss account and consolidated balance sheet for the six month periods ended 30 September 2015 and 30 September 2016. Such information is extracted (without material adjustment) from, and is qualified by reference to and should be read in conjunction with, the audited consolidated annual financial statements of PFPL for the financial years ended 31 March 2015 and 31 March 2016 and the unaudited consolidated financial statements of PFPL for the six month periods ended 30 September 2015 and 30 September 2016. The audited consolidated annual financial statements of PFPL for the financial years ended 31 March 2015 and 31 March 2016 and the unaudited consolidated financial statements of PFPL for the six month periods ended 30 September 2015 and 30 September 2016 are set out in full in Appendix 4.

PFPL (Holdings) Limited Consolidated Statement of Comprehensive Income For the financial years ended 31 March 2015 and 31 March 2016		
	2016	**2015**
	£000	**£000**
Turnover	**130,692**	**117,311**
Cost of sales	(105,217)	(92,361)
Gross profit	**25,475**	**24,950**
Administrative expenses	(18,515)	(16,421)
Operating profit	**6,960**	**8,529**
Interest receivable and similar income	3	91
Interest payable and similar charges	(239)	(144)
Profit on ordinary activities before taxation	**6,724**	**8,476**
Tax on profit on ordinary activities	(1,541)	(1,739)
Profit for the financial year	**5,183**	**6,737**
Other recognised gains and losses	91	(427)
Total recognised gains losses relating to the year	**5,274**	**6,310**

PFPL (Holdings) Limited Consolidated Statement of Financial Position For the financial years ended 31 March 2015 and 31 March 2016		
	2016	**2015 (restated)**
	£000	**£000**
Fixed assets		
Tangible assets	18,502	16,170
	18,502	16,170
Current assets		
Stocks	720	759
Debtors	10,665	10,961
Cash at bank	4,293	2,753
	15,678	14,473

Creditors: amounts falling due within one year	(9,949)	(9,109)
Net current assets	5,729	5,364
Total assets less current liabilities	24,231	21,534
Creditors: amounts falling due after more than one year	(4,134)	(7,948)
Provisions for liabilities and changes	(580)	-
Accruals and deferred income	(10,508)	(9,583)
Net assets excluding pension liability	9,009	4,003
Defined benefit pension scheme liability	(431)	(699)
Net assets	**8,578**	**3,304**
Capital and reserves		
Called up share capital	250	250
Share premium account	247	247
Profit and loss account	8,081	2,807
Shareholders' funds	**8,578**	**3,304**

PFPL (Holdings) Limited Consolidated Profit and Loss Statement For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Total income	67,306	64,366
Total costs	(64,827)	(61,216)
Profit/(loss) before interest	**2,479**	**3,150**
Interest receivable	39	1
Interest payable	(74)	(123)
Profit/(loss) before tax	**2,444**	**3,028**

PFPL (Holdings) Limited Consolidated Balance Sheet For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Fixed assets		
Goodwill	0	0
Tangible fixed assets	18,941	17,890
Investments	0	0
Total fixed assets	**18,941**	**17,890**
Current assets		
Stock	753	741
Debtors < within 1 year	10,064	11,068
Cash at bank & in hand	1,193	2,605
Total current assets	**12,010**	**14,414**
Current liabilities	(15,043)	(14,394)
Net Current Assets	**(3,033)**	**20**
Total Assets less Current Liabilities	**15,908**	**17,910**

PFPL (Holdings) Limited Consolidated Balance Sheet For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Non-current liabilities		
Amounts falling due after more than one year	**5,452**	**12,206**
Equity		
Share Capital	497	497
Revenue Reserves	9,959	5,207
	10,456	**5,704**
Total non-current liabilities & equity	**15,908**	**17,910**

The following tables set out in summary form the income statement, balance sheet and statement of cash flows of Places for People Ventures Operations Limited (**PfP Operations**) for the period ended 31 March 2015 and the financial year ended 31 March 2016 and the profit and loss account and balance sheet for the six month periods ended 30 September 2015 and 30 September 2016. Such information is extracted (without material adjustment) from, and is qualified by reference to and should be read in conjunction with, the audited annual financial statements of PfP Operations for the period ended 31 March 2015 and the financial year ended 31 March 2016 and the unaudited financial statements of PfP Operations for the six month periods ended 30 September 2015 and 30 September 2016. The audited annual financial statements of PfP Operations for the period ended 31 March 2015 and the financial year ended 31 March 2016 and the unaudited financial statements of PfP Operations for the six month periods ended 30 September 2015 and 30 September 2016 are set out in full in Appendix 4.

Places for People Ventures Operations Limited Statement of Comprehensive Income For the period ended 31 March 2015 and the financial year ended 31 March 2016		
	2016	**2015**
	£'000	**£'000**
Operating costs	(3,417)	(200)
Operating loss	(3,417)	(200)
Interest receivable and similar income	9,423	1,082
Interest payable and similar charge	(67)	(316)
Profit on ordinary activities before taxation	**5,939**	**566**
Taxation	(612)	(119)
Profit on ordinary activities after taxation	**5,327**	**447**

Places for People Ventures Operations Limited Statement of Financial Position For the period ended 31 March 2015 and the financial year ended 31 March 2016		
	2016	**2015**
	£'000	**£000**
Fixed assets		
Investments	205,178	144,350
Current assets		
Debtors	2,271	221
Cash at bank and in hand	615	-
	2,886	221
Creditors – amounts falling due within one year	(290)	(360)
Net current assets/ (liabilities)	2,596	(139)
Total assets less current liabilities	**207,774**	**144,211**
Creditors – amounts falling due within one year	2,000	-
Capital and reserves		
Called up share capital	200,000	143,764
Revenue reserves	5,774	447
Total capital and reserves	**205,774**	**144,211**
	207,774	144,211

Places for People Ventures Operations Limited Profit and Loss Statement For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Total income	0	0
Total costs	(1,464)	(336)
Profit/(loss) before interest	**(1,464)**	**(336)**
Dividends receivable	3,000	0
Interest receivable	4,371	2,512
Interest payable	(94)	(22)
Profit/(loss) before tax	**5,813**	**2,154**

Places for People Ventures Operations Limited Balance Sheet For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Fixed assets		
Investments	219,860	148,532
Total fixed assets	**219,860**	**148,532**
Current assets		
Stock	0	0
Debtors < within 1 year	2,796	2,661
Cash at bank & in hand	770	1,026
Total current assets	**3,566**	**3,687**
Current liabilities		
Accruals	0	0
Other Current Liabilities	(1,232)	(1,771)
Net Current Assets	**2,334**	**1,916**
Total Assets less Current Liabilities	**222,194**	**150,448**
Non-current liabilities		
Amounts falling due after more than one year	**10,550**	**2,600**
Equity		
Share Capital	200,000	145,264
Revenue Reserves	11,644	2,584
	211,644	**147,848**
Total non-current liabilities & equity	**222,194**	**150,448**

The following tables set out in summary form the consolidated income statement, consolidated balance sheet and consolidated statement of cash flows of Residential Management Group Limited (**RMG**) for the financial years ended 31 March 2015 and 31 March 2016 and the consolidated profit and loss account and consolidated balance sheet for the six month periods ended 30 September 2015 and 30 September 2016. Such information is extracted (without material adjustment) from, and is qualified by reference to and should be read in conjunction with, the audited consolidated annual financial statements of RMG for the financial years ended 31 March 2015 and 31 March 2016 and the unaudited consolidated financial statements of RMG for the six month periods ended 30 September 2015 and 30 September 2016. The audited consolidated annual financial statements of RMG for the financial years ended 31 March 2015 and 31 March 2016 and the unaudited consolidated financial statements of RMG for the six month periods ended 30 September 2015 and 30 September 2016 are set out in full in Appendix 4.

Residential Management Group Limited Consolidated Statement of Comprehensive Income For the financial years ended 31 March 2015 and 31 March 2016		
	2016	**2015**
	£'000	**£000 (restated)**
Turnover	31,870	29,764
Cost of sales	(9,103)	(8,962)
Gross profit	22,767	20,802
Operating costs	(19,048)	(17,052)
Operating profit before Interest	3,719	3,750
Interest receivable and similar income (net)	65	70
Profit on ordinary activities before taxation	3,784	3,820
Tax (charge) / credit on surplus on ordinary activities	(804)	204
Profit for the year	**2,980**	**4,024**
Other comprehensive income:		
Actuarial gains / (losses) recognised in the pension scheme	357	(387)
Deferred tax arising on the (gain) / loss in the pension scheme	(78)	61
Total comprehensive income for the year	**3,259**	**3,698**

Residential Management Group Limited Consolidated Statement of Financial Position For the financial years ended 31 March 2015 and 31 March 2016		
	2016	**2015**
	£'000	**£000 (restated)**
Fixed assets		
Intangible assets	629	-
Tangible assets	2,648	1,672
Investments	3	5
	3,280	1,677
Current assets		
Debtors: due within one year	5,749	7,428
Cash at bank and in hand	1,229	1,324
	6,978	8,752
Creditors: Amounts falling due within one year	(4,296)	(4,755)
Net current assets	2,662	3,997
Total assets less current liabilities	5,962	5,674

Provisions for liabilities	(496)	(553)
Net assets excluding pension surplus / (deficit)	5,466	5,121
Pension surplus I (deficit)	293	(121)
Net assets including pension surplus / (deficit)	**5,759**	**5,000**
Capital and reserves		
Called-up share capital	2,501	2,501
Profit and loss account	3,258	2,499
Shareholders' funds	**5,759**	**5,000**

Residential Management Group Limited Consolidated Profit and Loss Statement For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Total income	15,401	15,856
Total costs	(12,854)	(13,648)
Profit/(loss) before interest	**2,547**	**2,208**
Interest receivable	42	31
Interest payable	0	0
Profit/(loss) before tax	**2,588**	**2,239**

Residential Management Group Limited Consolidated Balance Sheet For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Fixed assets		
Goodwill	377	735
Tangible fixed assets	1,034	2,018
Investments	3	40
Total fixed assets	**1,414**	**2,793**
Current assets		
Stock	0	0
Debtors < within 1 year	8,891	6,400
Cash at bank & in hand	1,278	1,797
Total current assets	**10,169**	**8,197**
Current liabilities	(3,528)	(3,307)
Net Current Assets	**6,641**	**4,890**
Total Assets less Current Liabilities	**8,055**	**7,683**
Non-current liabilities		
Amounts falling due after more than one year	**196**	**559**
Equity		
Share Capital	2,501	2,501

Revenue Reserves	5,358	4,623
	7,859	**7,124**
Total non-current liabilities & equity	**8,055**	**7,683**

The following tables set out in summary form the income statement, balance sheet and statement of cash flows of Touchstone Corporate Property Services Limited (**Touchstone**) for the financial years ended 31 March 2015 and 31 March 2016 and the profit and loss account and consolidated balance sheet for the six month periods ended 30 September 2015 and 30 September 2016. Such information is extracted (without material adjustment) from, and is qualified by reference to and should be read in conjunction with, the audited annual financial statements of Touchstone for the financial years ended 31 March 2015 and 31 March 2016 and the unaudited financial statements of Touchstone for the six month periods ended 30 September 2015 and 30 September 2016. The audited annual financial statements of Touchstone for the financial years ended 31 March 2015 and 31 March 2016 and the unaudited financial statements of Touchstone for the six month periods ended 30 September 2015 and 30 September 2016 are set out in full in Appendix 4.

Touchstone Corporate Property Services Limited Statement of Comprehensive Income For the financial years ended 31 March 2015 and 31 March 2016		
	2016	**2015**
	£	**£**
Turnover	**12,928,186**	**13,787,115**
Cost of sales	(1,474,344)	(1,785,719)
Gross profit	**11,453,842**	**12,001,396**
Administrative expenses	(10,026,692)	(9,960,247)
Operating profit	1,427,150	2,041,149
Other interest receivable and similar income	-	13,382
Interest payable and similar charge	(83)	(132)
Profit on ordinary activities before taxation	**1,427,067**	**2,054,399**
Tax on profit on ordinary activities	(317,616)	(445,522)
Profit for the financial year	**1,109,451**	**1,608,877**
Total comprehensive income for the year	**1,109,451**	**1,608,877**

Touchstone Corporate Property Services Limited Statement of Financial Position For the financial years ended 31 March 2015 and 31 March 2016		
	2016	**2015**
	£	**£**
Fixed assets		
Intangible assets	35,718	194,654
Property, plant and equipment	882,899	206,572
	918,617	401,226
Current assets		
Debtors	2,028,947	1,836,046
Cash at bank and in hand	1,445,905	1,941,267
	3,474,852	3,777,313
Creditors: amounts falling due within one year	(1,432,679)	(1,327,200)
Net current assets	2,042,173	2,450,113
Net assets	2,960,790	2,851,339
Capital and reserves		
Called-up share capital	35,000	35,000
Profit and loss account	2,925,790	2,816,339
Shareholders' funds	2,960,790	2,851,339

Touchstone Corporate Property Services Limited Profit and Loss Statement For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Total income	8,468	6,394
Total costs	(4,979)	(5,625)
Profit/(loss) before interest	**3,489**	**769**
Interest receivable	2	0
Interest payable	(0)	(40)
Profit/(loss) before tax	**3,490**	**729**

Touchstone Corporate Property Services Limited Balance Sheet For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Fixed assets		
Goodwill	0	97
Tangible fixed assets	819	271
Investments	0	0
Total fixed assets	**819**	**368**
Current assets		
Stock	0	0
Debtors < within 1 year	2,378	3,036
Cash at bank & in hand	1,876	1,671
Total current assets	**4,254**	**4,707**
Current liabilities	**(2,329)**	**(1,667)**
Net Current Assets	**1,925**	**3,040**
Total Assets less Current Liabilities	**2,744**	**3,408**
Non-current liabilities		
Amounts falling due after more than one year	**0**	**0**
Equity		
Share Capital	35	35
Revenue Reserves	2,709	3,373
	2,744	**3,408**
Total non-current liabilities & equity	**2,744**	**3,408**

The following tables set out in summary form the income statement, balance sheet and statement of cash flows of Zero C Holdings Limited (**Zero C**) for the financial years ended 31 March 2015 and 31 March 2016 and the profit and loss account and balance sheet for the six month periods ended 30 September 2015 and 30 September 2016. Such information is extracted (without material adjustment) from, and is qualified by reference to and should be read in conjunction with, the audited annual financial statements of Zero C for the financial years ended 31 March 2015 and 31 March 2016 and the unaudited financial statements of Zero C for the six month periods ended 30 September 2015 and 30 September 2016. The audited annual financial statements of Zero C for the financial years ended 31 March 2015 and 31 March 2016 and the unaudited financial statements of Zero C for the six month periods ended 30 September 2015 and 30 September 2016 are set out in full in Appendix 4.

Zero C Holdings Limited Statement of Comprehensive Income For the financial years ended 31 March 2015 and 31 March 2016		
	2016	**2015**
	£'000	**£'000**
Turnover	39,324	29,048
Cost of sales	(29,817)	(22,910)
Gross profit	**9,507**	**6,138**
Administrative expenses	(3,056)	(1,973)
Other operating income	202	134
Operating profit	**6,653**	**4,299**
Other interest receivable and similar income	5	4
Interest payable and similar charges	(964)	(1,475)
Profit on ordinary activities before taxation	**5,694**	**2,828**
Taxation	(1,158)	(687)
Profit on ordinary activities after taxation	**4,536**	**2,141**
Other comprehensive income	**-**	**-**
Total comprehensive income	**4,536**	**2,141**

Zero C Holdings Limited Statement of Financial Position For the financial years ended 31 March 2015 and 31 March 2016		
	2016	**2015**
	£'000	**£'000**
Fixed assets		
Tangible fixed assets	262	67
Investments	-	-
	262	**67**
Current assets		
Stocks	36,349	32,746
Debtors	5,651	5,671
Cash at bank and in hand	2,844	2,455
	44,844	**40,872**
Creditors: amounts falling due within one year	(26,722)	(23,435)
Net current assets	**18,122**	**17,437**
Total assets less current liabilities	**18,384**	**17,504**

Creditors: amount falling due after more than one year	(5,572)	(9,228)
Net assets	**12,812**	**8,276**
Capital and reserves		
Called up share capital	9	9
Share premium account	1,492	1,492
Revenue reserve	11,311	6,775
Equity Shareholders' Funds	**12,812**	**8,276**

Zero C Holdings Limited Profit and Loss Statement For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Total income	8,096	12,436
Total costs	(8,556)	(10,929)
Profit/(loss) before interest	**(460)**	**1,507**
Interest receivable	0	0
Interest payable	(351)	(509)
Profit/(loss) before tax	**(811)**	**998**

Zero C Holdings Limited Balance Sheet For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Fixed assets		
Goodwill	0	0
Tangible fixed assets	270	72
Investments	0	0
Total fixed assets	**270**	**72**
Current assets		
Stock	43,501	30,591
Debtors < within 1 year	623	1,259
Cash at bank & in hand	3,183	4,990
Total current assets	**47,307**	**36,840**
Current liabilities	(30,440)	(18,520)
Net Current Assets	**16,867**	**18,320**
Total Assets less Current Liabilities	**17,137**	**18,392**
Non-current liabilities		

Zero C Holdings Limited Balance Sheet For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Amounts falling due after more than one year	**5,174**	**9,229**
Equity		
Share Capital	1,501	1,501
Revenue Reserves	10,462	7,662
	11,963	**9,163**
Total non-current liabilities & equity	**17,137**	**18,392**

10. SUBSCRIPTION AND SALE

SUBSCRIPTION AND SALE

This Section contains a description of the material provisions of the Subscription Agreement.

Under a subscription agreement expected to be dated on or about 14 December 2016 (the **Subscription Agreement**), Investec Bank plc (the **Lead Manager**) is expected to agree to procure subscribers for the 4.25 per cent. guaranteed bonds due 2023 (the **Bonds**) at the issue price of 100 per cent. of the principal amount of the Bonds, less arrangement, management and applicable distribution fees. The Lead Manager will receive fees of 0.75 per cent. of the principal amount of the Bonds. **Authorised Offerors** (being any financial intermediary which satisfies the conditions as set out in the section of this Prospectus titled "*Important Legal Information*") may also be eligible to receive a distribution fee as follows:

(i) each initial Authorised Offeror will be eligible to receive a distribution fee of 0.25 per cent. of the principal amount of the Bonds allotted to and paid for by them; and

(ii) each additional Authorised Offeror may be eligible to receive a distribution fee of 0.125 per cent. of the principal amount of the Bonds allotted to and paid for by them.

Places for People Finance plc (the **Issuer**) (failing whom PFPL (Holdings) Limited (**PFPL**), Places for People Ventures Operations Limited (**PfP Operations**), Residential Management Group Limited (**RMG**), Touchstone Corporate Property Services Limited (**Touchstone**) and Zero C Holdings Limited (**Zero C** and together with PFPL, PfP Operations, RMG and Touchstone, the **Guarantors** and each a **Guarantor**) will also reimburse the Lead Manager in respect of certain of their expenses, and the Obligors are expected to agree to indemnify the Lead Manager against certain liabilities, incurred in connection with the issue of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer. The issue of the Bonds will not be underwritten by the Lead Manager, the Authorised Offerors or any other person.

Selling restrictions

Under the terms of the Subscription Agreement, the Obligors and the Lead Manager will agree to comply with the selling restrictions set out below. The Authorised Offerors are also required to comply with these restrictions under the Authorised Offeror Terms. See Section 12 (*Important Legal Information - Consent*).

US

The Bonds and the Guarantee have not been and will not be registered under the US Securities Act of 1933, as amended (the **Securities Act**). The Bonds may not be offered, sold or delivered within the US or to, or for the account or benefit of, U.S. persons. The Lead Manager will not offer, sell or deliver any Bonds within the US or to, or for the account or benefit of, U.S. persons.

UK

The Lead Manager will represent and agree that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (**FSMA**) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of FSMA) would not apply to the Obligors; and

(b) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the UK.

Jersey

The Lead Manager will represent and agree that it has not circulated, and will not circulate, in Jersey any offer for subscription, sale or exchange of Bonds unless such offer is circulated in Jersey by a person or persons authorised to conduct investment business under the Financial Services (Jersey) Law 1998, as amended and (a) such offer does not for the purposes of Article 8 of the Control of Borrowing (Jersey) Order 1958, as amended, constitute an offer to the public; or (b) an identical offer is for the time being circulated in the UK without contravening the Financial Services and Markets Act 2000 and is, *mutatis mutandis*, circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the UK.

Guernsey

The Lead Manager will represent and agree that:

(a) the Bonds cannot be promoted, marketed, offered or sold in or from within the Bailiwick of Guernsey other than in compliance with the licensing requirements of the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended, and the regulations enacted thereunder, or any exemption therefrom;

(b) this Prospectus has not been approved, authorised or registered by the Guernsey Financial Services Commission for circulation in the Bailiwick of Guernsey; and

(c) this Prospectus may not be distributed or circulated, directly or indirectly, to any persons in the Bailiwick of Guernsey other than:

   (i) by a person licensed to do so under the terms of the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended; or

   (ii) to those persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended, the Banking Supervision (Bailiwick of Guernsey) Law 1994, as amended, the Insurance Business (Bailiwick of Guernsey) Law 2002, as amended, the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law 2002, as amended or the Regulation of Fiduciaries, Administration Business and Company Directors etc (Bailiwick of Guernsey) Law 2000, as amended.

Isle of Man

The Lead Manager will represent and agree that the Bonds cannot be marketed, offered or sold in, or to persons resident in, the Isle of Man, other than in compliance with the licensing requirements of the Isle of Man Financial Services Act 2008 or in accordance with any relevant exclusion contained in the Isle of Man Regulated Activities Order 2011 or in accordance with any relevant exemption contained in the Isle of Man Financial Services (Exemptions) Regulations 2011.

Public offer selling restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), the Lead Manager will represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Bonds to the public in that Relevant Member State other than the offers contemplated in this Prospectus in the UK from the time the Prospectus has been approved by the competent authority in the UK and published in accordance with the Prospectus Directive as implemented in the UK until the Issue Date or such later date as the Issuer may permit, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Bonds to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Lead Manager; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Bonds shall require the Issuer, any Guarantor or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

In this provision, the expression an **offer of Bonds to the public** in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Relevant Member State by any measure implementing the **Prospectus Directive** in that Member State; the expression Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in the Relevant Member State.

General

Save for the offers to be made in the UK, no action has been taken by the Obligors or the Lead Manager that would, or is intended to, permit a public offer of the Bonds in any country or jurisdiction where any such action for that purpose is required. Accordingly, the Lead Manager will agree that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Prospectus or any amendment or supplement thereto or any other offering material, in all cases at its own expense.

11. ADDITIONAL INFORMATION

ADDITIONAL INFORMATION

You should be aware of a number of other matters that may not have been addressed in detail elsewhere in this Prospectus.

These include the availability of certain relevant documents for inspection, confirmations from the Issuer and details of the listing of the Bonds.

Listing and admission to trading of the Bonds

It is expected that the admission of the 4.25 per cent. guaranteed bonds due 2023 (the **Bonds**), to be issued by Places for People Finance plc (the **Issuer**) and guaranteed by PFPL (Holdings) Limited (**PFPL**), Places for People Ventures Operations Limited (**PfP Operations**), Residential Management Group Limited (**RMG**), Touchstone Corporate Property Services Limited (**Touchstone**) and Zero C Holdings Limited (**Zero C** and together with PFPL, PfP Operations, RMG and Touchstone, the **Guarantors** and the **Guarantee**, respectively), to the Official List will be granted on or about 16 December 2016. Application will be made to the UK Listing Authority for the Bonds to be admitted to the Official List and to the London Stock Exchange for such Bonds to be admitted to trading on the Regulated Market and through its electronic Order book for Retail Bonds. Admission of the Bonds to trading is expected to occur on or about 16 December 2016.

The amount of expenses related to the issue of the Bonds (i.e. being the fees payable to the Lead Manager and excluding other expenses) will be specified in the Sizing Announcement published by the Issuer on a Regulatory Information Service.

The London Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (**MiFID**). MiFID governs the organisation and conduct of the business of investment firms and the operation of regulated markets across the European Economic Area in order to seek to promote cross-border business, market transparency and the protection of investors.

Authorisations

The issue of the Bonds was duly authorised by a resolution of the Board of Directors of the Issuer passed on 17 November 2016.

The giving of the Guarantee was duly authorised by resolutions of the Boards of Directors of the each of the Guarantors passed on 17 November 2016 and written shareholder resolutions of each of the Guarantors (other than PfP Operations) passed on 17 November 2016.

The Obligors have obtained all necessary consents, approvals and authorisations in England and Wales in connection with the issue and performance of the Bonds and the giving of the Guarantee.

Significant or material change statement

There has been no significant change in the financial or trading position of the Issuer, and no material adverse change in the prospects of the Issuer, since the date of its incorporation.

There has been no significant change in the financial or trading position of the Guarantors or the Operations Group and no material adverse change in the prospects of the Guarantors or the Operations Group, since 31 March 2016.

Litigation statement

There are no, and have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) since the date of its incorporation which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

There are no, and have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Guarantors are aware) during the 12 months period preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Guarantors' or the Operations Group's financial position or profitability.

Clearing systems information and Bond security codes

The Bonds will initially be evidenced by a global certificate (the **Global Certificate**), which will be deposited with a common depository for Clearstream Banking SA (**Clearstream, Luxembourg**) and Euroclear Bank SA/NV (**Euroclear**) on or about the **Issue Date**. The Global Certificate will be exchangeable for definitive certificates (**Definitive Certificates**) in the limited circumstances set out in it. See Appendix 3 (*Summary of Provisions Relating to the Bonds While in Global Form in the Clearing Systems*) of this Prospectus.

The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. In addition, the Bonds will be accepted for settlement in CREST via the CDI mechanism. Interests in the Bonds may also be held through CREST through the issuance of CDIs representing the Underlying Bonds. You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Prospectus. For more information on the CDI mechanism, refer to the section of the Prospectus titled "*Risk Factors –Holding CREST depositary interests*". The ISIN for the Bonds is XS1527331430 and the Common Code is 152733143.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of CREST is Euroclear UK & Ireland, 33 Cannon Street, London EC4M 5SB.

Documents available for inspection

For the period of 12 months following the date of this Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer:

(a) the constitutional documents of each of the Obligors;

(b) the most recently published annual and interim financial statements (if any) of the Issuer, together with any audit or review reports prepared in connection therewith;

(c) the audited consolidated financial statements of PFPL in respect of the financial years ended 31 March 2015 and 31 March 2016, in each case together with the audit reports prepared in connection therewith;

(d) the unaudited consolidated financial statements for the six month periods ended 30 September 2015 and 30 September 2016 of PFPL;

(e) the audited financial statements of PfP Operations in respect of the period ended 31 March 2015 and the financial year ended 31 March 2016, in each case together with the audit reports prepared in connection therewith;

(f) the unaudited financial statements for the six month periods ended 30 September 2015 and 30 September 2016 of PfP Operations;

(g) the audited consolidated financial statements of RMG in respect of the financial years ended 31 March 2015 and 31 March 2016, in each case together with the audit reports prepared in connection therewith;

(h) the unaudited consolidated financial statements for the six month periods ended 30 September 2015 and 30 September 2016 of RMG;

(i) the audited financial statements of Touchstone in respect of the financial years ended 31 March 2015 and 31 March 2016, in each case together with the audit reports prepared in connection therewith;

(j) the unaudited financial statements for the six month periods ended 30 September 2015 and 30 September 2016 of Touchstone;

(k) the audited financial statements of Zero C in respect of the financial years ended 31 March 2015 and 31 March 2016, in each case together with the audit reports prepared in connection therewith;

(l) the unaudited financial statements for the six month periods ended 30 September 2015 and 30 September 2016 of Zero C;

(m) the most recently published interim financial statements (if any) of each of the Guarantors, together with any audit or review reports prepared in connection therewith;

(n) the Trust Deed dated 15 December 2016 pursuant to which the Bonds are constituted (which includes the Guarantee and the form of Global Certificate);

(o) the Agency Agreement dated 15 December 2016 pursuant to which The Bank of New York Mellon, London Branch is appointed as Principal Paying Agent and The Bank of New York Mellon (Luxembourg) S.A. is appointed as Registrar in respect of the Bonds;

(p) a copy of this Prospectus; and

(q) any future prospectuses and supplements to this Prospectus.

Auditors

The financial statements of each of the Guarantors (other than Zero C) for the financial years ended 31 March 2015 and 31 March 2016 have been audited without qualification by KPMG LLP, chartered accountants, of Arlington Business Park, Theale, Reading RG7 4SD. The financial statements of Zero C for the financial years ended 31 March 2015 and 31 March 2016 have been audited without qualification by KPMG LLP, chartered accountants, of Gateway House, Tollgate, Chandlers Ford, Southampton SO53 3TG.

Material and conflicts of interest in the offer

So far as the Obligors are aware, no person involved in the offer of the Bonds has an interest material to the offer. There are no conflicts of interest which are material to the offer of the Bonds.

Material Contracts

There are no material contracts entered into other than in the ordinary course of the Issuer or the Operations Group's business which could result in the Issuer or any member of the Operations Group being under an obligation or entitlement that is material to the Issuer's, or the Guarantors', as the case may be, ability to meet its obligations to Bondholders in respect of the Bonds being issued.

12. IMPORTANT LEGAL INFORMATION

IMPORTANT LEGAL INFORMATION

Important information relating to the Public Offer of the Bonds

If, in the context of the Public Offer (as defined below), you are offered Bonds by any entity, you should check that such entity is authorised to use this Prospectus for the purposes of making such offer before agreeing to purchase any Bonds. To be authorised to use this Prospectus in connection with the Public Offer (referred to below as an "Authorised Distributor"), an entity must be:

- the Lead Manager; or
- any financial intermediary which (a) satisfies the "Authorised Offer Terms" as defined and set out below; and (b) accepts such offer by publishing on its website that it is using this Prospectus for such Public Offer in accordance with the consent of the Obligors.

The entities listed above have been given consent to use the Prospectus only during the Offer Period and only in the United Kingdom. Other than as set out above, neither the Issuer nor the Lead Manager has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with any offer of Bonds.

This Section contains some important legal information regarding the basis on which this Prospectus may be used and other matters.

This Prospectus has been prepared on a basis that permits a **Public Offer** (being an offer of the 4.25 per cent. guaranteed bonds due 2023 (the **Bonds**) that is not within an exemption from the requirement to publish a prospectus under Article 3.2 of the Prospectus Directive) in the UK. Any person making or intending to make a Public Offer of Bonds in the UK on the basis of this Prospectus must do so only with the consent of Places for People Finance plc (the **Issuer**) and PFPL (Holdings) Limited, Places for People Ventures Operations Limited, Residential Management Group Limited, Touchstone Corporate Property Services Limited and Zero C Holdings Limited (the **Guarantors** and each a **Guarantor**) – see "*Consent given in accordance with Article 3.2 of the Prospectus Directive*" below.

Consent given in accordance with Article 3.2 of the Prospectus Directive

In the context of any Public Offer of Bonds in the UK, each Obligor accepts responsibility, in the UK, for the content of this Prospectus under section 90 of FSMA in relation to any person in the UK to whom an offer of any Bonds is made by a financial intermediary (including Investec Bank plc) to whom the Obligors have given their consent to use the Prospectus, where the offer is made in compliance with all conditions attached to the giving of such consent. Such consent and the attached conditions are described under "*Consent*" below.

Except in the circumstances described below, none of Investec Bank plc (the **Lead Manager**) or the Obligors have authorised the making of any Public Offer and the Issuer has not consented to the use of this Prospectus by any other person in connection with any offer of the Bonds. Any offer made without the consent of the Obligors is unauthorised and none of the Obligors or the Lead Manager accept any responsibility in relation to such offer.

If, in the context of a Public Offer, you are offered Bonds by a person which is not an Authorised Offeror (as defined below), you should check with such person whether anyone is responsible for this Prospectus for the purpose of section 90 of FSMA in the context of the Public Offer and, if so, who that person is. If you are in any doubt about whether you can rely on this Prospectus and/or who is responsible for its contents, you should take legal advice.

Consent

The Obligors consent to the use of this Prospectus in connection with any Public Offer of Bonds in the UK during the Offer Period by:

(i) the Lead Manager; and

(ii) any financial intermediary (an **Authorised Offeror**) which satisfies the Authorised Offer Terms and other conditions as set out below.

The **Authorised Offeror Terms** are that the relevant financial intermediary represents and agrees that it:

(a) is authorised to make such offers under Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (**MiFID**) (in which regard, you should consult the register of authorised entities maintained by the Financial Conduct Authority (**FCA**) at www.fca.org.uk/firms/systems-reporting/register). MiFID governs the organisation and conduct of the business of investment firms and the operation of regulated markets across the European Economic Area in order to seek to promote cross-border business, market transparency and the protection of investors;

(b) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the **Rules**), including the Rules published by the FCA (including its guidance for distributors in "The Responsibilities of Providers and Distributors for the Fair Treatment of Customers") from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Bonds by any person and disclosure to any potential investor;

(c) complies with the restrictions set out under "*Subscription and Sale*" in this Prospectus which would apply as if it were the Lead Manager;

(d) ensures that any fee (and any commissions, rebate or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Bonds does not violate the Rules and is fully and clearly disclosed to investors or potential investors;

(e) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Bonds under the Rules, including authorisation under the Financial Services and Markets Act 2000 (**FSMA**) and/or the Financial Services Act 2012;

(f) complies with and takes appropriate steps in relation to applicable anti-money laundering, anti-bribery and "know your client" Rules, and does not permit any application for Bonds in circumstances where the financial intermediary has any suspicions as to the source of the application monies;

(g) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the Lead Manager, the Obligors or directly to the appropriate authorities with jurisdiction over the Issuer and/or the Guarantors and/or the Lead Manager in order to enable the Issuer and/or the Guarantors and/or the Lead Manager to comply with anti-money laundering, anti-bribery and "know your client" Rules applying to the Issuer and/or the Guarantors and/or the Lead Manager;

(h) does not, directly or indirectly, cause the Issuer or the Guarantors or the Lead Manager to breach any Rule or subject the Issuer or the Guarantors or the Lead Manager to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;

(i) agrees and undertakes to indemnify each of the Obligors and the Lead Manager (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Obligors or the Lead Manager;

(j) will immediately give notice to the Obligors and the Lead Manager if at any time such Authorised Offeror becomes aware or suspects that they are or may be in violation of any Rules or the Authorised Offeror Terms, and will take all appropriate steps to remedy such violation and comply with such Rules and the Authorised Offeror Terms in all respects;

(k) will not give any information other than that contained in this document (as may be amended or supplemented by the Issuer from time to time) or the information booklet prepared by the Obligors and the Lead Manager or make any representation in connection with the offering or sale of, or the solicitation of interest in, the Bonds;

(l) agrees that any communication in which it attaches or otherwise includes the Prospectus or the information booklet or any announcement published by the Issuer via a Regulatory Information Service at the end of the Offer Period will be consistent with the Prospectus, and (in any case) must be fair, clear and not misleading and in compliance with the Rules and must state that such Authorised Offeror has provided it independently from the Obligors and must expressly confirm that none of the Obligors accepts any responsibility for the content of any such communication;

(m) will not use the legal or publicity names of the Lead Manager, the Obligors (other than to describe such entity as the Lead Manager, the Issuer or the Guarantors of the Bonds (as applicable)) or any other name, brand or logo registered by the Guarantors or any of their subsidiaries or any material over which any member of the Guarantors or its subsidiaries retains a proprietary interest or in any statements (oral or written), marketing material or documentation in relation to the Bonds; and

(n) agrees and accepts that:

    (i) the contract between the Obligors and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's offer to use the Prospectus with its consent in connection with the relevant Public Offer (the **Authorised Offeror Agreement**), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Agreement, shall be governed by, and construed in accordance with, English law;

    (ii) the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Agreement) and accordingly submits to the exclusive jurisdiction of the English courts; and

(iii) the Lead Manager will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Agreement which are, or are expressed to be, for its benefit, including the agreements, representations, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

Any financial intermediary who wishes to use this Prospectus in connection with a Public Offer as set out above is required, for the duration of the Offer Period, to publish on its website that it is using this Prospectus for such Public Offer in accordance with the consent of the Obligors and the conditions attached thereto in the following form (with the information in square brackets completed with the relevant information):

> "*We, [insert legal name of financial intermediary], refer to the 4.25 per cent. sterling denominated guaranteed Bonds due 2023 of Places for People Finance plc. In consideration of Places for People Finance plc, PFPL (Holdings) Limited, Places for People Ventures Operations Limited, Residential Management Group Limited, Touchstone Property Services Limited and Zero C Holdings Limited offering to grant their consent to our use of the Prospectus dated 28 November 2016 relating to the Bonds in connection with the offer of the Bonds in the UK (the* **Public Offer***) during the Offer Period and subject to the other conditions to such consent, each as specified in the Prospectus, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Prospectus) and we are using the Prospectus in connection with the Public Offer accordingly.*"

A Public Offer may be made subject to the conditions set out above, during the Offer Period by any of the Obligors, the Lead Manager or the other Authorised Offerors.

Other than as set out above, none of the Obligors or the Lead Manager have authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use this Prospectus in connection with any offer of Bonds. Any such offers are not made by or on behalf of the Obligors, the Lead Manager or the other Authorised Offerors and none of the Obligors, the Lead Manager or the other Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

Arrangements between you and the financial intermediaries who will distribute the Bonds

None of the Obligors or the Lead Manager have any responsibility for any of the actions of any Authorised Offeror (except for the Lead Manager, where it is acting in the capacity of an Authorised Offeror), including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

It is expected that any new information with respect to a financial intermediary that is unknown as at the date of this Prospectus will be published in the investor relations section of the website of such financial intermediary.

If you intend to acquire or do acquire any Bonds from an Authorised Offeror, you will do so, and offers and sales of the Bonds to you by such an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price, allocations and settlement arrangements (see Section 4 (*How to apply for the Bonds*)) at the time the offer and sale is made.

None of the Obligors will be a party to any such arrangements with you in connection with the offer or sale of the Bonds and, accordingly, this Prospectus does not contain such information. The information relating to the procedure for making applications will be provided by the relevant Authorised Offeror to you at the relevant time. None of the Obligors, the Lead Manager or the other Authorised Offerors has any responsibility or liability for such information.

Notice to investors

The Bonds may not be a suitable investment for all investors. You must determine the suitability of any investment in light of your own circumstances. In particular, you may wish to consider, either on your own or with the help of your financial and other professional advisers, whether you:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus (and any applicable supplement to this Prospectus);

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of your particular financial situation, an investment in the Bonds and the impact the Bonds will have on your overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments (sterling) is different from the currency which you usually use;

(d) understand thoroughly the terms of the Bonds and are familiar with the behaviour of the financial markets; and

(e) are able to evaluate possible scenarios for economic, interest rate and other factors that may affect your investment and your ability to bear the applicable risks.

No person is or has been authorised by the Obligors, the Lead Manager or Prudential Trustee Company Limited (the **Trustee**) to give any information or to make any representation not contained in or not consistent with this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Obligors, the Lead Manager or the Trustee.

Neither the publication of this Prospectus nor the offering, sale or delivery of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the Obligors since the date of this Prospectus or that there has been no adverse change in the financial position of the Obligors since the date of this Prospectus or that any other information supplied in connection with the offering of the Bonds is correct as of any time subsequent to the date indicated in the document containing the same. Neither the Lead Manager nor the Trustee undertakes to review the financial condition or affairs of the Obligors during the life of the Bonds or to advise any investor in the Bonds of any information coming to their attention.

Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds should be considered as a recommendation by the Obligors, the Lead Manager or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each potential purchaser of Bonds should determine for itself the relevance of the information contained in this Prospectus and any purchase of Bonds should be based upon such investigation as it deems necessary.

The Lead Manager and the Trustee

Neither the Lead Manager nor the Trustee has independently confirmed the information contained in this Prospectus. No representation, warranty or undertaking, express or implied, is made by the Lead Manager or the Trustee as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Obligors in connection with the offering of the Bonds. Neither the Lead Manager nor the Trustee accepts liability in relation to the information contained in this Prospectus or any other information provided by the Obligors in connection with the offering of the Bonds or their distribution.

The Lead Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Obligors and their affiliates in the ordinary course of business.

No incorporation of websites

The contents of the websites of the Group do not form part of this Prospectus, and you should not rely on them.

CREST depository interests

In certain circumstances, investors may also hold interests in the Bonds through CREST through the issue of CDIs representing interests in Underlying Bonds. CDIs are independent securities constituted under English law and transferred through CREST and will be issued by CREST Depository Limited pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated). Neither the Bonds nor any rights attached to the Bonds will be issued, settled, held or transferred within the CREST system other than through the issue, settlement, holding or transfer of CDIs. CDI Holders will not be entitled to deal directly in the Bonds and, accordingly, all dealings in the Bonds will be effected through CREST in relation to the holding of CDIs. You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Prospectus.

Selling restrictions

This Prospectus does not constitute or form part of an offer to sell, or the solicitation of an offer to buy, Bonds to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful. This Prospectus is not for distribution in the US, Australia, Canada or Japan. The Bonds and the Guarantee have not been and will not be registered under the Securities Act or qualified for sale under the laws of the US or under any applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the US or to, or for the account or benefit of U.S. persons.

The distribution of this Prospectus and the offer or sale of the Bonds in certain jurisdictions may be restricted by law. No action has been or will be taken by the Obligors, the Lead Manager or the Trustee anywhere which is intended to permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction, other than in the UK. You must inform yourself about, and observe, any such restrictions.

APPENDIX 1

DEFINED TERMS INDEX

The following is an index that indicates the location in this Prospectus where certain capitalised terms have been defined.

All references in this Prospectus to "**sterling**" and "**£**" refer to the lawful currency of the UK.

References to the singular in this document shall include the plural and vice versa, where the context so requires.

The term "**subsidiary**" means a subsidiary within the meaning of Section 1159 of the Companies Act 2006.

All references to time in this Prospectus are to London time.

"**UK**" means the United Kingdom; and

"**US**" means the United States of America (including the States and the District of Columbia and its possessions).

APPENDIX 2

TERMS AND CONDITIONS OF THE BONDS

The following is the text of the Conditions of the Bonds which (subject to modification and except for the paragraphs in italics) will be endorsed on the Certificates issued in respect of the Bonds:

The sterling denominated 4.25 per cent. Guaranteed Bonds due 2023 (the **Bonds**, which expression shall in these Conditions, unless the context otherwise requires, include any further bonds issued pursuant to Condition 16 (*Further Issues*) and forming a single series with the Bonds of Places for People Finance plc (the **Issuer**)) are constituted by a Trust Deed dated 15 December 2016 (the **Trust Deed**) made between the Issuer, PFPL (Holdings) Limited (**PFPL**), Places for People Ventures Operations Limited (**PfP Operations**), Residential Management Group Limited (**RMG**), Touchstone Corporate Property Services Limited (**Touchstone**) and Zero C Holdings Limited (**Zero C** and together with PFPL, PfP Operations, RMG and Touchstone, the **Guarantors** and each a **Guarantor** and, together with the Issuer, the **Obligors** and each an **Obligor**) as guarantors and Prudential Trustee Company Limited (the **Trustee**, which expression shall include its successor(s)) as trustee for the holders of the Bonds (the **Bondholders**).

The statements in these Conditions include summaries of, and are subject to, detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the Agency Agreement dated 15 December 2016 (the **Agency Agreement**) made between the Obligors, The Bank of New York Mellon, London Branch (the **Principal Paying Agent** and the **Transfer Agent**), The Bank of New York Mellon (Luxembourg) S.A. (the **Registrar**), the other agents named therein and the Trustee are available for inspection during normal business hours by the Bondholders at the registered office for the time being of the Trustee, being at the date of issue of the Bonds at Laurence Pountney Hill, London EC4R 0HH and at the specified office of each of the agents. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Bonds are issued in registered form in amounts of £100 (referred to as the **principal amount** of a Bond) and integral multiples thereof. A certificate (each a **Certificate**) will be issued to each Bondholder in respect of its registered holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders which the Issuer will procure to be kept by the Registrar in accordance with the Agency Agreement.

The Bonds are not issuable in bearer form.

1.2 Title

Title to the Bonds passes only by registration in the register of Bondholders. The holder of any Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership or writing on it, or the previous theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions **Bondholder** and (in relation to a Bond) **holder** means the person in whose name a Bond is registered in the register of Bondholders.

2. TRANSFERS OF BONDS AND ISSUE OF CERTIFICATES

2.1 Transfers

A Bond may be transferred by depositing the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed, at the specified office of any Transfer Agent.

2.2 Delivery of new Certificates

Each new Certificate to be issued upon transfer of Bonds will, within five business days of receipt by the relevant Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Bond to the address specified in the form of transfer. For the purposes of this Condition, **business day** shall mean a day on which banks are open for business in the city in which the specified office of the Transfer Agent with whom a Certificate is deposited in connection with a transfer is located.

Where some but not all of the Bonds in respect of which a Certificate is issued are to be transferred a new Certificate in respect of the Bonds not so transferred will, within five business days of receipt by the relevant Transfer Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred to the address of such holder appearing on the register of Bondholders or as specified in the form of transfer.

2.3 Formalities free of charge

Registration of transfer of Bonds will be effected without charge by or on behalf of the Issuer or any Transfer Agent but upon payment (or the giving of such indemnity as the Issuer or the relevant Transfer Agent may reasonably require) in respect of any stamp duty, tax or other governmental charges which may be imposed in relation to such transfer.

2.4 Closed Periods

No Bondholder may require the transfer of a Bond to be registered during the period of 15 days ending on the due date for any payment of principal, premium (if any) or interest on that Bond.

The Issuer shall not be required in the event of a partial redemption of Bonds under Condition 8 (*Redemption and Purchase*):

(a) to register the transfer of Bonds (or parts of Bonds) during the period beginning on the 65th day before the date of the partial redemption and ending on the day on which notice is given specifying the serial number of Bonds called (in whole or in part) for redemption (both inclusive); or

(b) to register the transfer of any Bond, or part of a Bond, called for redemption.

2.5 Regulations

All transfers of Bonds and entries on the register of Bondholders will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Trust Deed. The regulations may be changed by the Issuer with the prior written approval of the Transfer Agents and the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder who requests one.

3. STATUS OF THE BONDS

The Bonds and are direct, unconditional, unsubordinated and (subject to the provisions of Condition 5.1 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

4. GUARANTEE

4.1 Guarantee

The payment of the principal and interest in respect of the Bonds and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed, on a joint and several basis, by the Guarantors (the **Guarantee**) in the Trust Deed.

4.2 Status of the Guarantee

The obligations of each Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 5.1 (*Negative Pledge*)) unsecured obligations of such Guarantor and (save for certain obligations required to be preferred by law) rank *pari passu* with all other unsecured obligations (other than subordinated obligations, if any) of such Guarantor, from time to time outstanding.

5. NEGATIVE PLEDGE AND COVENANTS

5.1 Negative Pledge

For so long as any Bond remains outstanding (as defined in the Trust Deed), save for any Permitted Security, neither the Issuer nor any Guarantor will, and each will procure that none of its respective Subsidiaries (other than, in the case of PfP Operations, any Excluded Subsidiary) will, create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (each, a **Security Interest**) or Quasi-Security upon, or with respect to, the whole or any part of its undertaking, assets or revenues (including any uncalled capital) present or future to secure any Financial Indebtedness, or any guarantee of or indemnity in respect of any Financial Indebtedness, unless, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Deed (a) are secured equally and rateably therewith to the satisfaction of the Trustee, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

5.2 Financial Covenant

For so long as any Bond remains outstanding, the Issuer and each Guarantor shall ensure that, on each Reference Date the ratio of Adjusted EBITDA to Interest Costs (in each case on an aggregated basis for the Issuer and the Guarantors) for the period of 12 months ending on such Reference Date is not less than 1.5 : 1.0.

5.3 Financial Information

(a) As soon as they become available, but in any event not later than 180 days after the end of its most recent financial year-end, the Issuer and each Guarantor shall send to the Trustee a copy of its Financial Statements for such financial year, together with the report thereon of its independent auditors; and

(b) within 90 days of the end of the first half of each respective financial year, the Issuer and the Guarantors shall each send to the Trustee a copy of its Financial Statements for such period, together with the report thereon of its independent auditors (if any).

5.4 Compliance Certificate

The Issuer and each Guarantor shall each, within 30 days after delivery of the relevant Financial Statements referred to in Condition 5.3, provide the Trustee with an Authorised Signatory's Certificate confirming compliance with the financial covenant contained in Condition 5.2 with respect to the most recent Reference Date.

5.5 Interpretation

For the purposes of these Conditions:

Adjusted EBITDA means, in relation to any period, the aggregate profit of the relevant person (on a consolidated basis in the case of a person who ordinarily produces consolidated accounts) on its activities for such period:

(a) before deduction of any corporation tax on such activities during such period;

(b) before any extraordinary or exceptional items during such period;

(c) before deduction of any Interest Costs during such period;

(d) before any amount attributable to amortisation of intangible assets and depreciation of tangible assets;

(e) after deducting any gain over book value and after adding back any loss on book value arising on the disposal of any fixed asset (other than the sale of trading stock) during such period;

(f) after deducting any gain and adding back any loss on movements in foreign exchange during such period; and

(g) further adjusted by deducting any capital expenditure during such period.

Applicable Accounting Principles means generally accepted accounting principles in the United Kingdom (including Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland").

Authorised Signatory's Certificate means, in respect of the Issuer or any Guarantor, a certificate signed by or on behalf of the Issuer or such Guarantor by an authorised signatory of the Issuer or such Guarantor.

Commodity Hedging Agreement means any forward, futures, spot deferred or option contract, swap or other similar agreement or arrangement with respect to the price of any commodity produced, transported or used by the Issuer or any member of the Guarantor Group in relation to its business.

Currency Agreement means any foreign exchange contract, currency swap agreement or other similar agreement with respect to currency values.

Excluded Subsidiary means any Subsidiary of PfP Operations that is not a Guarantor or a Subsidiary of another Guarantor.

Financial Indebtedness means (without double counting), any indebtedness, whether or not contingent, for or in respect of:

(a) moneys borrowed or raised;

(b) any acceptances under any acceptance or bill discount credit facility or dematerialised equivalent;

(c) any note purchase facility or the issue of bonds, notes, instruments, debentures, loan stock or any similar instrument excluding Trade Instruments;

(d) the amount of any liability in respect of any lease or hire purchase contract, a liability under which would, in accordance with Applicable Accounting Principles, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any termination amount (but not the marked-to-market value) due from the Issuer or any member of the Guarantor Group in respect of a Hedging Arrangement;

(g) any counter-indemnity obligations in respect of a guarantee, instrument, standby or documentary letter of credit or any other instrument (but not any Trade Instruments) issued by a bank or financial institution of an entity which is not a member of the Guarantor Group in each case, in respect of indebtedness of a type referred to within one of the other paragraphs of this definition of Financial Indebtedness;

(h) any amount raised by the issue of shares which are redeemable (other than at the option of the Issuer or a member of the Guarantor Group) and that is classified as borrowings under the Applicable Accounting Principles;

(i) any amount raised under any other transaction (including any forward sale or purchase agreement, sale and sale back or sale and lease back agreement) having the commercial effect of a borrowing; and

(j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

Financial Statements means, with respect to any entity, its audited annual financial statements or its semi-annual financial statements (which may be unaudited), as the case may be, including the relevant accounting policies and notes to the accounts and in each case prepared in accordance with generally accepted accounting principles in the United Kingdom (including Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland") from time to time (in each case prepared on a consolidated basis in the case of an entity who ordinarily produces consolidated accounts).

Guarantor Group means each Guarantor and each of such Guarantor's Subsidiaries (other than the Excluded Subsidiaries) from time to time.

Hedging Arrangement means any Interest Rate Agreement, Currency Agreement, Commodity Hedging Agreement or any other similar agreement or any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (including but not limited to fluctuations with respect to any index or the price of any commodity or any combination of the foregoing).

Interest Costs means, in relation to any period, the aggregate of interest and finance charges paid or payable by the relevant person (on a consolidated basis in the case of a person who ordinarily produces consolidated accounts) in respect of Financial Indebtedness during such period including:

(a) discount and acceptance fees;

(b) fees payable to any person for the issue by that person of any guarantee or other assurance against financial loss; and

(c) amounts due under any swap, cap, floor, collar, option or other derivative transaction (taking into account only the net indebtedness of the relevant person under that instrument at the relevant time) relating to protection against changes in interest rates,

but excluding, for the avoidance of doubt, any interest and finance charges paid or payable by any Guarantor to the Issuer or any other member of the Operations Group.

Interest Rate Agreement means any interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement with respect to exposure to interest rates.

Operations Group means PfP Operations and its Subsidiaries taken as a whole.

Permitted Security means:

(a) any Security Interest or Quasi-Security existing at 28 November 2016;

(b) any Security Interest or Quasi-Security in favour of the Issuer or any other member of the Guarantor Group;

(c) any Security Interest or Quasi-Security arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by the Issuer or any member of the Guarantor Group;

(d) any netting or set-off arrangement entered into by the Issuer or any member of the Guarantor Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of the Issuer or the Guarantor Group;

(e) any payment or close-out netting or set-off arrangement pursuant to any Hedging Arrangement or foreign exchange transaction entered into by the Issuer or a member of the Guarantor Group, excluding any Security Interest or Quasi-Security under a credit support arrangement;

(f) any Security Interest or Quasi-Security over or affecting any asset of any company which becomes a member of the Guarantor Group, where the Security Interest or Quasi-Security is created prior to the date on which that company becomes a member of the Guarantor Group if:

  (i) the Security Interest or Quasi-Security was not created in contemplation of the acquisition of that company; and

(ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that company;

(g) any Security Interest or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Guarantor Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Guarantor Group;

(h) any Security Interest or Quasi-Security arising as a result of legal proceedings discharged within 30 days or otherwise being contested in good faith;

(i) any Security Interest or Quasi-Security over any rental deposits in respect of real estate leased or licensed by any member of the Guarantor Group in respect of amounts representing not more than 36 months' rent or licence fee for that real estate;

(j) any Security Interest or Quasi-Security over documents of title and goods as part of a documentary credit transaction entered into in the ordinary course of trading;

(k) any Security Interest or Quasi-Security arising by operation of law in favour of a governmental or taxing authority in respect of Taxes or charges being contested in good faith;

(l) any Security Interest or Quasi-Security provided by the Issuer or a member of the Guarantor Group to a stock, trade or derivative exchange for the purpose of entering into a Hedging Arrangement;

(m) any Security Interest or Quasi-Security securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of a Security Interest given by the Issuer or by any member of the Guarantor Group other than any permitted under paragraphs (a) to (l) (inclusive) above) does not exceed in aggregate £10,000,000 (or its equivalent in other currencies) at any time; and

(n) any Security Interest or Quasi-Security approved or consented to by the Bondholders acting by way of an Extraordinary Resolution in accordance with the Trust Deed.

Quasi-Security means any arrangement where the Issuer or any member of the Guarantor Group:

(a) sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or reacquired by the Issuer or a member of the Guarantor Group, as the case may be;

(b) sells, transfers or otherwise disposes of any of its receivables on recourse terms;

(c) enters into any arrangement under which money or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts; or

(d) enters into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

Reference Date means 31 March and 30 September in each year (or such other annual and semi-annual dates as at which the Issuer, or the relevant Guarantor, as the case may be, prepares its annual and semi-annual Financial Statements from time to time).

Subsidiary means any entity which is a subsidiary within the meaning of Section 1159 of the Companies Act 2006.

Taxes means any taxes (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) which are now or hereafter imposed, levied, collected, withheld or assessed by any competent taxing authority.

Trade Instruments means any performance bonds or other similar instruments, or advance payment bonds or documentary letters of credit issued in respect of the obligations of any member of the Guarantor Group arising in the ordinary course of trading of that member of the Guarantor Group.

6. INTEREST

6.1 Interest Rate and Interest Payment Dates

The Bonds bear interest from (and including) 15 December 2016 at the rate of 4.25 per cent. per annum, payable semi-annually in arrear on 15 June and 15 December (each an **Interest Payment Date**). The first payment (for the period from (and including) 15 December 2016 to (but excluding) 15 June 2017 and amounting to £2.125 per £100 principal amount of Bonds) shall be made on 15 June 2017.

6.2 Interest Accrual

Each Bond will cease to bear interest from (and including) its due date for redemption unless, upon due presentation, payment of the principal in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event interest will continue to accrue as provided in the Trust Deed.

6.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full half-year, it shall be calculated on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the **Accrual Date**) to but excluding the date on which it falls due divided by (b) the actual number of days from (and including) the Accrual Date to but excluding the next following Interest Payment Date multiplied by two.

7. PAYMENTS

7.1 Payments in respect of Bonds

Payments of principal and interest will be made by transfer to the registered account of the Bondholder or by sterling cheque drawn on a bank that processes payments in sterling mailed to the address of the Bondholder if it does not have a registered account. Payments of principal and premium (if any) and payments of interest due otherwise than on an Interest Payment Date will only be made against surrender of the relevant Certificate at the specified office of any of the Paying Agents. Interest on Bonds due on an Interest Payment Date will be paid to the holder shown on the register of Bondholders at the close of business on the date (the **Record Date**) being the fifteenth day before the relevant Interest Payment Date.

For the purposes of this Condition, a Bondholder's **registered account** means the sterling account maintained by or on behalf of it with a bank that processes payments in sterling, details of which appear on the register of Bondholders at the close of business, in the case of principal and premium (if any), on the second business day (as defined below) before the due date for payment and, in the case of interest, on the relevant Record Date, and a Bondholder's registered address means its address appearing on the register of Bondholders at that time.

7.2 Payments subject to applicable laws

Payments in respect of principal and interest on the Bonds are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*).

7.3 No commissions

No commissions or expenses shall be charged to the Bondholders in respect of any payments made in accordance with this Condition.

7.4 Payment on Payment Business Days

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Payment Business Day (as defined below), for value the first following day which is a Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed, on the Payment Business Day preceding the due date for payment or, in the case of a payment of principal and premium (if any) or a payment of interest due otherwise than on an Interest Payment Date, if later, on the Payment Business Day on which the relevant Certificate is surrendered at the specified office of a Paying Agent.

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Bondholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

In this Condition, **Payment Business Day** means, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

7.5 Partial Payments

If the amount of principal, premium (if any) or interest which is due on the Bonds in not paid in full, the Registrar will annotate the register of Bondholders with a record of the amount of principal, premium (if any) or interest in fact paid.

7.6 Initial Agents

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Obligors reserve the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that:

(a) there will at all times be a Principal Paying Agent;

(b) so long as the Bonds are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be an Agent (which may be the Principal Paying Agent) having a specified office in the place required by the rules and regulations of the relevant Stock Exchange or any other relevant authority; and

(c) there will at all times be:

(i) a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Obligors are incorporated;

(ii) a Registrar; and

(iii) a Transfer Agent.

Notice of any variation, termination, appointment and/or of any changes in specified offices will be given to the Bondholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

8. REDEMPTION AND PURCHASE

8.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Bonds at their principal amount on 15 December 2023 (the **Maturity Date**).

8.2 Redemption for Taxation Reasons

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

(a) as a result of a change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 9 (*Taxation*)) or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 14 December 2016, on the next Interest Payment Date either (i) the Issuer would be required to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) or (ii) any Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts; and

(b) the requirement cannot be avoided by the Issuer, or as the case may be, such Guarantor taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), redeem all the Bonds, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the relevant Guarantor would be obliged to pay such additional amounts, were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (i) a certificate signed by two authorised signatories of the Issuer or, as the case may be, two authorised signatories of the relevant Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the relevant Guarantor has or will become obliged to pay such additional amounts as a result of the change or amendment, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Bondholders.

8.3 Redemption at the Option of the Issuer

The Issuer may, having given:

(a) not less than 15 nor more than 30 days' notice to the Bondholders in accordance with Condition 13 (*Notices*); and

(b) notice to the Registrar, the Trustee and the Principal Paying Agent not less than 15 days before the giving of the notice referred to in (a);

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all of the Bonds or, subject as provided in Condition 8.4 below, from time to time some only (being £5,000,000 in aggregate principal amount or an integral multiple of £1,000,000).

Redemption of the Bonds pursuant to this Condition shall be made at the higher of the following:

(i) par; and

(ii) the amount (as calculated by an independent financial adviser appointed by the Issuer and approved in writing by the Trustee (the **Nominated Financial Adviser**) and reported in writing to the Issuer and the Trustee) which is equal to the principal amount of the Bonds to be redeemed multiplied by the price (expressed as a percentage and calculated by the Nominated Financial Adviser) (rounded to three decimal places (0.0005 being rounded upwards)) at which the Gross Redemption Yield on the Bonds (if the Bonds were to remain outstanding until their original maturity) on the Determination Date would be equal to the sum of (i) the Gross Redemption Yield at 3:00 pm (London time) on the Determination Date of the Benchmark Gilt and (ii) 0.5%,

together with any interest accrued up to (but excluding) the date of redemption.

For the purposes of this Condition:

Benchmark Gilt means the 2¼% Treasury Gilt 2023 or such other conventional (i.e. not index-linked) UK Government Gilt as the Issuer (acting reasonably on the advice in good faith of the Nominated Financial Adviser) may determine to be the most appropriate benchmark conventional UK Government Gilt;

Determination Date means three Business Days prior to the date of redemption; and

Gross Redemption Yield means a yield calculated by the Nominated Financial Adviser on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields" page 5, Section One: Price/Yield Formulae (Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date) (published on 8th June, 1998 and updated on 15th January, 2002 and 16th March, 2005) (as amended further or supplemented from time to time).

8.4 Provisions relating to Partial Redemption

If less than all of the Bonds are to be redeemed at any time, selection of such Bonds for redemption will be made in compliance with the rules, if any, of any stock exchange on which the Bonds are listed or, if such Bonds are not then listed or there are no such applicable rules, on a pro rata basis and in such manner as shall be appropriate and fair, provided that no Bonds shall be redeemed in part. Where some but not all of the Bonds in respect of which a Certificate is issued are to be redeemed, the notice of redemption that relates to such Certificate shall state the portion of the principal amount of the Bonds to be redeemed, and where applicable, a new Certificate in a principal amount equal to the unredeemed Bonds will be issued in the name of the Bondholder thereof upon cancellation of the original Certificate. Any such new Certificate will be delivered to the specified office of an Agent or (at the risk and, if mailed at the request of the Bondholders otherwise than by ordinary uninsured mail, at the expense of the Bondholder) sent by mail to the Bondholder.

8.5 Purchases

The Issuer, any Guarantor or any member of the Group may at any time purchase Bonds in any manner and at any price. Such Bonds may be held, reissued or resold or, at the option of the Issuer or such Guarantor or such other member of the Group, surrendered to any Agent for cancellation.

8.6 Cancellation

All Bonds which are redeemed will forthwith be cancelled. All Bonds so cancelled and any Bonds purchased and cancelled pursuant to Condition 8.5 above shall be forwarded to the Agent and cannot be reissued or resold.

8.7 Notices Final

Upon the expiry of any notice as is referred to in Conditions 8.2 or 8.3 above the Issuer shall be bound to redeem the Bonds to which the notice refers in accordance with the terms of such Condition.

9. TAXATION

9.1 Payment without Withholding

All payments of principal, premium (if any) and interest in respect of the Bonds or the Guarantee by or on behalf of the Issuer or any Guarantor shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes or duties of whatever nature (**Taxes**) imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, the relevant Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Bondholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Bonds in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Bond:

(a) the holder of which is liable for Taxes in respect of such Bond by reason of having some connection with the Relevant Jurisdiction other than a mere holding of the Bonds; or

(b) in respect of which the Certificate evidencing it is presented for payment in the United Kingdom; or

(c) in respect of which the Certificate evidencing it is presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder of it would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Payment Business Day (as defined in Condition 7.4 (*Payment on Payment Business Days*).

9.2 Interpretation

In these Conditions:

(a) **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Bondholders by the Issuer in accordance with Condition 13 (*Notices*); and

(b) **Relevant Jurisdiction** means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer or any Guarantor, as the case may be, becomes subject in respect of payments made by it of principal and interest on the Bonds.

9.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Bonds shall be deemed also to refer to any additional amounts which may be payable under this Condition or under any undertakings given in addition to, or in substitution for, this Condition pursuant to the Trust Deed.

10. PRESCRIPTION

The Bonds will become void unless claims in respect of principal and/or interest are made within a periods of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

11. EVENTS OF DEFAULT AND ENFORCEMENT

11.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), (but in the case of the happening of any of the events described in paragraph (b), (e) and (f) below) only if the Trustee shall have certified in writing to the Obligors that such event is, in its opinion, materially prejudicial to the interests of the Bondholders), give notice in writing to the Issuer that each Bond is, and each Bond shall thereupon immediately become, due and repayable at its principal amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur:

(a) if default is made in the payment of any principal or interest due in respect of the Bonds or any of them and the default continues for a period of seven days in the case of principal or 14 days in the case of interest; or

(b) if the Issuer or any Guarantor fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy, when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Trustee on the Issuer or any Guarantor (as the case may be) of notice requiring the same to be remedied; or

(c) (A) any other present or future indebtedness of the Issuer, any Guarantor or any Material Subsidiary for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (C) the Issuer, any Guarantor or any Material Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds £10,000,000 or its equivalent; or

(d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, any Guarantor or any Material Subsidiary save for the purposes of reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or

(e) if the Issuer, any Guarantor or any Material Subsidiary ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution, or the Issuer, any Guarantor or any Material Subsidiary stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(f) if (A) proceedings are initiated against the Issuer, any Guarantor or any Material Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, any Guarantor or any Material Subsidiary or, as the case may be, in relation to all or substantially all of the Issuer's, any Guarantor's or any Material Subsidiary's undertaking or assets, or an encumbrancer takes possession of all or substantially all of the Issuer's, any Guarantor's or any Material Subsidiary's undertaking or assets, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against all or substantially all of the Issuer's, any Guarantor's or any Material Subsidiary's undertaking or assets and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days;

(g) if the Issuer ceases to be wholly owned and controlled by Places for People Group Limited (or any other body succeeding it as group parent) or a Guarantor; and

(h) if the Guarantee ceases to be, or is claimed by the Issuer or any Guarantor not to be, in full force and effect.

For the purposes of this Condition 11.1:

Material Subsidiary shall, at any time, mean a Subsidiary of the Issuer or any Guarantor (other than Excluded Subsidiaries):

(a) whose:

(i) Adjusted EBITDA exceeds ten per cent. of Adjusted EBITDA on an aggregated basis for the Issuer and each member of the Guarantor Group; or

(ii) total assets (as shown in its most recent annual audited financial statements or, where a Subsidiary is not otherwise required to produce audited annual financial statements, the latest finalised annual accounts of such Subsidiary, whether audited or not and whether published or not (the **Relevant Accounts**), and consolidated in the case of a Subsidiary which ordinarily produces consolidated accounts) exceed ten per cent. of total assets on an aggregated basis for the Issuer and each member of the Guarantor Group,

calculated respectively by reference to the most recent Relevant Accounts of the Subsidiary and the then latest Relevant Accounts of the Issuer and each Guarantor (in each case consolidated or, as the case may be, unconsolidated), and in respect of the 12 month period then ending in the case of Adjusted EBITDA, provided that, in the case of a Subsidiary acquired after the end of the financial period to which the then latest Relevant Accounts of the Issuer or relevant Guarantor relate, for the purpose of applying each of the foregoing tests, the reference to the latest Relevant Accounts shall, until consolidated accounts for the financial period in which the acquisition is made have been published, be deemed to be a reference to such financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant financial statements; or

(b) to which is transferred the whole or substantially all of the business, undertaking and assets of another Subsidiary of the Issuer or any Guarantor which immediately prior to such transfer is a Material Subsidiary, whereupon (i) the transferor Material Subsidiary shall immediately upon such transfer cease to be a Material Subsidiary; and (ii) the transferee Subsidiary shall immediately upon such transfer become a Material Subsidiary, provided that such transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (b) on the date on which the Relevant Accounts for the Issuer and relevant Guarantor(s) for the financial period current at the date of such transfer are published, but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after such date by virtue of the provisions of subparagraph (a) above.

The Trustee shall be entitled to rely upon a certificate signed by two authorised signatories of the Issuer or any Guarantor, as the case may be, that in their opinion a Subsidiary of the Issuer or any Guarantor is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary without liability to any person and without further enquiry or evidence and, if relied upon by the Trustee, shall, be conclusive and binding on all parties.

11.2 Enforcement

The Trustee may at any time, at its discretion and without notice, take such actions, steps or proceedings against the Issuer and/or any Guarantor as it may think fit to enforce the provisions of the Trust Deed and the Bonds, but it shall not be bound to take any such actions, steps or proceedings or any other action in relation to the Trust Deed or the Bonds unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fifth in principal amount of the Bonds then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

No Bondholder shall be entitled (i) to proceed directly against the Issuer or any Guarantor to enforce the performance of any of the provisions of the Trust Deed or the Bonds or (ii) to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer or any Guarantor, in each case unless the Trustee, having become bound so to take any such actions, steps or proceedings, fails so to do within a reasonable period and the failure shall be continuing.

12. REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13. NOTICES

All notices to the Bondholders will be valid if mailed to them by first class mail or (if posted to an address overseas) by airmail to the holders (or the first of any joint named holders) at their respective addresses in the register of Bondholders maintained by the Registrar. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice will be deemed to have been given on the fourth day after being so mailed or on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

14. MEETINGS OF BONDHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, any Guarantor or the Trustee and shall be convened by the Issuer if required in writing by Bondholders holding not less than five per cent. in principal amount of the Bonds for the time being remaining outstanding. The quorum at any meeting for passing an Extraordinary Resolution is one or more persons present holding or representing not less than 50 per cent. in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Bonds or the Trust Deed (including modifying the date of maturity of the Bonds or any date for the payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Bonds or altering the currency of payment of the Bonds), the quorum shall be one or more persons holding or representing not less than three quarters in principal amount of the Bonds for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one quarter in principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed by the Bondholders will be binding on all the Bondholders, whether or not they are present at any meeting and whether or not they voted on such Extraordinary Resolution.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than three quarters in principal amount of the Bonds for the time being outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

The Trustee may agree, without the consent of the Bondholders, to any modification (except as mentioned in the Trust Deed) of, or to the waiver or authorisation of any breach or proposed breach of, any of the Bonds, the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders so to do or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which, to the satisfaction of the Trustee, is proven. Any such modification shall be subject to such conditions as the Trustee may determine and shall be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Bondholders in accordance with Condition 13 (*Notices*) as soon as is practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Bondholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Bondholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Obligors, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders except to the extent already provided for in Condition 9 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 9 (*Taxation*) pursuant to the Trust Deed.

The Trustee may, without the consent of the Bondholders, agree with the Issuer, to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Bonds and the Trust Deed of another company or other entity, being a member of the Group, subject to (a) the Bonds continuing to be unconditionally and irrevocably guaranteed by the Guarantors, (b) the Trustee being satisfied that the interests of the Bondholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with.

15. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE OBLIGORS

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with any of the Obligors and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Obligors, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Bondholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Bondholders to create and issue further bonds having terms and conditions the same as the Bonds or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single series with the outstanding Bonds. Any further bonds so created and issued shall be constituted by a deed supplemental to the Trust Deed.

17. GOVERNING LAW AND SUBMISSION TO JURISDICTION

17.1 Governing Law

The Trust Deed (including the Guarantee) and the Bonds and any non-contractual obligations arising out of or in connection with the Trust Deed (including the Guarantee) and the Bonds are governed by, and shall be construed in accordance with, English law.

17.2 Submission to Jurisdiction

(a) Subject to (c) below, the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Trust Deed or the Bonds, including any dispute as to their existence, validity, interpretation, performance breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Bonds (a **Dispute**) and each of the Issuer, the Trustee and any Bondholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Trustee and the Bondholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction and (ii) concurrent proceedings in any number of jurisdictions.

17.3 Other Documents and the Guarantors

Each of the Issuer and, where applicable, the Guarantors have in the Agency Agreement and the Trust Deed submitted to the jurisdiction of the English courts.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Bond under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

APPENDIX 3

SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM IN THE CLEARING SYSTEMS

The Global Certificate contains provisions which apply to the 4.25 per cent. guaranteed bonds due 2023 to be issued by Places for People Finance plc (the ***Bonds****) while they are evidenced by the Global Certificate, some of which include minor and/or technical modifications to the terms and conditions of the Bonds set out in this Prospectus. The following is a summary of certain parts of those provisions.*

1. Payments of principal and interest

Payments of principal and interest in respect of Bonds represented by the Global Certificate will, subject as set out below, be made upon presentation and, if no further payment falls to be made in respect of the Bonds, against presentation and surrender of the Global Certificate to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the holders of the Global Certificate (the **Bondholders**) for such purposes.

Distributions of amounts with respect to book-entry interests in the Bonds held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Registrar, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

A record of each payment made will be endorsed on the appropriate schedule to the Global Certificate by or on behalf of the Registrar, which endorsement shall be prima facie evidence that such payment has been made in respect of the Bonds.

In the case of Bonds which are evidenced by the Global Certificate, interest shall be calculated in respect of any period by applying the rate of interest to the aggregate outstanding principal amount of the Bonds evidenced by the Global Certificate and multiplying such sum by the Day Count Fraction, and rounding the resultant figure to the nearest penny, half of penny being rounded upwards or otherwise in accordance with applicable market convention.

2. Notices to Bondholders

For so long as all of the Bonds are evidenced by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Bondholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders. The relevant notice will be delivered electronically by Euroclear and/or Clearstream, Luxembourg to CREST which will arrange for electronic delivery of such notice to CDI Holders who hold interests in the underlying bonds through CREST (in accordance with the rules and procedures of CREST at the time that such notice is given), rather than by publication as required by Condition 13 (*Notices*) provided that, so long as the Bonds are admitted to the official list maintained by the Financial Conduct Authority (the **FCA**) and admitted to trading on the London Stock Exchange plc's market for listed securities, all requirements of the FCA have been complied with. Any such notice shall be deemed to have been given to the Bondholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

3. Accountholders

For so long as all of the Bonds are evidenced by the Global Certificate and the Global Certificate is registered in the name of a nominee (the **Relevant Nominee**) of the common depositary for Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Bonds (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Bonds standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Bonds for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Bondholders) other than with respect to the payment of principal and interest on such principal amount of such Bonds, the right to which shall be vested, as against the Obligors and the Trustee, solely in the Relevant Nominee in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the Relevant Nominee.

4. Cancellation

Cancellation of any Bond evidenced by the Global Certificate and required by the Terms and Conditions of the Bonds to be cancelled following its redemption or purchase will be effected by reduction in the principal amount of the Bonds in the register of Bondholders and by the annotation of the appropriate schedule to the Global Certificate.

5. Registration of Title

Registration of title to Bonds in a name other than that of the Relevant Nominee will not be permitted unless Euroclear or Clearstream, Luxemburg notifies the Obligors that it is unwilling or unable to continue as a clearing system in connection with the Global Certificate, and a successor clearing system is not appointed by the Obligors within 90 days after receiving such notice from Euroclear or Clearstream, Luxembourg. In these circumstances, title to a Bond may be transferred into the names of holders notified to the Relevant Nominee in accordance with the Conditions, except that Certificates in respect of Bonds so transferred may not be available until 21 days after the request for transfer is duly made.

The Registrar will not register title to the Bonds in a name other than that of the Relevant Nominee for a period of 15 calendar days preceding the due date for any payment of principal, or interest in respect of the Bonds.

Whilst the Bonds are represented by the Global Certificate payments will be made to the holder appearing on the Register and the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) preceding such due date.

6. Transfers

Transfers of book-entry interests in the Bonds will be effected through the records of Euroclear and Clearstream, Luxembourg and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg and the respective direct and indirect participants.

7. Trustee's Powers

In considering the interests of Bondholders while the Global Certificate is held on behalf of the relevant Clearing System the Trustee may have regard to any information provided to it by such relevant Clearing System or its operator as to the identity (either individually or by category) of its Accountholders with entitlements to the Global Certificate.

8. Euroclear and Clearstream, Luxembourg

References in the Global Certificate and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any successor clearing system as aforesaid.

APPENDIX 4

FINANCIAL INFORMATION

The following financial information in relation to the Guarantors is set out below:

(a) the audited consolidated financial statements for the financial years ended 31 March 2015 and 31 March 2016 (including the audit reports issued in respect thereof) of PFPL (Holdings) Limited;

(b) the unaudited consolidated financial statements for the six month periods ended 30 September 2015 and 30 September 2016 of PFPL (Holdings) Limited;

(c) the audited financial statements for the period ended 31 March 2015 and the financial year ended 31 March 2016 (including the audit reports issued in respect thereof) of Places for People Ventures Operations Limited;

(d) the unaudited financial statements for the six month periods ended 30 September 2015 and 30 September 2016 of Places for People Ventures Operations Limited;

(e) the audited consolidated financial statements for the financial years ended 31 March 2015 and 31 March 2016 (including the audit reports issued in respect thereof) of Residential Management Group Limited;

(f) the unaudited consolidated financial statements for the six month periods ended 30 September 2015 and 30 September 2016 of Residential Management Group Limited;

(g) the audited financial statements for the financial years ended 31 March 2015 and 31 March 2016 (including the audit reports issued in respect thereof) of Touchstone Corporate Property Services Limited;

(h) the unaudited financial statements for the six month periods ended 30 September 2015 and 30 September 2016 of Touchstone Corporate Property Services Limited;

(i) the audited financial statements for the financial years ended 31 March 2015 and 31 March 2016 (including the audit reports issued in respect thereof) of Zero C Holdings Limited; and

(j) the unaudited financial statements for the six month periods ended 30 September 2015 and 30 September 2016 of Zero C Holdings Limited.

The audited consolidated financial statements for the financial years ended 31 March 2015 and 31 March 2016 (including the audit reports issued in respect thereof) of PFPL (Holdings) Limited

Financial Statements

PFPL (Holdings) Limited

For the year ended 31 March 2015

Company number: 04832063

Contents

Registered number	04832063
Company secretary	C Martin
Directors	D Cowans S Dodd T C Hewett P Kirkham S J R Philpott (resigned 16 January 2015) J Oxley (appointed 20 April 2015) C Phillips
Registered office	80 Cheapside London EC2V 6EE
Independent auditor	KPMG LLP Arlington Business Park Theale Reading RG7 4SD
Bankers	Lloyds TSB Bank plc PO Box 72 Bailey Drive Gillingham Business Park Gillingham Kent ME8 0LS
Solicitors	Nabarro LLP 1 South Quay Victoria Quays Sheffield S2 5SY

I am delighted to report that PFPL (Holdings) Limited has made a significant financial contribution to the Places for People Group in the year. It is also making a substantial contribution to the wider Places for People Group's vision of "Ensuring successful places and enabling people to reach their potential".

PFPL (Holdings) Limited ('The Company') has delivered good underlying financial results for the year. The consolidated results show a profit before tax of £8.1m for the year (profit of £7.7m for year ended 31 March 2014) on a turnover of £117.3 m (£102.8m for year ended 31 March 2014). The Company's operating profits before exceptional items were £8.1m (operating profits of £9.4m for the year ended 31 March 2014).

The Company has kept to its basic principles established over many years of continual improvements to product and service standards whilst keeping costs under control, a formula which has enabled it to both increase underlying sales in its core business and win a significant number of new contracts. The Company's reputation is that of a customer focused organisation which works in partnership with its clients to meet the needs of local communities and to achieve the expectations of central government to increase participation in physical activity to provide for a fitter and healthier nation.

We are delighted to have commenced operation of five major new contracts in the year in addition to the re-award of the large Wandsworth contract. We are continuing to bid for many new contracts as the bid pipeline remains very active enabling us to create more active places and healthy people. Our community gym brand Places Gym was launched in the year and the second club opened in Corby in May 2015. We are currently seeking further sites to expand our affordable Places Gym brand.

We remain excited by the potential for new opportunities to be created by the joining together of our housing and leisure expertise and a number of projects are emerging which will exploit this innovative way of thinking about development projects to the benefit of local councils and communities.

The Company's financial result reflects the enthusiasm, expertise and determination of its staff who have shown tremendous commitment to continuously improving customer service standards and controlling costs. My thanks go to them, our clients and customers for their continued support.

C Phillips

Chairman

The Directors have pleasure in submitting their Strategic Report and audited financial statements for the period ended 31 March 2015.

Business Review and Principal activities

PFPL (Holdings) Ltd is one of the leading leisure management companies in the UK. It is primarily engaged in the management of Local Authority owned leisure facilities and currently operates management contracts gained through both negotiation and competitive tendering. This experience includes Private Finance Initiative & Private Public Partnerships (PPPs) as well as "Best Value" contracts.

The consolidated results show a profit before tax of £8.1m for the year (profit of £7.7m for year ended 31 March 2014) on a turnover of £117.3m (£102.8m for year ended 31 March 2014). The Company's operating profits before exceptional items were £8.1m (operating profits of £9.4m for the year ended 31 March 2014).

Income in like-for-like (LFL) sites increased by 1.8% compared with growth of 16.2% in the year to March 2014. However, 2014 was distorted by the change in the VAT status of the company and when the 2014 LFL performance is adjusted for this LFL income growth was 3.3%. In 2015, LFL growth was driven by swimming growth of 6.5% and health and fitness growth of 1.2%. The swimming income increases were underpinned by substantial growth in swim memberships of 17% and growth in swim lessons of 9.9%.

This growth continues to be driven by improving the appeal of the Company's programmes and services through a constant focus on innovation, standards of operation, staff motivation and training. Customer and staff survey results both demonstrate these improvements. The Company also continues to lead the industry in achieving high Quest scores (the industry's quality standard) managing three out of the country's top four leisure centres.

Cost control was good and operational expenditure increased by 3% in LFL sites in line with our forecast.

The Company has continued to make significant strides in its ambition to be the best in the Local Authority sector when it comes to Sports Development and Healthy Living initiatives. It is the only operator to have obtained the Quest Stretch quality assessment for Sports Development with an "outstanding" score.

Another accolade the Company was delighted to be awarded was the "Leisure Centre Operator of the Year" by ukactive, for the second year in a row. Since its inception, we have won this prestigious award 4 out of the last 7 years. In addition one of the Company's centres, William Gregg Leisure Centre in Amber Valley, was awarded the accolade of being ukactive's individual leisure centre of the year.

We experienced a very busy year in setting up and commencing five new contracts during the year. These contracts were Newport Pagnell which commenced on 1 April 2014, West Bromwich Leisure Centre which opened on 1 June 2014, Mid Sussex and Wycombe which both commenced on 1 July 2014 and Maldon which commenced on 1 October 2014. The start-up costs and major refurbishment work on some of these new contracts accounts for the reduction in operating profit when compared to the prior year.

We were also successful in the re-tender for the Wandsworth contract which was due to end in September 2014 and we were awarded a new contract with Sheffield City Council which commenced on April 1 2015.

In addition we look forward to working with Tewkesbury District Council to operate a new facility which is currently being built and is due to open in April 2016. And finally, we were delighted to be awarded a PPP/DBOM contract for a new centre in Kidderminster on behalf of Wyre Forest District Council with whom we have had a very successful partnership since 2003.

Whilst winning new business is a priority for us, extending contracts is equally important. We are delighted that we successfully extended our partnerships with Surrey Heath Borough Council for a further 3 years as of 1st April 2016 and Dorset Council for a further 5 as of 1 July 2015.

Improving existing leisure facilities is core to our success and was again a main feature in 2014-15. We completed substantial refurbishment works on behalf of our Local Authority partners across a number of contracts including Wandsworth and Malden during the year totalling £7.5m. In total we are presently project managing schemes in excess of £95m which is a combination of PPPs and facility enhancements.

The Company's private health club in Sheffield was rebranded as Places Gym in May 2014 and the second Places Gym opened in May 2015 in Corby. The Company is planning to expand its Places Gym brand, which is a low cost community gym offering affordable membership to local communities, over the next few years.

Significant financial pressure continues to be placed upon the public sector and this is creating new opportunity as local authorities look to out-source services such as leisure. Additionally, ageing leisure stock is also providing some opportunity for the company as clients look to facilitate significant refurbishment or new-build projects.

We have developed significant expertise in the development of new facilities and this, along with our proven track record and commitment to quality operational management allow us to be well positioned to capitalise upon new opportunities.

Local authorities are increasingly seeking a receipt rather than to provide a subsidy to support leisure services in their communities and this is likely to create significant pressure upon many existing and small, single-contract trusts. It is anticipated that this will lead to some consolidation of the sector and the Company is well-equipped to capitalise on such opportunity.

With physical inactivity now acknowledged as a significant contributory factor to major chronic disease, Public Health England is increasingly commissioning physical activity based health intervention projects. The Company with its pioneering initiatives in Sheffield and Rotherham as notable test cases is well placed to participate in this new and enterprising market space.

Our Local Authority Partners

In the 2014-15 financial year we worked in partnership and secured new contracts with the following Local Authorities managing their leisure facilities:

Amber Valley	Horsham	Rushmoor	Wellingborough
Birmingham	Kingston	Sandwell	Wiltshire
Dorset	Maldon	Sheffield	Winchester
East Hampshire	Mid Sussex	Southampton	Wolverhampton
Eastleigh	Mole Valley	Suffolk Coastal	Wycombe
Elmbridge	Newport Pagnell	Surrey Heath	Wyre Forest
Gosport	North Norfolk	Tewkesbury	
Halton	North Somerset	Vale of White Horse	
High Peak	Norwich	Wandsworth	
Hinckley	Rotherham	Waverley	

The Company continues to support a number of Local Authorities, a Trust and a National Sports Body via its Operational Partnership model namely:

- States of Guernsey
- States of Jersey
- South Suffolk Trust
- GB Rowing – Food and beverage support
- Active Nation – Vending Support

Results and Dividends

The consolidated results show a profit before tax of £8.1m for the year (profit of £7.7m for year ended 31 March 2014) on a turnover of £117.3m (£102.8m for year ended 31 March 2014).
The Group ended the year with net debt of £6,503k (2014: £1,587k).
The Directors declared a dividend in the period of £6.0m (2014: £2.5m).

Key Performance Indicators

Key Performance Indicator	2015	2014
Annualised Like for Like Sales Growth (1)	1.8%	16.2%
Annualised Sales Growth (2)	14.1%	14.5%
Contract Contribution (3)	13.8%	18.6%
Operating Margin (4)	6.9%	9.6%

1) Annualised Like for Like Sales Growth – the annual increase in revenue as a percentage of revenue from the prior year for sites which have traded for a complete financial year prior to 31 March 2014.

Like for like sales growth compared to the prior year decreased from 16.2% in 2014 to 1.8% in 2015. However the growth in 2014 adjusted for the change in VAT status was 3.3%. The 2015 growth was driven by 6.5% growth from swimming and 1.2% growth from health and fitness. Like for like sales growth is a valuable measure of how existing contracts are contributing to the overall profitability of the Company.

2) Annualised Sales Growth – the annual increase in revenue as a percentage compared with the prior year for all sites.

Turnover increased by 14.1% in the year as result of the commencement of five new contracts during the year.

Places for People Leisure aims to increase the Places for People Group value through growth in revenue by the acquisition of new profitable contracts and revenue generated from users of our existing facilities.

3) Contract Contribution – EBITDA expressed as a percentage of turnover before central overhead costs.

Contract Contribution decreased by 4.8% (last year increase 6.0%) due to the start-up costs of the new contracts. Contract Contribution is measured to assess the financial performance of contracts at individual and company level.

4) Operating Margin – the operating profit expressed as a percentage of turnover for the Company before exceptional items.

Operating Margin decreased by 2.7% to 6.9% in 2015. This resulted from significant start up costs as described above for five new contracts which commenced in the year. Places for People Leisure aims to maximise profit available for reinvestment in the business as measured by Operating Margin.

Principal Risks

The general performance of the economy and its impact on consumer spending poses the greatest potential risk to trading although we expect the economy to maintain its improvement into 2015-16.

The Company's business plan continues to assume tight cost control to protect against any unexpected future downturn.

Revenue received from users of the facilities we operate can also be put at risk from local competition from private sector health clubs and particularly the risk presented by the continued launch of significant numbers of new budget gyms; however, this risk remains relatively low key to the organisation given the geographical spread of its sites and the capability of the organisation to respond in kind. We now have around two-thirds of our gyms operating to a budget formula.

Utility costs remain a potential future risk for this business. We continue to seek ways to reduce consumption and have targeted further reductions this year working with our Local Authority partners on their sustainability and carbon objectives. Around 61% of our contracts are now structured so that we do not carry the risk on energy price increases.

Approval

The Strategic Report was approved by the Board on 22 July 2015 and signed on its behalf by:

S. Dodd

S Dodd
Director

The Directors have pleasure in submitting their Directors' Report and audited financial statements for the period ended 31 March 2015.

On 1 April 2014 the company name was changed to PFPL (Holdings) Limited. On 17 April 2014 the registered office was changed to 80 Cheapside, London, EC2V 6EE.

Financial Instruments

The Company's principal financial instruments comprise sterling cash and bank deposits, obligations under finance leases, trade debtors and creditors arising from operations.

The risks arising from the Company's financial instruments can be analysed as follows:

Credit Risk

Credit risk is minimal to the Company as major debtors comprise mainly of Local Authorities who pay management fees in line with contractual terms.

Liquidity Risk

Liquidity risk is managed closely by the Directors through a quarterly review process. Operations are self-funding in the majority of contracts through advanced membership income and course bookings. Capital investment projects are funded through cash and lease finance.

Cash Flow Interest Rate Risk

Price risk and foreign exchange risk is minimal to the Company.

Environment

The Company is exceptionally conscious of its interaction with the environment. It is the Company's policy that in carrying out all of its activities it must monitor and maintain a high awareness of its own environmental responsibilities. These are expressed in the Company's Environmental Policy, conformity with which is monitored by a Director. During the period covered by this report, the Company has not incurred any fines or penalties for any breach of environmental regulations.

The Company reviews all opportunities to reduce energy and carbon consumption. We have embraced new technology such as photovoltaic panels, biomass boilers, LED lighting and green walls/roofs to further reduce our carbon emissions.

We comply with the current Building Regulations Part L in relation to new build projects and major refurbishment works. Mandatory and voluntary actions that recognise sustainable building and the importance of reducing utility consumption such as BREEAM are implemented on all new major projects.

The EU "Energy Performance of Building Directive" for Display Energy Certificates is now in its sixth year and continual improvements have been made at many of our sites.

Employees

The Company aims to keep all its employees involved in and aware of the Company's activities and performance. Decisions are made, wherever possible, in consultation with the Company's local management. Employees' performance is aligned to Company goals through an annual performance appraisal. Employee turnover across all staff remains low at 21% for the period of this report.

We continue to use the QUEST industry accreditation to ensure continuous improvement in people management. We have combined this with an independent annual staff survey which shows employee engagement which is well above the industry and UK average as were scores for the training provided to staff.

Disabled Persons

It is the Company's policy to give full and fair consideration to applications for suitable employment by disabled persons having regard to their individual aptitudes and abilities.

Opportunities also exist for employees of the Company who become disabled to continue in employment or to be trained for other positions within the Company's employment wherever this is practicable.

Health and Safety

A commitment to health and safety of employees and customers has been established over the years and is co-ordinated by a board Director.

Political Contributions

Neither the company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

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. For this reason they continue to adopt the going concern basis in preparing the Group financial statements.

Directors and Directors' Interests

The Directors who served the Company during the year are set out on page 2.

Auditor

On 1 May 2014 KPMG LLP were appointed as auditors. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Disclosure of information to auditor

In so far as each of the Directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' 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).

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 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.

In so far as each of the Directors is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Summary

The Board would like to thank the staff for their enthusiasm and determination to improve customer service and control costs in another year of considerable change.

The Directors' thanks go to the Local Authorities who have worked so closely and effectively with us during the period.

Approval

The report of the Directors was approved by the Board on 22 July 2015 and signed on its behalf by:

S Dodd

S Dodd
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PFPL (HOLDINGS) LIMITED

We have audited the financial statements of PFPL (Holdings) Limited for the year ended 31 March 2015 set out on pages 12 to 36. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and company affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

Chris Wilson (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Arlington Business Park
Theale
Reading
RG7 4SD

3 September 2015

PFPL (Holdings) Limited
Consolidated Profit and Loss Account
For the year ended 31 March 2015

	Note	2015 £000	2014 £000
Turnover	2	**117,311**	102,780
Cost of sales		**(92,358)**	(78,965)
Gross profit		**24,953**	23,815
Administrative expenses		**(16,874)**	(14,410)
Exceptional administrative expenses	3	-	(1,497)
Total administrative expenses		**(16,874)**	(15,907)
Operating profit	4	**8,079**	7,908
Interest receivable and similar income	7	**142**	35
Interest payable and similar charges	8	**(136)**	(281)
Profit on ordinary activities before taxation		**8,085**	7,662
Tax on profit on ordinary activities	9	**(1,739)**	(2,103)
Profit for the financial year		**6,346**	5,559

The notes on pages 17 to 36 form part of these financial statements.

	Note	2015 £000	2014 £000
Profit for the financial year		**6,346**	5,559
Actuarial (loss)/gain related to pension scheme	28	**(560)**	326
UK deferred tax attributable to actuarial gain/(loss)	28	71	(93)
Total recognised gains and losses relating to the year		5,857	5,792

The notes on pages 17 to 36 form part of these financial statements.

PFPL (Holdings) Limited
Consolidated Balance Sheet
For the year ended 31 March 2015

	Note	2015 £000	2014 £000
Fixed assets			
Intangible assets	11	**4,520**	5,047
Tangible assets	12	**16,170**	11,109
		20,690	16,156
Current assets			
Stocks	14	**759**	577
Debtors	15	**10,760**	9,167
Cash at bank		**2,753**	2,750
		14,272	12,494
Creditors: amounts falling due within one year	16	**(8,981)**	(6,889)
Net current assets		**5,291**	5,605
Total assets less current liabilities		**25,981**	21,761
Creditors: amounts falling due after more than one year	17	**(7,948)**	(3,307)
Accruals and deferred income	18	**(9,583)**	(10,158)
Net assets excluding pension liability		**8,450**	8,296
Defined benefit pension scheme liability	28	**(552)**	(255)
Net assets		**7,898**	8,041
Capital and reserves			
Called up share capital	19	**250**	250
Share premium account	20	**247**	247
Profit and loss account	20	**7,401**	7,544
Shareholders' funds	21	**7,898**	8,041

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 July 2015.

S. Dodd

S Dodd
Director

The notes on pages 17 to 36 form part of these financial statements.

Registered number: 04832063

PFPL (Holdings) Limited
Company Balance Sheet
For the year ended 31 March 2015

	Note	2015 £000	2014 £000
Fixed assets			
Investments	13	14,216	14,216
Current assets			
Debtors	15	8	7,007
Creditors: amounts falling due within one year	16	(1,389)	(5,270)
Net current (liabilities)/assets		(1,381)	1,737
Total assets less current liabilities		12,835	15,953
Creditors: amounts falling due after more than one year	17	(11,122)	(15,142)
Defined benefit pensions scheme asset		-	32
Net assets		1,713	843
Capital and Reserves			
Called up share capital	19	250	250
Share premium account	20	247	247
Profit and loss account	20	1,216	346
Shareholders' funds	21	1,713	843

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 July 2015.

S Dodd

S Dodd
Director

The notes on pages 17 to 36 form part of these financial statements.

PFPL (Holdings) Limited
Consolidated Cash Flow Statement
For the year ended 31 March 2015

	Note	2015 £000	2014 £000
Net cash flow from operating activities	22	**12,610**	11,816
Returns on investments and servicing of finance	23	**(45)**	(275)
Taxation	23	**(2,468)**	(1,820)
Capital expenditure and financial investment	23	**(6,918)**	(3,592)
Dividends paid		**(6,000)**	(2,500)
Cash (outflow)/inflow before financing		**(2,821)**	3,629
Financing	23	**2,824**	(4,636)
Increase/(Decrease) in cash in the year		**3**	(1,007)

Reconciliation of Net Cash Flow to Movement in Net Debt
For the year ended 31 March 2015

		2015 £000	2014 £000
Increase/(Decrease) in cash in the year		**3**	(1,007)
Cash outflow from (increase)/decrease in debt and lease financing		**(2,824)**	4,636
Change in net debt resulting from cash flows		**(2,821)**	3,629
New finance lease		**(2,095)**	(1,200)
Movement in net debt in the year		**(4,916)**	2,429
Net debt at 1 April 2014		**(1,587)**	(4,016)
Net debt at 31 March 2015	24	**(6,503)**	(1,587)

The notes on pages 17 to 36 form part of these financial statements.

1 Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The Directors have reviewed the principal accounting policies below and consider them to remain appropriate.

1.2 Basis of consolidation

The financial statements consolidate the accounts of PFPL (Holdings) Limited and all of its subsidiary undertakings ('subsidiaries') for the year ended 31 March 2015.

1.3 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. For this reason they continue to adopt the going concern basis in preparing the Group financial statements.

1.4 Turnover

Turnover represents the invoiced value, net of value added tax, of goods sold and services provided to customers in the period. The turnover is wholly attributable to the Group's principal activity within the United Kingdom. Turnover is comprised of Activities Income, Shop, Bar & Catering Income, and Management Fee Income.

Activities Income incorporates Courses and Membership Subscriptions. Activities Income is recognised in the month to which it relates. Where income for Membership Subscriptions and Courses are received in advance, income is deferred over the period of service provided, with the exception of income from Dry Courses and three-month promotional income which is recognised on receipt.
Shop, Bar and Catering Income is recognised on the sale of goods.

Management fee income from Local Authorities is recognised over the period to which the service relates, in line with the requirements of each Local Authority contract.

1.5 Intangible fixed assets and amortisation

On the acquisition of a Company or a business, fair values are attributed to the Company's share of net tangible assets. Where the cost of acquisition exceeds the value attributed to such net assets, the difference is treated as purchased goodwill and is capitalised and amortised over its useful economic life of 20 years. The useful economic life is set with regard to the specific circumstances of the acquisition.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Building development	-	the remaining duration of the management contract or the lease of property
Office and major	-	2-10 years or the remaining duration of the management contract

1 Accounting Policies (continued)

1.7 Investments

Investments held as fixed assets are stated at cost less provision for impairment.

1.8 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.9 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.11 Deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

1.12 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

1.13 Dividends on shares presented within shareholders' funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

1 Accounting Policies (continued)

1.14 Pensions

The Company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2015.

On 1 May 2004, the Company established, as principal employer, the Places for People Leisure Pension Scheme. The pension costs in respect of the Places for People Leisure Pension Scheme that are charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The Places For People Leisure Pension Scheme is funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

The Company also has admitted body status and contributes on behalf of its employees to local government pension schemes. The contributions are paid in accordance with the advice of the actuary but the Company has no further liability to fund the scheme beyond its contributions paid in the year. Contributions are therefore charged to the profit and loss account in the year in which they are incurred.

1.15 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2 Turnover

All turnover arose within the United Kingdom.

All turnover is from continuing activities in the year.

3 Exceptional items

In the prior year, exceptional costs incurred included:

- £1,200,000 with regards to a provision for loss making contracts.
- £283,000 with regards to legal fees with respect to the negotiation of new contracts.
- £14,000 with regards to dilapidation costs.

4 Operating profit

The operating profit is stated after charging/(crediting):

	2015 £000	2014 £000
Amortisation - intangible fixed assets	**527**	527
Depreciation of tangible fixed assets:		
- owned by the group	**3,084**	2,608
- held under finance leases	**938**	743
Operating lease rentals:		
- plant and machinery	**748**	539
- other operating leases	**288**	129
Profit on disposal of fixed assets	**(70)**	(50)
Auditors' remuneration		
- Audit fee attributable to these financial statements	**5**	5
- Audit fee attributable to subsidiary financial statements	**35**	39
- Audit fee attributable to other services	**1**	1

5 Staff costs

Staff costs, including directors' remuneration, were as follows:

	2015	2014
	£000	£000
Wages and salaries	**54,444**	47,313
Social security costs	**3,012**	2,817
Other pension costs	**1,419**	754
	58,875	50,884

The average monthly number of employees, including the directors, during the year was as follows:

	2015	2014
	No.	No.
Management and administration	**1,143**	1,191
Supervisors, instructors and other staff	**863**	876
	2,006	2,067

6 Directors' remuneration

	2015	2014
	£000	£000
Emoluments	555	859
Company pension contributions to defined contribution pension schemes	52	58
	607	917

During the year retirement benefits were accruing to 4 directors (2014 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £184,000 (2014 - £321,000).

The total accrued pension provision of the highest paid director at 31 March 2015 amounted to £19,000 (2014 - £25,000).

7 Interest receivable and similar income

	2015	2014
	£000	£000
Bank interest	**91**	6
Other finance income	**51**	29
	142	35

8 Interest payable and similar charges

	2015	2014
	£000	£000
On bank loans and overdrafts	**1**	1
Finance leases and hire purchase contracts	**120**	91
Interest payable on loans from group undertakings	**15**	189
	136	281

9 Taxation

	2015	2014
	£000	£000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	**1,541**	2,332
Group Relief	25	-
Deferred tax		
Origination and reversal of timing differences (note 10)	**173**	(229)
Tax on profit on ordinary activities	**1,714**	2,103

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015	2014
	£000	£000
Profit on ordinary activities before tax and dividends	8,085	7,662
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	**1,698**	1,761
Effects of:		
Expenses not deductible for tax purposes	**299**	221
Capital allowances for year in excess of depreciation	**(138)**	69
Utilisation of tax losses	-	22
Short term timing difference leading to an (decrease)/increase in taxation	**(293)**	276
Non taxable income	-	(17)
Current tax charge for the year (see note above)	**1,566**	2,332

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and to 20% (effective 1 April 2015) were enacted on 17 July 2013. This will reduce the company's future current tax charge accordingly.

10 Deferred taxation

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
At beginning of year	**616**	387	-	-
Released during the year	**(173)**	229	-	-
At end of year	**443**	616	-	-

The deferred taxation asset balance is made up as follows:

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Accelerated capital allowances	**411**	340	-	-
Short term timing differences	**32**	276	-	-
	443	616	-	-

Certain subsidiaries within the Group have unprovided tax losses totalling £892,000 (2014: £853,088). These subsidiaries have now ceased to trade and the tax losses are unavailable for relief within the group.

11 Intangible fixed assets

	Goodwill £000
Group cost	
At 1 April 2014 and 31 March 2015	**10,653**
Amortisation	
At 1 April 2014	(5,606)
Charge for the year	(527)
At 31 March 2015	**(6,133)**
Net book value at 31 March 2015	**4,520**
Net book value at 31 March 2014	5,047

The company does not hold any intangible fixed assets on its Balance Sheet

12 Tangible fixed assets

	Building development £000	Office and major equipment £000	Total £000
Group cost			
At 1 April 2014	15,758	21,467	37,225
Additions	3,070	6,170	9,240
Disposals	(195)	(712)	(907)
At 31 March 2015	**18,633**	**26,925**	**45,558**
Depreciation			
At 1 April 2014	(10,350)	(15,766)	(26,116)
Charge for the year	(1,285)	(2,737)	(4,022)
On disposals	44	706	750
At 31 March 2015	**(11,591)**	**(17,797)**	**(29,388)**
Net book value			
At 31 March 2015	**7,042**	**9,128**	**16,170**
At 1 April 2014	5,408	5,701	11,109

Included in the net book value of £16,170,000 is £3,923,000 (2014: £2,522,000) in respect of assets purchased under finance lease. Depreciation charged on assets held under finance lease in the year was £938,000 (2014: £743,000).

All building developments are in respect of short leasehold properties.

The company does not hold any tangible fixed assets on its Balance Sheet

13 Fixed asset investments

Company cost or valuation	**Shares in subsidiary undertakings £000**
At 1 April 2014 and 31 March 2015	**14,216**

The structure of the Group at 31 March 2015 is shown below. Each parent holds 100% of the share capital of the subsidiary. All the companies are incorporated in Great Britain, with principal activities as described in the Strategic Report.

Parent	**Subsidiary**	**Registered number**
PFPL (Holdings) Ltd	Places for People Leisure Management Ltd	02585598
Places for People Leisure Management Ltd	DC Leisure (Eastleigh) Ltd	02693617
Places for People Leisure Management Ltd	PFPL Developments Ltd	04330972
Places for People Leisure Management Ltd	David Cross (Leisure) Ltd	02520302
Places for People Leisure Management Ltd	Sam Jones (Clubs) Ltd	03406979
David Cross (Leisure) Ltd	DC Leisure (Camberley) Ltd	01808394
PFPL Developments Ltd	PfPL Projects (Gosport) Limited	07782225
PFPL Developments Ltd	PfPL Projects (Sandwell) Limited	08181534
PFPL Developments Ltd	PfPL Projects (Hinckley) Limited	9042076
PFPL Developments Ltd	PfPL Projects (Sparkhill) Limited	9042068
PFPL Developments Ltd	PfPL Projects (Wyre Forest) Limited	9301347

PfPL (Holdings) Limited is also the ultimate controlling party of the following companies which are limited by guarantee. All the companies are incorporated in Great Britain.

East Hampshire Leisure Community Association Limited
Horsham Leisure Community Association Limited
Braintree District Leisure Community Association Limited
Wyre Forest Leisure Community Association Limited
Halton Leisure Community Association Limited
North Norfolk Leisure Community Association Limited
Rugby Leisure Community Association Limited
Portsmouth Leisure Community Association Limited
Places for People Leisure Community Association Limited
Leisure and Community Partnership Limited
Places for People Leisure Limited

14 Stocks

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Goods for resale	**759**	577	-	-

In the opinion of the Directors there is no material difference between the balance sheet value and the replacement cost of stocks.

15 Debtors

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Trade debtors	**5,549**	3,404	-	-
Other debtors	**387**	878	-	-
Amounts due to group undertakings	**-**	-	-	7,000
Prepayments and accrued income	**4,381**	4,269	8	7
Deferred tax asset (note 10)	**443**	616	-	-
	10,760	9,167	8	7,007

Other debtors for the Group includes performance bonds and guarantees of £386,875 (2014: £878,000) in connection with work performed by the Group with maturity dates ranging from March 2016 to September 2019 (2014: May 2014 to September 2019).

16 Creditors: amounts falling due within one year

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Bank loans and overdrafts	**-**	-	**1,548**	1,847
Net obligations under finance leases and hire purchase contracts	**1,308**	1,030	-	-
Trade creditors	**6,126**	4,096	-	-
Amounts owed to group undertakings	**-**	-	-	3,537
Corporation tax	**(54)**	847	**(159)**	(410)
Social security and other taxes	**1,601**	916	-	296
Accrued income	**8,981**	6,889	**1,389**	5,270

17 Creditors: amounts falling due after more than one year

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Amounts owed to parent undertaking	-	-	**11,122**	15,142
Net obligations under finance leases and hire purchase contracts	**1,348**	807	-	-
Amounts owed to group undertakings	**6,600**	2,500	-	-
	7,948	3,307	**11,122**	15,142

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
In one year or less	**1,308**	1,030	-	-
In one year or more but less than two years	**901**	637	-	-
In two years or more but less than five years	**447**	170	-	-
	2,656	1,837	-	-

The £6,600,000 loan from the parent undertaking is repayable greater than one year and attracts interest at 3.0% above the Bank of England base rate.

18 Accruals and deferred income

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Accruals and deferred income	**9,583**	10,158	-	-

19 Share capital

	2015	2014
	£000	£000
1,000,000 ordinary shares shares of £0.25 each	250	250

20 Reserves

Group	**Share premium account £000**	**Profit and loss account £000**
At 1 April 2014	247	7,544
Profit for the year	-	6,346
Actuarial gain related to the pension scheme	-	(560)
UK deferred tax attributable to actuarial gain	-	71
Dividend paid	-	(6,000)
At 31 March 2015	**247**	**7,401**

Company	**Share premium account £000**	**Profit and loss account £000**
At 1 April 2014	247	346
Profit for year	-	6,870
Dividend paid	-	(6,000)
At 31 March 2015	**247**	**1,216**

The closing balance on the profit and loss account includes a £552,000 (2014: £255,000) debit, stated after deferred taxation of £147,000 (2014: £76,000) in respect of pension scheme liabilities of the Group and Company pension scheme.

21 Reconciliation of movement in shareholders' funds

Group	2015 £000	2014 £000
Opening shareholders' funds	8,041	4,749
Profit for the year	6,346	5,559
Other recognised gains and losses during the year	(489)	233
Dividends paid/declared	(6,000)	(2,500)
Closing shareholders' funds	7,898	8,041

Company	2015 £000	2014 £000
Opening shareholders' surplus/(deficit)	843	(2,442)
Profit for the year	6,870	5,785
Dividend paid	(6,000)	(2,500)
Closing shareholders' surplus	1,713	843

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

The loss for the year dealt with in the accounts of the Company was £630,000 (2014 - loss of £1,715,000).

22 Net cash flow from operating activities

	2015 £000	2014 £000
Operating profit	8,079	7,908
Amortisation of intangible fixed assets	527	527
Depreciation of tangible fixed assets	4,022	3,351
Profit on disposal of tangihle fixed assets	(70)	(50)
Increase in stocks	(182)	(55)
Increase in debtors	(1,765)	(960)
Increase/(decrease) in creditors	2,715	(1,326)
(Decrease)/increase in deferred income	(575)	2,468
Decrease in net pension liabilities	(141)	(47)
Net cash inflow from operating activities	12,610	11,816

23 Analysis of cash flows for headings netted in cash flow statement

	2015	2014
	£000	£000
Returns on investments and servicing of finance	91	6
Interest paid	(16)	(190)
Interest element of finance lease rental payments	(120)	(91)
Net cash outflow from returns on investments and servicing of finance	(45)	(275)

Taxation	2015 £000	2014 £000
Corporation tax	(2,468)	(1,820)

Capital expenditure and financial investment	2015 £000	2014 £000
Purchase of tangible fixed assets	(7,145)	(3,643)
Sale of tangible fixed assets	227	51
Net cash outflow from capital expenditure	(6,918)	(3,592)

Financing	2015 £000	2014 £000
Repayment of loans	-	-
Loan received from/(paid to) from parent company	4,100	(3,668)
Capital element of finance leases	(1,276)	(968)
Net cash outflow from financing	2,824	(4,636)

24 Analysis of changes in net debt

	1 April 2014 £000	Cash flow £000	Other non-cash changes £000	**31 March 2015 £000**
Cash at bank and in hand	2,750	3	-	**2,753**
Debt:				
Finance leases	(1,837)	1,276	(2,095)	**(2,656)**
Debts falling due after more than one year	(2,500)	(4,100)	-	**(6,600)**
Net debt	(1,587)	(2,821)	(2,095)	**(6,503)**

25 Major non-cash transactions

During the year the Group entered into finance lease agreements in respect of assets with a total capital value at the inception of the leases of £2,095,000 (2014: £1,200,000).

26 Contingent liabilities

The Company has entered into performance bonds and guarantees in connection with work performed by its subsidiaries to the value of £527,000 (2014: £878,000).

27 Capital commitments

At 31 March 2015 the Group had capital commitments as follows:

	2015 £000	2014 £000
Contracted for but not provided in these financial statements	**1,773**	1,286
Authorised by directors but not provided in these financial statements	**1,912**	-

The company did not have any capital commitments at 31 March 2015.

28 Pension commitments

The Group operates a defined benefit pension scheme.

On 1 May 2004 the Group transferred its assets from the O.C.S. Group Transfer of Undertakings pension scheme into a separate defined benefit scheme. This is a separate trustee fund administered by professional investment managers. As at 31 March 2015 there were 31 active members (2014: 32) of the scheme. Particulars of the pension scheme are shown below.

The most recent actuarial valuation carried out at 31 March 2015 showed that the market value of the scheme's assets was £3,786,000 and that the actuarial value of those assets represented 84% of the benefits that had accrued to members after allowing for expected future increases in earnings.

The amounts recognised in the Balance sheet are as follows:

	2015 £000	2014 £000
Present value of funded obligations	**(4,485)**	(3,636)
Fair value of scheme assets	**3,786**	3,305
Deficit in scheme	**(699)**	(331)
Related deferred tax asset	**147**	76
Net liability	**(552)**	(255)

The amounts recognised in profit or loss are as follows:

	2015 £000	2014 £000
Current service cost	**(132)**	(137)
Interest on obligation	**(162)**	(155)
Expected return on scheme assets	**213**	184
Total	**(81)**	(108)

Movements in the present value of the defined benefit obligation were as follows:

	2015 £000	2014 £000
Opening defined benefit obligation	**3,636**	3,713
Current service cost	**132**	137
Interest cost	**162**	155
Contributions by scheme participants	**33**	35
Actuarial loss/(gain) on obligation	589	(363)
Benefits paid	**(67)**	(41)
Closing defined benefit obligation	4,485	3,636

28 Pension commitments (continued)

Changes in the fair value of scheme assets were as follows:

	2015 £000	2014 £000
Opening fair value of scheme assets	**3,305**	2,980
Expected return on assets	**213**	184
Actuarial gain/(loss)	**29**	(37)
Contributions by employer	**273**	184
Contributions by scheme participants	**33**	35
Benefits paid	**(67)**	(41)
	3,786	3,305

The actual rate of return on scheme assets was a gain of £242,000 (2014: gain of £147,000).

The Group expects to contribute £293,000 to its defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	**75.76%**	79.85%
Bonds	**17.14%**	17.91%
Alternatives	**5.65%**	0.00%
Cash	**1.45%**	2.24%

The assumed long term rate of return on scheme assets is calculated by considering the long term rate of return on each asset class. The expected rate of return on each asset class is derived by considering relevant investment yields, or by taking a suitable risk free yield and adjusting for a risk premium as appropriate to that asset class.

For the purposes of the FRS 17 "Retirement Benefits" disclosure only, the assets of the scheme have been taken at market value and the liabilities have been calculated using the following principal actuarial assumptions at 31 March 2015.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015	2014
Rate of RPI inflation	**3.00%**	3.30%
Rate of increase in salary	**4.00%**	4.30%
Rate of increase for pensions in payment	**2.00%**	2.30%
Rate of discount for liabilities	**3.20%**	4.40%
Rate of CPI inflation	**2.00%**	2.30%

The post-retirement mortality assumptions used to value the benefit obligation at 31 March 2015 and 31 March 2014 are based on the standard S1PA YOB table using long term rate of improvement for each member dependent on their year of birth.

No allowances have been made for mortality pre-retirement, members are assumed to stay in service until they retire and members are assumed to retire at their Rule of 85 retirement age.

28 Pension commitments (continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2015	2014	2013	2012	2011
	£000	£000	£000	£000	£000
Defined benefit obligation	(4,485)	(3,636)	(3,713)	(2,983)	(2,432)
Scheme assets	3,786	3,305	2,980	2,463	2,244
Deficit	(699)	(331)	(733)	(520)	(188)
Experience adjustments on scheme liabilities	(589)	363	-	-	91
Experience adjustments on scheme assets	29	(37)	138	(169)	(19)

The Places for People Leisure Limited Group Personal Pension Plan

PFPL (Holdings) Limited operates a defined contribution pension scheme for its directors and employees, the assets of which are held independently in a separately administered fund. The company also makes contributions to the personal pensions of a number of its directors. During the year the contributions payable amounted to £213,000. The unpaid contributions at the year end included within other creditors amount to £19,000.

29 Operating lease commitments

At 31 March 2015 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
Group	£000	£000	£000	£000
Expiry date:				
Within one year	-	-	48	48
Between two and five years	86	93	582	582
In more than 5 years	129	129	-	-
	215	222	630	630

30 Related party transactions

PFPL (Holdings) Limited is a subsidiary of Places for People Group Limited, 80 Cheapside, London, EC2V 6EE. In accordance with Financial Reporting Standard No. 8 "Related Party Disclosures" (FRS 8), the company has taken advantage of the exemption not to report transactions with other Group undertakings as permitted in FRS 8.

31 Registered address

On 17 April 2014 the company changed its registered address from 305 Grays Inn Road, London, WC1X 8QR to 80 Cheapside, London, EC2V 6EE.

32 Ultimate controlling party

PFPL (Holdings) Limited parent company is Places for People Ventures Limited. The ultimate parent company and controlling party is Places For People Group Limited, a company registered in England and Wales.

33 Subsidiary audit exemption

Under S479 of the Companies Act 2006, the following subsidiaries are exempt from the audit of their individual financial statements for the year ending 31 March 2015 due to the existence of a parental guarantee given by PFPL (Holdings) Limited, the parent undertaking of this group which prepares these consolidated accounts:

Subsidiary	Registered number
David Cross (Leisure) Limited	02520302
DC Leisure (Eastleigh) Limited	02693617
DC Leisure (Camberley) Limited	01808394
East Hampshire Leisure Community Association Limited	04400719
Halton Leisure Community Association Limited	04881273
Horsham Leisure Community Association Limited	04498992
Leisure and Community Partnership Limited	04963443
Portsmouth Leisure Community Association Limited	04676298
Sam Jones (Clubs) Limited	03406979
Wyre Forest Leisure Community Association Limited	04442325
Places for People Leisure Community Association Limited	05049913
North Norfolk Leisure Community Association Limited	04648428
Rugby Leisure Community Association Limited	04442289
Braintree District Leisure Community Association Limited	04442301
PfPL Projects (Sparkhill) Limited	09040268

Financial Statements

PfPL (Holdings) Limited

For the year ended 31 March 2016

Company number: 04832063

Contents

Registered number	04832063
Company secretary	C Martin
Directors	D Cowans S Dodd T Hewett (resigned 30 June 2016) P Kirkham (resigned 01 July 2016) J Oxley C Phillips C D'Costa (appointed 16 February 2016) J Bates (appointed 17 May 2016)
Registered office	80 Cheapside London EC2V 6EE
Independent auditor	KPMG LLP Arlington Business Park Theale Reading RG7 4SD
Bankers	Lloyds Bank plc PO Box 72 Bailey Drive Gillingham Business Park Gillingham Kent ME8 0LS
Solicitors	Nabarro LLP 1 South Quay Victoria Quays Sheffield S2 5SY

I am delighted to report that PfPL (Holdings) continues to make significant financial contributions towards the Places for People Group; demonstrated by another successful financial year. Through PfPL (Holdings) contribution we have been successful in furthering our aim of positively impacting upon the communities in which we serve and 'creating active places and healthy people'.

PfPL (Holdings) Limited ('The Company') has delivered good underlying financial results for the year. The consolidated results show a profit before tax of £6.7m for the year (£8.5m for year ended 31 March 2015) on a turnover of £130.7 m (£117.3m for year ended 31 March 2015). The Company's operating profits were £7.5m (£8.5m for the year ended 31 March 2015).

The Company's approach to continual improvement is underpinned by an emphasis on controlled costs, and we continue to explore different opportunities and avenues which will ultimately enhance our product and service offering, to encourage participation by all members of the community. We maintain a strong focus on customer experience, continue to adapt our service offering and standards to ensure that we retain a high quality approach that is in line with our client aspirations, government guidelines and above all, meet the needs of our communities. We are proud to have been awarded the coveted ukactive 'Leisure Operator of the Year Award' 2015 for the third consecutive year and for the second consecutive year we were awarded 'Leisure Centre of the Year (Multi-use)' award 2015 for Maltby Leisure Centre, managed on behalf of Rotherham Metropolitan Borough Council.

We are delighted to have been awarded two new leisure management contracts with Sheffield City Council and Dartford Borough Council, including the opening of three new Council built facilities. The number of bid opportunities in the industry remains high and we continue to focus on expanding our leisure portfolio and reaching even more communities, encouraging them to adopt a lifelong enjoyment of physical activity with the benefits to society that ensue.

The new state of the art Council built £25m Wycombe Leisure Centre was opened January this year, on behalf of Wycombe District Council and the Company successfully extended five existing leisure management contracts in North Somerset, Horsham, Dorset, Newport Pagnell and Eastleigh. I am also pleased to report that the forthcoming year will see an unprecedented number of new site openings, with six new facilities due to open in Hinckley, Sheffield, Tewkesbury and Wyre Forest. The Company's community gym brand continues to expand with the successful opening of Places Gyms in Corby in May 2015 and in Preston in May 2016.

We remain excited by the potential for new opportunities to be created by the joining together of the Places for People Group's housing and leisure expertise. Our mutual and varying strengths, massive economies of scale, along with the significant number of local authority clients that the two organisations partner with, mean that there are significant cross-service and management opportunities that may enable us to offer joined-up services in a way that has not been seen before in the UK.

The Company's financial result is a tribute to the tremendous dedication and commitment of our people. Their enthusiasm and expertise have helped shape our service offering and subsequent high customer service standards, whilst retaining control on operating costs. I'd like to thank all of our people, local authority clients and customers for their continued support.

C Phillips
Chairman

The Directors have pleasure in submitting their Strategic Report and audited financial statements for the year ended 31 March 2016.

Business Review and Principal activities

PfPL (Holdings) Limited is one of the leading leisure management companies in the UK. It is primarily engaged in the management of Local Authority owned leisure facilities and currently operates management contracts gained through both negotiation and competitive tendering. This experience includes Private Finance Initiative & Private Public Partnerships (PPPs) as well as "Best Value" contracts.

The consolidated results show a profit before tax of £6.7m for the year (£8.5m for year ended 31 March 2015) on a turnover of £130.7 m (£117.3m for year ended 31 March 2015). The Company's operating profits were £7.5m (£8.5m for the year ended 31 March 2015).

Income in like-for-like (LFL) sites increased by 3.1% compared with growth of 1.8% in the year to March 2015. In 2016, LFL growth was driven by swimming growth of 5.6% and health and fitness growth of 3.9%. The swimming income increases were underpinned by substantial growth in swim memberships of 17.9% and growth in swim lessons of 8.7%.

This growth continues to be driven by improving the appeal of the Company's programmes and services through a constant focus on innovation, standards of operation, staff motivation and training. Customer and staff survey results both demonstrate these improvements. The Company also continues to lead the industry in achieving high Quest scores with 58 Quest registered sites as of 31st March 2016. In recognition of this achievement the Company has been awarded 'Top Performing Organisation with 31+ Quest Registered Facilities' by Quest.

Cost control was good and the operational expenditure increase of 2.4% in LFL sites was lower than our forecast and driven by significant savings in energy costs which occurred as a result of low tariffs in the second half of the year, forward purchasing and the daily monitoring of trigger points, based upon the lowest recorded price.

The Company has continued to make significant strides in its ambition to be the best in the Local Authority sector when it comes to Sports Development and Healthy Living initiatives. It is the first leisure operator to have obtained the Quest Stretch quality assessment for Sports Development with an "outstanding" score.

Another accolade the Company was delighted to be awarded was the "Leisure Centre Operator of the Year" by ukactive, for the third year in a row. Since its inception, we have won this prestigious award 5 out of the last 8 years. In addition one of the Company's centres, Maltby Leisure Centre in Rotherham, was awarded the accolade of being ukactive's 'Leisure Centre of the Year (Multi-use)'. This is the second consecutive year that we have achieved this award.

We experienced a very busy year in setting up and commencing two new contracts during the year. These contracts were with Sheffield City Council which commenced April 2015 and Dartford Borough Council which commenced February 2016. The start-up costs and major refurbishment work on some of these new contracts accounts for the reduction in operating profit when compared to the prior year.

In addition construction work on the new Sparkhill Leisure Centre managed as part of a DBOM contract on behalf of Birmingham City Council, is currently underway and the new state of the art facility is due to open 2017.

Whilst winning new business is a priority for us, extending contracts is equally important. We are delighted that we successfully extended our partnerships with North Somerset District Council for a further 10 years from 1 April 2017, Horsham District Council for 5 years as of 1 December 2022, Newport Pagnell Town Council for 7 years as of 1st April 2029, Eastleigh Borough Council for 20 years as of the 1 October 2017 and Dorset Council for 5 years as of 7th July 2015.

Improving existing leisure facilities is core to our success and was again a main feature in 2015/16. Places for People Leisure are currently involved in 42 schemes including a combination of PPPs and facility enhancements along with Places Gyms, with a combined total investment in excess of £150m. We completed substantial refurbishment works on behalf of our Local Authority partners across a number of contracts including Kingston and Maldon during the year totalling £7.5m. In addition, High Places, Places for People Leisure's first aerial adventure course opened in our Horsham contract in February 2016, following a £400,000 investment.

The Company's private health club in Sheffield was rebranded as Places Gym in May 2014, the second Places Gym opened May 2015 in Corby and the third Places Gym opened May 2016 in Preston. The Company is planning to expand its Places Gym brand, which is a low cost community gym offering affordable membership to local communities, over the next few years.

Significant financial pressure continues to be placed upon the public sector and this is creating new opportunity as Local Authorities look to out-source services such as leisure. Additionally, ageing leisure stock is also providing some opportunity for the Company as clients look to facilitate major refurbishment or new-build projects.

We have developed considerable expertise in the development of new facilities and this, along with our proven track record and commitment to quality operational management allow us to be well positioned to capitalise upon new opportunities.

Local Authorities are increasingly seeking a receipt rather than to provide a subsidy to support leisure services in their communities and this is likely to create significant pressure upon many existing and small, single-contract trusts. It is anticipated that this will lead to some consolidation of the sector and the Company is well-equipped to capitalise on such opportunity.

With physical inactivity now acknowledged as a significant contributory factor to major chronic disease, Public Health England is increasingly commissioning physical activity based health intervention projects. The Company with its pioneering initiatives in Sheffield and Rotherham as notable test cases is well placed to participate in this new and enterprising market space.

Our Local Authority Partners

In the 2015/16 financial year we worked in partnership and secured new contracts with the following Local Authorities managing their leisure facilities:

Amber Valley Borough Council
Birmingham City Council
Dartford Borough Council
Dorset County Council
East Hampshire District Council
Eastleigh Borough Council
Elmbridge Borough Council
Gosport Borough Council
High Peak Borough Council
Hinckley and Bosworth Borough Council
Horsham District Council
Kingston Council
Maldon District Council
Mid Sussex District Council
Mole Valley District Council
Newport Pagnell Town Council
North Norfolk District Council
North Somerset Council
Norwich City Council
Rotherham Metropolitan Borough Council
Rushmoor Borough Council
Sandwell Metropolitan Borough Council
Sheffield City Council
Southampton City Council
Suffolk Coastal District Council
Surrey Heath Borough Council
Tewkesbury Borough Council
Wandsworth Council
Waverley Borough Council
Borough Council of Wellingborough
Wiltshire Council
Winchester City Council
Wolverhampton City Council
Wycombe District Council
Wyre Forest District Council

Results and Dividends

The consolidated results show a profit before tax of £6.7m for the year (£8.5m for year ended 31 March 2015) on a turnover of £130.7 m (£117.3m for year ended 31 March 2015).
The Company ended the year with net debt of £1,138k (2015: £6,503k).
No dividend was declared by the Directors in the period. (2015: £6.0m).

Key Performance Indicators

Key Performance Indicator	2016	2015
Annualised Like for Like Sales Growth (1)	3.1%	1.8%
Annualised Sales Growth (2)	11.4%	14.1%
Contract Contribution (3)	13.5%	13.8%
Operating Margin (4)	5.3%	6.9%

1) Annualised Like for Like Sales Growth – the annual increase in revenue as a percentage of revenue from the prior year for sites which have traded for a complete financial year prior to 31 March 2016.
The 2016 growth was driven by swimming growth of 5.6% and health and fitness growth of 3.9%. Like for like sales growth is a valuable measure of how existing contracts are contributing to the overall profitability of the Company.

2) Annualised Sales Growth – the annual increase in revenue as a percentage compared with the prior year for all sites.

Turnover increased by 11.4% in the year as result of the commencement of three new contracts and one new Places Gym during the year.

Places for People Leisure aims to increase the Places for People Group value through growth in revenue by the acquisition of new profitable contracts and revenue generated from users of our existing facilities.

3) Contract Contribution – EBITDA expressed as a percentage of turnover before central overhead costs.

Contract Contribution remained flat year on year (last year decreased 4.8%) due to the continued start-up costs for new contracts in both years. Contract Contribution is measured to assess the financial performance of contracts at individual and Company level.

4) Operating Margin – the operating profit expressed as a percentage of turnover for the Company.

Operating Margin decreased by 1.5% to 5.3% in 2016 which was the direct result of increased depreciation costs arising from a number of major centre refurbishments in 2015 and 2016. Places for People Leisure aims to maximise profit available for reinvestment in the business as measured by Operating Margin.

Principal Risks

The general performance of the economy and its impact on consumer spending poses the greatest potential risk to trading although we expect the economy to maintain its improvement into 2016-17.

The Company's business plan continues to assume tight cost control to protect against any unexpected future downturn.

Revenue received from users of the facilities we operate can also be put at risk from local competition from private sector health clubs and particularly the risk presented by the continued launch of significant numbers of new budget gyms; however, this risk remains relatively low key to the organisation given the geographical spread of its sites and the capability of the organisation to respond in kind. We now have around two-thirds of our gyms operating to a budget formula.

Utility costs remain a potential future risk for this business. We continue to seek ways to reduce consumption and have targeted further reductions this year working with our Local Authority partners on their sustainability and carbon objectives. Around 61% of our contracts are now structured so that we do not carry the risk on energy price increases.

Approval

The Strategic Report was approved by the Board on 15 September 16 and signed on its behalf by:

S Dodd

S Dodd
Director

The Directors have pleasure in submitting their Directors' Report and audited financial statements for the year ended 31 March 2016.

Financial Instruments

The Company's principal financial instruments comprise sterling cash and bank deposits, obligations under finance leases, trade debtors and creditors arising from operations.

The risks arising from the Company's financial instruments can be analysed as follows:

Credit Risk

Credit risk is minimal to the Company as major debtors comprise mainly of Local Authorities who pay management fees in line with contractual terms.

Liquidity Risk

Liquidity risk is managed closely by Group Treasury through a continual review process. Operations are self-funding in the majority of contracts through advanced membership income and course bookings. Capital investment projects are funded through cash and lease finance.

Cash Flow Interest Rate Risk

Price risk and foreign exchange risk is minimal to the Company.

Commodity Price Risk

The Company uses forward contracts to mitigate the risk of fluctuating gas and electricity prices. The wholesale value of gas and electricity is monitored daily and trigger points, based upon the lowest recorded price, are in place dictating our decision making process. We also take advice from our Energy Broker's market intelligence dept. We can purchase 100% of our electricity volume at any time (by months, quarters or seasons) but our policy is to only purchase 80% of our gas, the remainder to stay on "Day Ahead" pricing avoiding the risk of over purchasing and having to sell back to the market at a lower rate.
Our gas and electricity contracts with Engie Ltd terminates 30th September 2017.

Environment

The Company is accutely conscious of its interaction with the environment. It is the Company's policy that in carrying out all of its activities it must monitor and maintain a high awareness of its own environmental responsibilities. These are expressed in the Company's Environmental Policy, conformity with which is monitored by a Director. During the period covered by this report, the Company has not incurred any fines or penalties for any breach of environmental regulations.

The Company reviews all opportunities to reduce energy and carbon consumption. We have embraced new technology such as photovoltaic panels, biomass boilers, LED lighting and green walls/roofs to further reduce our carbon emissions.

We comply with the current Building Regulations Part L in relation to new build projects and major refurbishment works. Mandatory and voluntary actions that recognise sustainable building and the importance of reducing utility consumption such as BREEAM are implemented on all new major projects.

The EU "Energy Performance of Building Directive" for Display Energy Certificates is now in its sixth year and continual improvements have been made at many of our sites.

Employees

The Company aims to keep all its employees involved in and aware of the Company's activities and performance. Decisions are made, wherever possible, in consultation with the Company's local management. Employees' performance is aligned to Company goals through an annual performance appraisal. Employee turnover across all staff remains low at 22% for the period of this report.

We continue to use the QUEST industry accreditation to ensure continuous improvement in people management. We have combined this with an independent annual staff survey which shows employee engagement that is well above the industry and UK average as were scores for the training provided to staff.

Disabled Persons

It is the Company's policy to give full and fair consideration to applications for suitable employment by disabled persons having regard to their individual aptitudes and abilities.

Opportunities also exist for employees of the Company who become disabled to continue in employment or to be trained for other positions within the Company's employment wherever this is practicable.

Health and Safety

A commitment to health and safety of employees and customers has been established over the years and is co-ordinated by a board Director.

Political Contributions

Neither the company nor any of its subsidiaries made any political donations (2015: nil) or incurred any political expenditure during the year.

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. For this reason they continue to adopt the going concern basis in preparing the Group financial statements.

Directors and Directors' Interests

The Directors who served the Company during the year are set out on page 2.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Disclosure of information to auditor

In so far as each of the Directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 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.

The Board would like to thank the staff for their enthusiasm and determination to improve customer service and control costs in another year of considerable change.

The Directors' thanks go to the Local Authorities who have worked so closely and effectively with us during the period.

Approval

The report of the Directors was approved by the Board on 15 September 16 and signed on its behalf by:

S Dodd

S Dodd
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PFPL (HOLDINGS) LIMITED

We have audited the financial statements of PFPL (Holdings) Limited for the year ended 31 March 2016 set out on pages 12 to 34. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and company affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

Chris Wilson (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale
Reading
RG7 4SD

20 September 2016

PfPL (Holdings) Limited
Consolidated Statement of Comprehensive Income
For the year ended 31 March 2016

	Note	2016 £000	2015 £000
Turnover	2	130,692	117,311
Cost of sales		(105,217)	(92,361)
Gross profit		25,475	24,950
Administrative expenses	3	(18,515)	(16,421)
Operating profit	4	6,960	8,529
Interest receivable and similar income	7	3	91
Interest payable and similar charges	8	(239)	(144)
Profit on ordinary activities before taxation		6,724	8,476
Tax on profit on ordinary activities	9	(1,541)	(1,739)
Profit for the financial year		5,183	6,737
Other recognised gains and losses		91	(427)
Total recognised gains and losses relating to the year		5,274	6,310

The notes on pages 17 to 34 form part of these financial statements.

	Note	Called up Share Capital £000	Share Premium Account £000	Profit and Loss Reserve £000	Profit and Loss Reserve £000
Reserves at 1 April 2015 UK GAAP		250	247	7,401	7,898
Impact of FRS 102	27	-	-	(4,594)	(4,594)
Restated reserves at 1 April 2015		250	247	2,807	3,304
Profit		-	-	5,183	5,183
Other recognised gains and losses		-	-	91	91
Dividends paid/Declared					-
Total recognised gains and losses relating to the year		250	247	8,081	8,578

The notes on pages 17 to 34 form part of these financial statements.

	Note	2016 £000	2015(restated) £000
Fixed assets			
Tangible assets	11	18,502	16,170
		18,502	16,170
Current assets			
Stocks	13	720	759
Debtors	14	10,665	10,961
Cash at bank		4,293	2,753
		15,678	14,473
Creditors: amounts falling due within one year	15	(9,949)	(9,109)
Net current assets		5,729	5,364
Total assets less current liabilities		24,231	21,534
Creditors: amounts falling due after more than one year	16	(4,134)	(7,948)
Provisions for liabilities and charges	17	(580)	-
Accruals and deferred income	18	(10,508)	(9,583)
Net assets excluding pension liability		9,009	4,003
Defined benefit pension scheme liability	26	(431)	(699)
Net assets		8,578	3,304
Capital and reserves			
Called up share capital	19	250	250
Share premium account	20	247	247
Profit and loss account	20	8,081	2,807
Shareholders' funds		8,578	3,304

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 September 16.

S Dodd

S Dodd
Director

The notes on pages 17 to 34 form part of these financial statements.

	Note	2016 £000	2015 £000
Fixed assets			
Investments	12	**14,216**	14,216
Current assets			
Debtors	14	**204**	167
Cash at bank		**1,449**	
		1,653	167
Creditors: amounts falling due within one year	15	**(149)**	(1,548)
Net current assets/(liabilities)		**1,504**	(1,381)
Total assets less current liabilities		**15,720**	12,835
Creditors: amounts falling due after more than one year	16	**(14,795)**	(11,122)
Defined benefit pensions scheme asset		-	-
Net assets		**925**	1,713
Capital and Reserves			
Called up share capital	19	**250**	250
Share premium account	20	**247**	247
Profit and loss account	20	**428**	1,216
Shareholders' funds	21	**925**	1,713

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 September 16.

S Dodd

S Dodd
Director

The notes on pages 17 to 34 form part of these financial statements.

PfPL (Holdings) Limited
Consolidated Statement of Cashflows
For the year ended 31 March 2016

	2016 £000	2015 £000
Net cash flow from operating activities	**14,469**	10,142
Cashflow from investing activities		
Purchase of tangible fixed assets	**(6,200)**	(7,145)
Sale of tangible fixed assets	**173**	227
Dividends paid	**-**	(6,000)
	(6,027)	(12,918)
Cashflow from Financing Activites		
Returns on investments and servicing of finance	**3**	91
Interest paid	**(73)**	(16)
Interest element of finance lease rental payments	**(149)**	(120)
Loan received from/(paid to) from parent company	**(5,049)**	4,100
Capital element of finance leases	**(1,634)**	(1,276)
	(6,902)	2,779
Increase/(Decrease) in cash in the year	**1,540**	3

Net cash flow from operating activities

	2016 £000	2015 £000
Operating profit	**6,960**	8,538
Taxation	**(1,045)**	(2,468)
Impact of bringing derivitive onto balance sheet		74
Depreciation of tangible fixed assets	**5,322**	4,022
Profit on disposal of tangible fixed assets	**(78)**	(70)
(Increase)/decrease in stocks	**39**	(182)
(Increase)/decrease in debtors	**1,113**	(1,771)
Increase/(decrease) in creditors	**780**	2,715
(Decrease)/increase in deferred income	**923**	(575)
Increase in provisions	**580**	-
Decrease in net pension liabilities	**(125)**	(141)
Net cash inflow from operating activities	**14,469**	10,142

1 Accounting Policies

1.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with 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 financial statements have been prepared on the historical cost basis.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 27 for an explanation of the transition.

The financial statements are presented in Sterling (£).

PfPL Holdings as a qualifying entity under FRS 102 section 1.12 and has taken advantage of the disclosure exemption of section 33.7, and therefore has not disclosed key management personnel compensation in aggregate.

1.2 Basis of consolidation

The financial statements consolidate the accounts of PfPL (Holdings) Limited and all of its subsidiary undertakings ('subsidiaries') for the year ended 31 March 2016.

The largest group in which the results of the Company and its group are consolidated is that headed by Places for People Group, incorporated in England & Wales. The smallest group in which they are consolidated is that headed by PfPL Holdings, incorporated in England & Wales. The consolidated financial statements of these groups are available to the public and may be obtained from 80 Cheapside, London EC2V 6EE.

1.3 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. For this reason they continue to adopt the going concern basis in preparing these financial statements.

1.4 Turnover

Turnover represents the invoiced value, net of value added tax, of goods sold and services provided to customers in the period. The turnover is wholly attributable to the group's principal activity within the United Kingdom. Turnover is comprised of activities income, shop, bar & catering income, and management fee income.

Activities income incorporates courses and membership subscriptions. Activities income is recognised in the month to which it relates. Where income for membership subscriptions and courses are received in advance, income is deferred over the period of service provided, with the exception of income from dry courses and three month promotional income which is recognised on receipt.

Shop, bar and catering income is recognised on the sale of goods.

Management fee income from Local Authorities is recognised over the period to which the service relates, in line with the requirements of each Local Authority contract.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Building development	-	the remaining duration of the management contract or the lease of property
Office and major equipment	-	3-10 years or the remaining duration of the management contract

1 Accounting Policies (continued)

1.6 Investments

Investments held as fixed assets are stated at cost less provision for impairment.

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 Operating leases

Rentals under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.10 Deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the statement of financial position date, except as otherwise required by FRS 102.

1.11 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

1.12 Dividends on shares presented within shareholders' funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

1.13 Exemptions

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.
- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

1 Accounting Policies (continued)

1.14 Pensions

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2016.

On 1 May 2004, the company established, as principal employer, the Places for People Leisure Pension Scheme. The pension costs in respect of the scheme that are charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of comprehensive income if the benefits have vested. If the benefits have not vested, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other comprehensive income.

The Places For People Leisure Pension Scheme is funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each statement of financial position date. The resulting defined benefit asset or liability, is presented separately after other net assets on the face of the statement of financial position.

The group also has admitted body status and contributes on behalf of its employees to local government pension schemes. The contributions are paid in accordance with the advice of the actuary but the group has no further liability to fund the scheme beyond its contributions paid in the year. Contributions are therefore charged to the statement of comprehensive income in the year in which they are incurred.

1.15 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the statement of comprehensive income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

As required by FRS 102 the fair value of forward contracts for gas and electricity contracts is recognised at the end of each accounting period, with movements taken through the statement of comprehensive income.

1 Accounting Policies (continued)

1.16 Accounting estimates and judgements

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 27.

2 Turnover

All turnover arose within the United Kingdom.

All turnover is from continuing activities in the year, and can be broken down as follows:

	£000
Shop, Bar and Catering	9,769
Activities Income	108,835
Management Fee	9,968
Energy Benchmarking	614
Other Income	1,506
	130,692

3 Admin Expenses

Admin expenses includes £580,000 (2015 - £nil) relating to onerous contracts.

4 Operating profit

The operating profit is stated after charging/(crediting):

	2016 £000	2015 £000
Depreciation of tangible fixed assets:		
- owned by the group	**3,904**	3,084
- held under finance leases	**1,418**	938
Operating lease rentals:		
- plant and machinery	**600**	748
- other operating leases	**294**	288
Profit on disposal of fixed assets	**(78)**	(70)
Auditor's remuneration		
- Audit fee attributable to these financial statements	**5**	5
- Audit fee attributable to subsidiary financial statements	**41**	35
- Audit fee attributable to other services	**2**	1

5 Staff costs

Staff costs, including directors' remuneration, were as follows:

	2016 £000	2015 £000
Wages and salaries	62,139	54,444
Social security costs	3,332	3,012
Other pension costs	1,563	1,419
	67,033	58,875

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Management and administration	1,257	1,143
Supervisors, instructors and other staff	891	863
	2,148	2,006

6 Directors' Remuneration

	2016 £000	2015 £000
Emoluments	706	555
Group pension contributions to defined contribution pension schemes	77	52
	783	607

Retirement benefits were accruing for 2 directors (2015 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £265,000 (2015 - £184,000).

During the year, there was no accrued pension provision for the highest paid director at 31 March 2016 (2015 - £19,000).

7 Interest receivable and similar income

	2016 £000	2015 £000
Bank interest	3	91
	3	91

8 Interest payable and similar charges

	2016 £000	2015 £000
On bank loans and overdrafts	11	1
Finance leases and hire purchase contracts	149	120
Interest payable on loans from group undertakings	62	15
Other finance charges	17	8
	239	144

9 a) Taxation

	2016 £000	2015 £000
Tax expense included in profit and loss		
Current tax (see note below)		
UK corporation tax charge on profit for the year	(73)	1,566
Group Relief	1,383	-
Deferred tax		
Origination and reversal of timing differences (note 10)	231	173
Tax on profit on ordinary activities	1,542	1,739

b) Tax expense/(income) included in comprehensive income

	2016 £000	2015 £000
Deferred Tax		
Origination and reversal of timing differences (note 10)	69	(71)
	69	(71)

Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £000	2015 £000
c) Profit on ordinary activities before tax and dividends	6,724	8,476
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	1,345	1,780
Effects of:		
Expenses not deductible for tax purposes	171	176
Capital allowances for year in excess of depreciation	-	-
Utilisation of tax losses	-	-
Short term timing difference leading to an (decrease)/increase in taxation	-	
Difference in tax rate	19	(19)
Unrelieved tax losses and other deductions in the period		
Adjustments to tax charge in respect of FRS102 adjustments	-	-
Group relief payments	-	-
Non taxable income	-	-
Capitalised revenue expenditure	-	-
Prior year CT/DT charge/(credit)	6	(199)
Current tax charge for the year (see note above)	1,541	1,739

Reductions in the UK corporation tax rate 23% to 21% (effective 1 April 2014) and to 20% (effective 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective 1 April 2020) was announced in the Budget on 16 March 2016 but was not substantively enacted by the balance sheet date. This will reduce the company's future tax charge accordingly. The deferred tax balances at 31 March 2016 have been calculated based on the rate of 18% substantively enacted at the balance sheet date.

10 Deferred taxation

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
At beginning of year	(590)	(692)	-	-
Released during the year	301	102	-	-
At end of year	(289)	(590)	-	-

The deferred taxation asset balance is made up as follows:

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Accelerated capital allowances	(105)	(410)	-	-
Short term timing differences	(106)	(179)	-	-
	(211)	(590)	-	-

Certain subsidiaries within the group have unprovided tax losses totalling £507,000 (2015: £892,000). These subsidiaries have now ceased to trade and the tax losses are unavailable for relief within the group.

11 Tangible fixed assets

	Building development £000	Office and major equipment £000	Total £000
Group cost			
At 1 April 2015	18,633	26,925	45,558
Additions	2,767	4,981	7,748
Disposals	(1,675)	(1,017)	(2,692)
At 31 March 2016	**19,725**	**30,889**	**50,614**
Depreciation			
At 1 April 2015	11,591	17,797	29,388
Charge for the year	1,544	3,778	5,322
On disposals	(1,583)	(1,015)	(2,597)
At 31 March 2016	**11,552**	**20,560**	**32,112**
Net book value			
At 31 March 2016	**8,173**	**10,329**	**18,502**
At 1 April 2015	7,042	9,128	16,170

Included in the net book value of £18,502,000 is £4,126,000 (2015: £2,522,000) in respect of assets purchased under finance lease. Depreciation charged on assets held under finance lease in the year was £1,417,839 (2015: £939,000).

All building developments are in respect of short leasehold properties.

The group does not hold any intangible fixed assets on its Balance Sheet. Goodwill was eliminated in the restated accounts for 2015 (see FRS102 transition note 27).

12 Fixed asset investments

Company cost or valuation	Shares in subsidiary undertakings
	£000
At 1 April 2015 and 31 March 2016	14,216

The structure of the group at 31 March 2016 is shown below. Each parent holds 100% of the share capital of the subsidiary. All the companies are incorporated in Great Britain, with principal activities as described in the Strategic Report.

Parent	Subsidiary	Registered number
PfPL (Holdings) Ltd	Places for People Leisure Management Ltd	02585598
Places for People Leisure Management Ltd	DC Leisure (Eastleigh) Ltd	02693617
Places for People Leisure Management Ltd	PfPL Developments Ltd	04330972
Places for People Leisure Management Ltd	Sam Jones (Clubs) Ltd	03406979
PfPL Developments Ltd	PfPL Projects (Gosport) Limited	07782225
PfPL Developments Ltd	PfPL Projects (Sandwell) Limited	08181534
PfPL Developments Ltd	PfPL Projects (Hinckley) Limited	9042076
PfPL Developments Ltd	PfPL Projects (Sparkhill) Limited	9042068
PfPL Developments Ltd	PfPL Projects (Wyre Forest) Limited	9301347

PfPL (Holdings) Limited is also the ultimate controlling party of the following companies which are limited by guarantee. All the companies are incorporated in Great Britain.

East Hampshire Leisure Community Association Limited
Horsham Leisure Community Association Limited
Braintree District Leisure Community Association Limited
Wyre Forest Leisure Community Association Limited
Halton Leisure Community Association Limited
North Norfolk Leisure Community Association Limited
Places for People Leisure Community Association Limited
Leisure and Community Partnership Limited
Places for People Leisure Limited

13 Stocks

	Group		Company	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
Goods for resale	**720**	759	**-**	-

In the opinion of the Directors there is no material difference between the statement of financial position value and the replacement cost of stocks.

14 Debtors

	Group		Company	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
Trade debtors	**4,901**	5,549	**-**	-
Other debtors	**387**	387	**-**	-
Amounts due to group undertakings	**-**	-	**197**	-
Prepayments and accrued income	**3,916**	4,381	**7**	8
Corporation tax repayable	**1,172**	54	**-**	159
Deferred tax asset (note 9)	**289**	590	**-**	-
	10,665	10,961	**204**	167

Other debtors for the group includes performance bonds and guarantees of £386,875 (2015: £386,875) in connection with work performed by the group with maturity dates ranging from March 2016 to September 2019 (2015: May 2016 to September 2019).

15 Creditors: amounts falling due within one year

	Group		Company	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
Bank loans and overdrafts	**-**	-	**-**	1,548
Net obligations under finance leases and hire purchase contracts	**1,369**	1,308	**-**	-
Trade creditors	**6,658**	6,126	**1**	-
Social security and other taxes	**1,752**	1,601		-
Accrued Expenditure			**148**	
Derivatives	**170**	74		
	9,949	9,109	**149**	1,548

16 Creditors: amounts falling due after more than one year

	Group		Company	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
Amounts owed to parent undertaking	**2,933**	6,600	**14,795**	11,122
Net obligations under finance leases and hire purchase contracts	**1,201**	1,348		-
	4,134	7,948	**14,795**	11,122

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	Group		Company	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
In one year or less	**1,369**	1,308	**-**	-
In one year or more but less than two years	**925**	901	**-**	-
In two years or more but less than five years	**276**	447	**-**	-
	2,570	2,656	**-**	-

The £1,550,000 loan from the parent undertaking is repayable greater than one year and attracts interest at 3.0% above the Bank of England base rate.

17 Provisions for liabilities and charges

	Group
	Onerous contract
	£000
As at 1 April 2015	-
Current year charge	580
As at 31 March 2016	**580**

18 Accruals and deferred income

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Accruals and deferred income	10,508	9,583	144	-

19 Share capital

	2016	2015
	£000	£000
1,000,000 ordinary shares shares of £0.25 each	250	250

20 Reserves

Group	Share premium account £000	Profit and loss account £000
At 1 April 2016	247	2,807
Profit for the year	-	5,183
Other recognised gains and losses	-	91
At 31 March 2016	247	8,081

Company	Share premium account £000	Profit and loss account £000
At 1 April 2016	247	1,216
Profit for year	-	(788)
At 31 March 2016	247	428

The closing balance on the statement of comprehensive income includes a £345,000 (2015: £552,000) debit, stated after deferred taxation of £86,000 (2015: £147,000) in respect of pension scheme liabilities of the Group and Company pension scheme.

21 Reconciliation of movement in shareholders' funds

Company	2016	2015
	£000	£000
Opening shareholders' surplus	1,713	843
(Loss)/Profit for the year	(788)	6,870
Dividend paid	-	(6,000)
Closing shareholders' surplus	925	1,713

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

The loss for the year dealt with in the accounts of the company was £788,000 (2015 - profit of £6,870,000).

22 Major non-cash transactions

During the year the group entered into finance lease agreements in respect of assets with a total capital value at the inception of the leases of £1,548,000 (2015: £2,905,000).

23 Contingent liabilities

The company has entered into performance bonds and guarantees in connection with work performed by its subsidiaries to the value of £450,000 (2015: £527,000).

24 Capital commitments

At 31 March 2016 the group had capital commitments as follows:

	0	0
	£000	£000
Contracted for but not provided in these financial statements	3,876	1,773
Authorised by directors but not provided in these financial statements	4,477	1,912

25 Accounting Estimates and Judgements

Key Sources of estimation uncertainty

The amount of material estimations to the company or financial information is limited. However key areas to consider are:

Pensions – Scheme actuaries assumptions are booked based on best advice and market standards;

Reserves/Fair Value – Both bad debt and inventory reserves are based on historic trends and fixed product information, again estimates are judged on best practice within the group.

These accounts include a £580,000 provision for an onerous contract (2015: £nil) as per note 17.

26 Pension commitments

The Company operates a funded defined benefit pension shceme in the UK, which provides retirement benefits based on members' salary when leaving employment. The assets of the scheme are held in a separately administered fund and the plan is administered by a trustee body (independent of Places for People Leisure Management Ltd) who are responsible for ensuring that the scheme is sufficiently funded to meet current and future obligations.

The liabilities set out in this note have been calculated based on the results of the bull Scheme Funding Assessment as of 30 April 2013, updated to 31 March 2016, allowing for additional benefit accrual and benefits paid. The present value of the defined benefit obligation, the related current service cost and past service costs were measured using the projected unit credit method.

The Company has agreed a funding plan with the trustees of the scheme, whereby ordinary contributions are made into the Scheme based on a percentage of active employees' salary. Additional contributions are agreed with the trustees to reduce the funding deficit where necessary.

The most recent actuarial valuation carried out at 31 March 2016 showed that the market value of the scheme's assets was £3,902,000 and that the actuarial value of those assets represented 90% of the benefits that had accrued to members after allowing for expected future increases in earnings. As at 31 March 2016 there were 29 active members (2015: 31) of the scheme.

The disclosures set out below are based on calculations carried out as at 31 March 2016 by an independent qualified actuary. The results of the calculations and assumptions adopted are shown below.

Prinicple assumptions

	2016	2015
Discount rate	3.45%	3.20%
RPI inflation	3.00%	3.00%
CPI inflation	2.00%	2.00%
Future increases in deferred pensions	2.00%	2.00%
Rate of increase in salaries	3.00%	4.00%

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2016	2015
UK Equities	39.20%	40.50%
Overseas Equities	27.90%	26.10%
UK government	2.10%	2.20%
Corporate Bonds	5.00%	6.70%
Other fixed Interest	7.60%	8.20%
Property	4.60%	4.60%
Hendge & Structure Funds	11.70%	10.30%
Cash/Trustee bank account	1.90%	1.40%
Total	100.00%	100.00%

The amounts recognised in the Statement of Financial Position are as follows:

	2016	2015
	£000	£000
Fair value of scheme assets	3,902	3,786
Present value of defined benefit obligation	(4,333)	(4,485)
Defined benefit liability	(431)	(699)

26 Pension commitments (continued)

Total expense recognised in the Statement of Comprehensive Income

	2016	2015
	£000	£000
Current service cost	169	135
Net interest on the net defined benefit liabiltiy	17	8
Total recognised in the SOCI	186	143

Total amounts taken to Other Comprehensive Income

	2016	2015
	£000	£000
Actual return on scheme assets - gains and (losses)	(123)	242
less: amounts included innet interest on the net defined benefit liability	(125)	(151)
Remeasurement gains and (losses)		
Return on scheme assets exluding interest income	(248)	91
Remeasurement gains and (losses)		
Actuarial gains and (losses)	408	(589)
Remeasurement gain/(loss) recognised in Other Comprehensive Income	160	(498)

Changes in the present value of the defined benefit obiligation

	2016	2015
	£000	£000
Opening present value of defined benefit obiligation	4,485	3,636
Benefits paid	(89)	(67)
Current service cost	169	135
Interest cost	142	159
Remeasurement (gains) and losses		
Actuarial (gains) and losses	(408)	589
Employee contributions	34	33
Closing present value of defined benefit obligation	4,333	4,485

Changes in the fair value of scheme assets

	2016	2015
	£000	£000
Opening fair value of scheme assets	3,786	3,305
Interest income	125	151
Remeasurement gains and (losses)		
Return on scheme assets exluding interest income	(248)	91
Contributions by employer	294	273
Employee contributuions	34	33
Benefits paid including expenses	(89)	(67)
Closing fair value of defined benefit obligation	3,902	3,786

27 Operating lease commitments

At 31 March 2016 the group had commitments under non-cancellable operating leases as follows:

Group	Land and buildings 2016 £000	2015 £000	Other 2016 £000	2015 £000
Expiry date:				
Within one year	280	280	493	173
Between two and five years	**1,412**	1,122	578	292
In more than 5 years	**923**	1,203	-	-
	2,615	2,605	**1,071**	464

28 FRS 102 Transition

These are the group's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in Note 1 have been applied in preparing the financial statement for the year ended 31 March 2016.

An explanation of how the transition for previous UK GAAP to FRS 102 has affected the group's financial position and performance is set out below

a) Goodwill

At the date of transition the life of the goodwill was revised from 20 years to 2 years, at date of transition. The impact of this resulted in a the write down of goodwill by £5,047,000 with an equivalent charge to profit and loss reserves at date of transition - 1 April 2014. The impact in 2015 was to adjust the ammortisation charge with a credit to reserves of £527,000.

b) Financial Instruments

The company enters into derivative forward contracts to hedge against the risk of price changes in energy sources such as gas and electricity. Previously these were held off balance sheet until settlement. The impact of bringing these onto the balance sheet is an increase in creditors by £209,000 and decrease in revenue reserves of the same amount at the date of transition 1 April 2014. The release to the profit and loss is £135,000, of which the impact is to reduce the creditor and an equivalent charge to the profit and loss in 2015.

	£000
Profit and Loss Reserves at the 1st April 2015	7,401
Revision of economic life	(4,520)
Fair value of forward contracts	(74)
Restated reserves	2,807

29 Related party transactions

PfPL (Holdings) is a subsidiary of the Places for People Group Limited, 80 Cheapside, London, EC2V 6EE. As the ultimate parent company publishes consolidated group accounts accordingly PfPL Holdings Limited has accordingly taken advantage of the exemption not to report transactions with other group members as permitted by FRS102 section 33.1A.

30 Ultimate controlling party

PfPL (Holdings) Limited parent company is Places for People Ventures Limited. The ultimate parent company and controlling party is Places for People Group Limited, a company registered in England and Wales.

31 Subsidiary audit exemption

Under S479 of the Companies Act 2006, the following subsidiaries are exempt from the audit of their individual financial statements for the year ending 31 March 2016 due to the existence of a parental guarantee given by PfPL (Holdings) Limited, the parent undertaking of this group which prepares these consolidated accounts:

Subsidiary	**Registered number**
DC Leisure (Eastleigh) Limited	02693617
East Hampshire Leisure Community Association Limited	04400719
Halton Leisure Community Association Limited	04881273
Horsham Leisure Community Association Limited	04498992
Leisure and Community Partnership Limited	04963443
Sam Jones (Clubs) Limited	03406979
Wyre Forest Leisure Community Association Limited	04442325
Places for People Leisure Community Association Limited	05049913
North Norfolk Leisure Community Association Limited	04648428
Braintree District Leisure Community Association Limited	04442301

The unaudited consolidated financial statements for the six month periods ended 30 September 2015 and 30 September 2016 of PFPL (Holdings) Limited

PFPL (Holdings) Limited Consolidated Profit and Loss Statement For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Total income	67,306	64,366
Total costs	(64,827)	(61,216)
Profit/(loss) before interest	**2,479**	**3,150**
Interest receivable	39	1
Interest payable	(74)	(123)
Profit/(loss) before tax	**2,444**	**3,028**

PFPL (Holdings) Limited Consolidated Balance Sheet For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Fixed assets		
Goodwill	0	0
Tangible fixed assets	18,941	17,890
Investments	0	0
Total fixed assets	**18,941**	**17,890**
Current assets		
Stock	753	741
Debtors < within 1 year	10,064	11,068
Cash at bank & in hand	1,193	2,605
Total current assets	**12,010**	**14,414**
Current liabilities	(15,043)	(14,394)
Net Current Assets	**(3,033)**	**20**
Total Assets less Current Liabilities	**15,908**	**17,910**
Non-current liabilities		
Amounts falling due after more than one year	**5,452**	**12,206**
Equity		
Share Capital	497	497
Revenue Reserves	9,959	5,207
	10,456	**5,704**
Total non-current liabilities & equity	**15,908**	**17,910**

The audited financial statements for the period ended 31 March 2015 and the financial year ended 31 March 2016 (including the audit reports issued in respect thereof) of Places for People Ventures Operations Limited

Company Number: 08740397

Places for People Ventures Limited

Financial Statements

For the period 21 October 2013 to 31 March 2015

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Directors

C Phillips	Chair	Appointed 01 November 2013
D Cowans		Appointed 21 October 2013
A Davis		Appointed 01 November 2013
S Dodd		Appointed 19 January 2015, Resigned 11 March 2015
A Dudley		Appointed 19 January 2015, Resigned 11 March 2015
P Girling		Appointed 02 December 2014, Resigned 11 March 2015
N Hopkins		Appointed 10 February 2014, Resigned 23 May 2014
C Jones		Appointed 01 April 2014, Resigned 11 March 2015
E Mani		Appointed 01 November 2013
H McGeever		Appointed 15 December 2013, Resigned 11 March 2015
M Parsons		Appointed 01 November 2013
S Philpott		Appointed 01 November 2013, Resigned 16 January 2015
T Saunders		Appointed 15 December 2013, Resigned 11 March 2015
J Seet		Appointed 01 November 2013
B Shah		Appointed 01 November 2013
D Shaw		Appointed 01 November 2013
S Soin		Appointed 21 October 2013

Company Secretary C Martin — Appointed 21 October 2013

Registered Office

80 Cheapside
London
EC2V 6EE

Bankers

Co-operative Bank Plc
147 Church Street
Preston
PR1 3UD

Solicitors

The company, as a member of the Places for People Group, has access to the Group's solicitors including:

Devonshires, London
Towers & Hamlins, London

Registered Auditors

KPMG LLP
Arlington Business Park
Theale
Reading
RG7 4SD

Registration of Company

The company is incorporated under the Companies Act 2006 (Company Number 08740397)

The Board of Directors presents its report and Financial Statements for the year ended 31 March 2015.

Activities

The company is a subsidiary of Places for People Group Limited and holds investments in various Group entities. The company was incorporated on 21 October 2013.

Dividend

The directors do not propose to pay a dividend in the period.

Donations

During the period the company has not made any political or charitable donations.

Directors

The directors who served during the period from 21 October 2013 to 31 March 2015 are shown on page 2.

Shareholders interests

The issued ordinary share capital of £100 held by Places for People Group Limited. The preference share capital of £143,763,698 is held by Places for People Homes Limited.

Strategic review disclosure exemption

The directors have taken advantage of the exemption in Companies Act 2006 (section 414b) from including a Strategic Review statement in the financial statements, on the grounds that the company is small.

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 Directors' responsibilities in respect of the Directors' report and 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).

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 judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 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

S Soin
Director

14 July 2015

Independent auditor's report to the members of Places for People Ventures Limited

We have audited the financial statements of Places for People Ventures Limited for the period ended 31st March 2015 set out on pages 6 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the period then ended;and
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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; or
- the directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report.

Chris Wilson (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale
Reading
RG7 4SD

14 October 2015

	Notes	2015 £'000
Operating costs		(200)
Operating loss		(200)
Interest receivable and similar income	2	1,082
Interest payable and similar charges	3	(316)
Profit on ordinary activities before taxation		566
Taxation	5	(119)
Profit on ordinary activities after taxation		447

The notes on pages 8 to 10 form an integral part of these financial statements.

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

There are no other recognised gains and losses other than those reported above, therefore a separate statement of total recognised gains and losses has not been prepared.

places for people VENTURES

	Notes	2015 £'000
Fixed assets		
Investments	6	144,350
		144,350
Current assets		
Debtors	7	221
		221
Creditors - amounts falling due within one year	8	(360)
Net current assets		144,211
Total assets less current liabilities		144,211
Capital and Reserves		
Called up share capital	9	143,764
Revenue reserves	10	447
Total capital and reserves		144,211

The notes on pages 8 to 10 form an integral part of these financial statements.

The financial statements on pages 6 to 10 were approved by the Board of Directors on 14 July 2015 and were signed on its behalf by:

S Soin
Director

1. ACCOUNTING POLICIES

Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

A cash flow statement has not been prepared as Places for People Ventures Limited is a wholly owned subsidiary of Places for People Group Limited which has prepared a consolidated cash flow statement, complying with revised Financial Reporting Standard 1.

Investments

Investments are carried at the lower of cost and net realisable value. Any provision for diminution in value is charged to the profit and loss account.

Taxation and deferred taxation

The company is liable to United Kingdom corporation tax.

The charge for taxation for the year is based on the profit for the year and includes current tax on the taxable profit for the year and deferred taxation. Deferred taxation is recognised in respect of all timing differences between their treatment of certain items for taxation and for accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

In accordance with FRS19 deferred tax is not provided for gains on the sale of non-monetary assets, if the taxable gain is likely to be rolled-over.

2. INTEREST RECEIVABLE

	2015 £'000
Interest receivable on cash deposits	1,082

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £'000
On loans from group undertakings	316

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2015 £'000
This is stated after charging:	
Auditors' remuneration: audit fees	1

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2015 £'000
(a) Analysis of charge in the period	
Current tax	
Group relief	119
Tax on profit on ordinary activities	119

	2015 £'000
(b) Factors affecting tax charge for period	
The tax assessed is the standard rate of corporation tax in the UK of 21%.	
Profit on ordinary activities before tax	566
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21%	119

6. FIXED ASSET INVESTMENTS

	2015 £'000
Cost	
At 1 April	-
Additions in year	144,350
At 31 March	144,350
Investments in related undertakings	102,179
Investments in joint venture undertakings	42,171
	144,350

Places for People Ventures Limited investments at cost are analysed as follows:

	Loans & cash deposits	Equity	2015 £'000 Total
Investments in related undertakings			
Places for People Green Services Limited	1,999	-	1,999
Matilda's Planet Group Limited	2,526	-	2,526
Zero C Holdings Limited	7,657	23,227	30,884
Places for People Leisure (Holdings) Limited	-	32,628	32,628
Residential Management Group Limited	-	14,379	14,379
Girlings Retirement Rentals Limited	-	3,580	3,580
Touchstone Corporate Property Services Limited	-	16,183	16,183
	12,182	89,997	102,179
Investments in joint venture undertakings			
Boxed Energy Limited	200	-	200
Warwick Gates LLP	11,731	50	11,781
Tattenhall Care Village LLP	7,762	67	7,829
Ruskin Square Phase One LLP	-	2,000	2,000
Lakeshore Timber LLP	1,570	-	1,570
Allenbuild Limited	408	1,534	1,942
Smiths Dock LLP	16,849	-	16,849
	38,520	3,651	42,171
	50,702	93,648	144,350

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000
Sundry debtors, prepayments and accrued income	221

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000
Amounts due to group undertakings	360

9. SHARE CAPITAL

	2015
	£
ISSUED SHARE CAPITAL	
Ordinary shares of £1 each	**100**
2% Preference shares of £1 each	**143,763,698**
	143,763,798

The 2% dividend is payable at the discretion of the board of directors of Places for People Ventures Limited.

10. REVENUE RESERVES

	2015
	£'000
At 1 April	-
Profit for the year	**447**
At 31 March	**447**

11. RELATED PARTY TRANSACTIONS

Places for People Ventures Limited is a subsidiary of Places for People Group Limited, 80 Cheapside, London, EC2V 6EE. As the parent company publishes consolidated group accounts, the company has taken advantage of the exemption not to report transactions with other group members as permitted in FRS8.

Company Number: 08740397

places for people

Ventures Operations

Places for People Ventures Operations Limited

(formerly Places for People Ventures Limited)

Financial Statements

For the year ending 31 March 2016

Places for People Ventures Operations Limited
(formerly Places for People Ventures Limited)
Financial Statements
For the year ending 31 March 2016

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Places for People Ventures Operations Limited
(formerly Places for People Ventures Limited)
Board of Directors, Executives and Advisers
For the year ending 31 March 2016

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Ventures Operations

Directors	C Phillips	Chair	
	D Cowans		
	A Davis	(Resigned 30 September 2015)	
	B Dean	(Appointed 28 October 2015)	
	E Mani	(Resigned 30 September 2015)	
	M Parsons		
	C Rae	(Appointed 24 February 2016)	
	J Seet		
	B Shah		
	D Shaw	(Resigned 10 November 2015)	
	S Soin		
Company Secretary	C Martin		
Registered Office	80 Cheapside London EC2V 6EE		
Bankers	Co-operative Bank Plc 147 Church Street Preston PR1 3UD		Barclays Bank Plc 38 Fishergate Preston PR1 2AD
Registered Auditors	KPMG LLP Arlington Business Park Theale Reading RG7 4SD		
Registration of Company	The company is incorporated under the Companies Act 2006 (Company Number 08740397)		

The Board of Directors presents its report and Financial Statements for the year ended 31 March 2016.

On 30 December 2015 the company name was changed to Places for People Ventures Operations Limited.

Activities

The company is a wholly owned subsidiary of Places for People Ventures Limited, which itself is a subsidiary of Places for People Group Limited. The company holds investments in various commercial subsidiaries.

Dividend

The directors do not propose to pay a dividend in the year.

Share Issue

During the year the company issued 56,236,302 preference shares at £1 per share.

Donations

During the year the company has not made any political or charitable donations.

Directors

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

Shareholders interests

The 100 £1 ordinary shares are owned by Places for People Ventures Limited. The preference share capital of £200,000,000 is held by Places for People Homes Limited.

Strategic review disclosure exemption

The directors have taken advantage of the exemption in Companies Act 2006 (section 414b) from including a Strategic Review statement in the financial statements, on the grounds that the company is small.

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 Directors' responsibilities in respect of the Directors' report and financial statements

The directors are responsible for preparing 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) 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 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 director's confirm all information has been supplied.

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

S Soin
Director

19 July 2016

Places for People Ventures Operations Limited
(formerly Places for People Ventures Limited)
Report of the Independent Auditor
For the year ending 31 March 2016

Independent auditor's report to the members of Places for People Ventures Operations Limited

We have audited the financial statements of Places for People Ventures Operations Limited for the year ended 31st March 2016 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended; and
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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; or
- the directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report.

Andrew Sayers (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

15 September 2016

Places for People Ventures Operations Limited
(formerly Places for People Ventures Limited)
Statement of Comprehensive Income
For the year ending 31 March 2016

places for people
Ventures Operations

	Notes	**2016** **£'000**	2015 £'000
Operating costs		**(3,417)**	(200)
Operating loss		**(3,417)**	(200)
Interest receivable and similar income	2	**9,423**	1,082
Interest payable and similar charges	3	**(67)**	(316)
Profit on ordinary activities before taxation	4	**5,939**	566
Taxation	5	**(612)**	(119)
Profit on ordinary activities after taxation		**5,327**	447

The notes on pages 9 to 12 form an integral part of these financial statements.

All activities are continuing.

Places for People Ventures Operations Limited
(formerly Places for People Ventures Limited)
Statement of Financial Position
As at 31 March 2016

places for people
Ventures Operations

Registered Number 08740397

	Notes	2016 £'000	2015 £'000
Fixed assets			
Investments	6	**205,178**	144,350
Current assets			
Debtors	7	**2,271**	221
Cash at bank and in hand		**615**	-
		2,886	221
Creditors - amounts falling due within one year	8	**(290)**	(360)
Net current assets/ (liabilities)		**2,596**	(139)
Total assets less current liabilities		**207,774**	144,211
Creditors - amounts falling due after more than one year	9	**2,000**	-
Capital and Reserves			
Called up share capital	10	**200,000**	143,764
Revenue reserves		**5,774**	447
Total capital and reserves		**205,774**	144,211
		207,774	144,211

The financial statements on pages 6 to 12 were approved by the Board of Directors on 19 July 2016 and were signed on its behalf by:

S Soin
Director

	Revenue reserves £'000	Called up share capital £'000	Total capital and reserves £'000
Balance at 1 April 2015	447	143,764	144,211
Profit for the year	5,327	-	5,327
Additions in the year	-	56,236	56,236
Balance at 31 March 2016	**5,774**	**200,000**	**205,774**

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

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 financial statements have been prepared on the historical cost basis.

The Company's ultimate parent undertaking Places for People Group Ltd includes the Company in its consolidated financial statements. The consolidated financial statements are prepared in accordance with FRS 102 and are available to the public and maybe obtained from Places for People Group Limited, 80 Cheapside, London, EC2V 6EE. In the financial statements, the company is considered to be a qualifying entity for the purposes of FRS 102 section 1.12 and has applied the exemptions available under FRS 102 in respect of preparing statement of cash flows and related notes.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the directors have considered whether in applying the accounting policies required by FRS 102 if the restatement of comparative items was required. After review there were no restatements to the financial information required.

Investments

Investments are carried at the lower of cost and net realisable value. Any provision for diminution in value is charged to the statement of comprehensive income.

Taxation and deferred taxation

The company is liable to United Kingdom corporation tax.

The charge for taxation for the year is based on the surplus for the year and includes current tax on the taxable surplus for the year and deferred taxation. Deferred taxation is recognised in respect of all timing differences between their treatment of certain items for taxation and for accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016	2015
	£'000	£'000
Interest receivable on loans to related undertakings	**1,276**	166
Dividend receivable	**3,500**	-
Other interest receivable	**4,647**	916
	9,423	1,082

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£'000	£'000
On loans from related undertakings	**67**	316

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2016	2015
	£'000	£'000
This is stated after charging:		
Auditors' remuneration: audit fees	**1**	1

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2016	2015
(a) Analysis of charge in the period	**£'000**	£'000
Current tax		
Group relief	**612**	119
Tax on profit on ordinary activities	**612**	119

	2016	2016
(b) Factors affecting tax charge for period	**£'000**	£'000
The tax assessed is the standard rate of corporation tax in the UK of 20% (2015: 21%)		
Profit on ordinary activities before tax	**5,939**	566
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 21%)	**1,188**	119
Effects of:		
Expenses not deductible/income not taxable	**(576)**	-
Current tax charge for period (note 5a)	**612**	119

6. FIXED ASSET INVESTMENTS

	2016 £'000	2015 £'000
Cost		
At 1 April	**144,350**	-
Additions in year	**64,408**	144,350
Disposals in year	**(3,580)**	-
At 31 March	**205,178**	144,350
Investments in related undertakings	**144,440**	102,179
Investments in joint venture undertakings	**60,438**	42,171
Other external investments	**300**	
	205,178	144,350

The company's investments at cost are analysed as follows:

	2016 Loans £000	2016 Share capital £000	2016 Total £000	2015 Total £000
Investments in related undertakings				
Allenbuild Limited	-	**2,933**	**2,933**	-
Girlings Retirement Rentals Limited	-	-	-	3,580
Matilda's Planet Group Limited	**3,561**	-	**3,561**	2,526
Matilda's Radiant Heating Limited	-	**200**	**200**	-
Placeford Properties LLP	**10**	**94**	**104**	-
Places for People Energy Limited	**1,250**	-	**1,250**	-
Places for People Green Services Limited	**1,999**	-	**1,999**	1,999
Places for People Homes Limited	**32,394**	-	**32,394**	-
Places for People Leisure (Holdings) Limited	**1,550**	**32,628**	**34,178**	32,628
Residential Management Group Limited	-	**14,379**	**14,379**	14,379
Touchstone Corporate Property Services Limited	-	**22,553**	**22,553**	16,183
Zero C Holdings Limited	**7,657**	**23,232**	**30,889**	30,884
	48,421	**96,019**	**144,440**	102,179
Investments in joint venture undertakings				
Allenbuild Limited	-	-	-	1,942
Boxed Energy Limited	**200**	-	**200**	200
Lakeshore Timber LLP	**2,321**	-	**2,321**	1,570
PFP Urban Splash JV LLP	-	**3**	**3**	-
Ruskin Square Phase One LLP	-	**2,415**	**2,415**	2,000
Smiths Dock LLP	**18,892**	-	**18,892**	16,849
Stow Care Village LLP	**5,187**	**15**	**5,202**	-
Tattenhall Care Village LLP	**12,251**	**67**	**12,318**	7,829
Warwick Gates LLP	**19,025**	**62**	**19,087**	11,781
	57,876	**2,562**	**60,438**	42,171
Other external investments				
SYML Connect	-	**300**	**300**	-
	-	**300**	**300**	-
	106,297	**98,881**	**205,178**	144,350

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
Other taxes	49	-
Sundry debtors, prepayments and accrued income	2,222	221
	2,271	221

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
Trade creditors	77	-
Other creditors and accruals	15	-
Amounts due to related undertakings	198	360
	290	360

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

	2016 £'000	2015 £'000
Loan from related undertaking	2,000	-

Analysis of debt and other financial liabilities	2016	2015
The loan is repayable as follows:-	£'000	£'000
In two years or more but less than five years	2,000	-

10. SHARE CAPITAL

	2016 £	2015 £
ALLOTTED SHARE CAPITAL		
Ordinary shares of £1 each	100	100
2% Preference shares of £1 each	200,000,000	143,763,698
	200,000,100	143,763,798

Ordinary Shares - 100 ordinary shares with a nominal value of £1. On 31 December 2015 the shares were transferred from Places for People Group Limited to Places for People Ventures Limited. The ordinary shares have attached to them full voting rights, dividend, and capital distribution (including on winding up) right.

Preference Shares - 56,236,302 preference shares with a nominal value of £1 each were issued and acquired by Places for People Homes Limited during the year ending 31 March 2016. Preference shares carry no voting rights at general meetings. At the discretion of the directors and from available distributable profits, preference shares may receive a fixed preferential dividend at the rate of 2% per year on the capital paid up or credited as being paid up.

11. RELATED PARTY TRANSACTIONS

Places for People Ventures Operations Limited is a subsidiary of Places for People Ventures Limited and a part of the Places for People Group Limited. Since the ultimate parent company (Places for People Group Limited) publishes consolidated Group accounts, the company has taken advantage of the exemption not to report transactions with other Group members as permitted by FRS 102, Section 33.1A.

The unaudited financial statements for the six month periods ended 30 September 2015 and 30 September 2016 of Places for People Ventures Operations Limited

Places for People Ventures Operations Limited Profit and Loss Statement For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Total income	0	0
Total costs	(1,464)	(336)
Profit/(loss) before interest	**(1,464)**	**(336)**
Dividends receivable	3,000	0
Interest receivable	4,371	2,512
Interest payable	(94)	(22)
Profit/(loss) before tax	**5,813**	**2,154**

Places for People Ventures Operations Limited Balance Sheet For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Fixed assets		
Investments	219,860	148,532
Total fixed assets	**219,860**	**148,532**
Current assets		
Stock	0	0
Debtors < within 1 year	2,796	2,661
Cash at bank & in hand	770	1,026
Total current assets	**3,566**	**3,687**
Current liabilities		
Accruals	0	0
Other Current Liabilities	(1,232)	(1,771)
Net Current Assets	**2,334**	**1,916**
Total Assets less Current Liabilities	**222,194**	**150,448**
Non-current liabilities		
Amounts falling due after more than one year	**10,550**	**2,600**
Equity		
Share Capital	200,000	145,264
Revenue Reserves	11,644	2,584
	211,644	**147,848**
Total non-current liabilities & equity	**222,194**	**150,448**

The audited consolidated financial statements for the financial years ended 31 March 2015 and 31 March 2016 (including the audit reports issued in respect thereof) of Residential Management Group Limited

Company Registration No. 01513643

Residential Management Group Limited

Annual Report and Financial Statements

for the 12 month period

from 1 April 2014 to 31 March 2015

Residential Management Group Limited

Officers and professional advisers

Directors

H McGeever
A Inglis
C Phillips
D Cowans

Secretary

C Martin

Registered Office

RMG House
Essex Road
Hoddesdon
EN11 0DR

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Independent auditor

KPMG LLP
Arlington Business Park
Theale
Reading
RG7 4SD

Residential Management Group Limited

Directors' report

The directors present their report and the audited financial statements for the 12 month period ended on 31 March 2015.

Principal activities

Residential Management Group Limited is a private limited company incorporated in England and Wales with registered number 01513643.

The principal activity of the Group during the period was the management of residential housing in the Private and Public sectors. At the date of this report the directors were not aware of any likely major changes to the activities of the Group for the year ahead.

Set out in the Strategic Report is a review of the business and of its risk management strategy.

Directors

The directors who served during the period and up to the date of this report were:

H McGeever
A Inglis
C Phillips
D Cowans

Employee consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. Staff feedback is actively encouraged and is communicated to the board.

The Group has accreditation under the Investors in People scheme.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Charitable contributions

During the period, the Group made gifts in kind, estimated at a value of £46k (2014: £37k), to Vital Regeneration, a charity of which Hugh McGeever, a director of the Group, is a trustee. The gifts were in the form of back office accounting, human resource advice, technical IT support and office accommodation.

Dividends

On 25th February 2015 the Directors approved an interim dividend of £3,000k be paid to the Parent Company. £2,000k of the dividend was paid on 18 March 2015 and £1,000k was paid on 24 April 2015.

The directors do not recommend the payment of a final dividend for the period (2014: £nil).

Residential Management Group Limited

Directors' report (continued)

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report and 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 the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments 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; and

• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Information provided to the auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditor

The Group has no requirement to hold annual general meetings. Accordingly, subject to the receipt of any objections as provided under statute or the company's Articles of Association, the Company is relying on the provisions for the deemed reappointment of KPMG LLP as auditor as provided in the Companies Act 2006, s.485.

Approved by the Board and signed on its behalf by:

H McGeever
Director
27 July 2015

Strategic report

Operational performance and Key Performance Indicators

The Directors monitor the business by using Key Performance Indicators (KPIs). Monthly executive meetings are held at which the results are discussed in detail.

Business review

The financial performance for the period and the Group's financial position at the end of the period are shown in the attached financial statements.

Private Sector property management reported an increase in turnover in the core management contracts in the total revenue generated including other services provided in addition to those contracts.

The Group invested further in systems to help with the delivery of services to its clients: the renewal of desktop and mobile workstations for property managers; improvements to the computer systems infrastructure; and systems to improve communications between the Group and its clients.

Public Sector long-term contracts performed in line with forecast. The Group met the KPIs set by the client for the Housing Options Service and grew its Private Sector Leasing initiative under which it enters into leases with private landlords to provide accommodation under the Group's contract with Westminster City Council.

The directors remain focused on identifying new opportunities for business growth in both the Private and Public Sectors.

The directors monitor closely the progress of the business against its business plan with an emphasis in both the Private and Public sectors on the measurement of the service provided to clients and residents, the development of additional service offerings and the growth of the number and value of the core management contracts.

Turnover has again grown. For the 12 month period ended 31 March 2015, turnover was £30,157k. The prior year financial statements reported turnover of £33,103k for the 15 month period ended 31 March 2014 which included £26,911 for the 12 month period ended on that date. Turnover for 2015 has grown 12% from the 2014 level.

Operating profit was £3,777k, equivalent to 12% of turnover (2014: 11%).

Capital expenditure of £366k in the period included £291k spent on IT infrastructure and systems to support the delivery of services to clients.

The Group's cash at bank and in hand at the period end was £1,324k (2014: £3,336k). The net cash outflow of £2,012k is after paying corporation tax of £495k, dividends of £2,000k and pooling £3,650k cash with the Parent Company. The net cash flow before these payments was £4,133k which is 109% of Operating Profit.

The Group's shareholders' funds at the period end, after the declaration of dividends of £3,000k, was £5,000k (2014: £4,302k).

In the opinion of the directors, the current open market value of the Group's interest in land and buildings is at least equal to the book value.

On 17 June 2015 the Company acquired the business of F&S Property Management as a going concern. The acquired business is expected to contribute revenue at a rate of £800k per annum in the foreseeable future.

Residential Management Group Limited

Strategic report (continued)

Risk management

The Board has accountability for reviewing and approving the adequacy and effectiveness of internal controls operated by the Group, including financial, operational and compliance controls and risk management. It is the role of management to implement the agreed policies on risk, compliance and control.

The system of internal financial and operational control is designed to meet the Group's particular needs and aims to facilitate effective and efficient operation, to safeguard the Group's assets, ensure proper accounting records are maintained and that the financial information used within the business is reliable.

Such systems of internal control can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide reasonable, but not absolute, assurance against material misstatement and loss.

The Group's approach to risk is founded on strong corporate governance practices and is central to the Group's strategic management. The Group has adopted a risk appetite that it considers 'cautious'.

Future developments and liquidity

The management team considers the Group to be in a strong position both to carry out the work for which it is contracted and to compete for future contracts.

Synergies from the relationship with the parent group, Places for People Limited, have realised, and will continue to realise, savings in capital expenditure and overheads, increases in turnover with access to new markets and assistance with the further development of innovative service offerings to clients.

The Group has prepared forecast cash flows and has stress tested these with conservative assumptions. The Directors have been able to satisfy themselves that the Group will be able to trade within the available facilities for a period not less than twelve months from the date of approval of these financial statements. Accordingly, the accounts have been prepared on a going concern basis.

Approved by the Board and signed on its behalf by:

H McGeever
Director
29 July 2015

Independent auditor's report to the members of Residential Management Group Limited

We have audited the financial statements of Residential Management Group Limited for the 12 month period ended 31 March 2015. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2015 and of the group's profit for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Chris Wilson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale
Reading
RG7 4SD

31 July 2015

Residential Management Group Limited

Consolidated profit and loss account for the year ended 31 March 2015

	Note	1 April 2014 to 31 March 2015 £'000	1 January 2013 to 31 March 2014 £'000
Turnover	2	**30,157**	33,103
Cost of sales		**(9,355)**	(9,948)
Gross profit		**20,802**	23,155
Other operating expenses (net)		**(17,025)**	(19,639)
Operating profit		**3,777**	3,516
Interest receivable (net)	3	**112**	56
Profit on ordinary activities before taxation	4	**3,889**	3,572
Tax credit / (charge) on profit on ordinary activities	7	**174**	(656)
Profit for the financial period	16	**4,063**	2,916

The operating profit for the year arises from the Group's continuing operations.

Consolidated statement of total recognised gains and losses for the year ended 31 March 2015

	Note	1 April 2014 to 31 March 2015 £'000	1 January 2013 to 31 March 2014 £'000
Profit for the financial period		**4,063**	2,916
Actuarial (losses) / gains relating to the pension scheme	19	**(456)**	100
UK deferred tax attributable to the actuarial losses / (gains)		**91**	(20)
Total recognised gains and losses relating to the period		**3,698**	2,996

The notes on pages 11 to 27 form part of these financial statements.

Residential Management Group Limited

Consolidated balance sheet
as at 31 March 2015

	Note	31 March 2015 £'000	31 March 2014 £'000
Fixed assets			
Tangible assets	9	**1,672**	1,526
Investments	10	**5**	5
		1,677	1,531
Current assets			
Debtors: due within one year	11	**7,402**	3,682
Cash at bank and in hand		**1,324**	3,336
		8,726	7,018
Creditors: Amounts falling due within one year	13	**(4,755)**	(3,868)
Net current assets		**3,971**	3,150
Total assets less current liabilities		**5,648**	4,681
Provisions for liabilities	14	**(553)**	(522)
Net assets excluding pension surplus		**5,095**	4,159
Pension (deficit) / surplus	19	**(95)**	143
Net assets including pension (deficit) / surplus		**5,000**	4,302
Capital and reserves			
Called-up share capital	15	**2,501**	2,501
Profit and loss account	16	**2,499**	1,801
Shareholders' funds	17	**5,000**	4,302

The financial statements of Residential Management Group Limited, registered number 01513643, were approved by the board of directors and authorised for issue on 22 July 2015.

They were signed on its behalf by:

H McGeever
Director

The notes on pages 11 to 27 form part of these financial statements.

Residential Management Group Limited

Company balance sheet
as at 31 March 2015

	Note	31 March 2015 £'000	31 March 2014 £'000
Fixed assets			
Tangible assets	9	**1,672**	1,526
Investments	10	**1,282**	1,282
		2,954	2,808
Current assets			
Debtors: due within one year	11	**11,034**	7,300
Cash at bank and in hand		**1,276**	3,284
		12,310	10,584
Creditors: amounts falling due within one year	13	**(7,940)**	(6,915)
Net current assets		**4,370**	3,669
Total assets less current liabilities		**7,324**	6,477
Provisions for liabilities	14	**(453)**	(414)
Net assets excluding pension surplus		**6,871**	6,063
Pension (deficit) / surplus	19	**(95)**	143
Net assets including pension surplus		**6,776**	6,206
Capital and reserves			
Called-up share capital	15	**2,501**	2,501
Profit and loss account	16	**4,275**	3,705
Shareholders' funds	17	**6,776**	6,206

The financial statements of Residential Management Group Limited, registered number 01513643, were approved by the board of directors and authorised for issue on 22 July 2015.

They were signed on its behalf by:

H McGeever
Director

The notes on pages 11 to 27 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2015

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding period.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to the Accounting Reference Date. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report and the Strategic Report.

The Group meets its day to day working capital requirements through its cash at bank and in hand and through normal trade credit and has no overdraft or borrowing facility.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its currently available funds.

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Tangible fixed assets

Tangible fixed assets are initially recorded at cost.

Tangible fixed assets are stated at cost, net of depreciation and provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold property	over 50 years
Leasehold improvements	over 5 years (or the remainder of the lease if shorter)
Fixtures & fittings	over 5 years
Computer equipment	over 5 years

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

Investments

Except as stated below, fixed asset investments are shown at cost less provision for impairment.

In the Company balance sheet, for investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued. Any premium is ignored.

Notes to the financial statements (continued) for the year ended 31 March 2015

1. Accounting policies (continued)

Taxation

Current taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted by the balance sheet date or substantively enacted.

Deferred taxation

Deferred taxation is provided in full on material timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Turnover

Turnover shown in the profit and loss account is in respect of services rendered during the period for the management of residential housing in the public and private sectors, exclusive of Value Added Tax.

Pension costs

The Company operates a defined benefit pension scheme and a defined contribution pension scheme for employees. The assets of all schemes are held separately from those of the Company.

The details of the defined benefit schemes are contained in note 19 to the financial statements.

For the defined benefit scheme the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an accruals basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are within 'Other creditors' in note 13.

Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Notes to the financial statements (continued) for the year ended 31 March 2015

1. Accounting policies (continued)

Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments

Equity instruments issued by the Company are recorded at the value of proceeds received, net of direct issue costs.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event which will result in a probable outflow of economic benefits that can be reasonably estimated.

Cash flow statement

The Company has taken advantage of the exemption, as conferred by Financial Reporting Standard 1 'Cash Flow Statements' (revised 1996), not to produce a cash flow statement, being a subsidiary undertaking where 100% of the voting rights are controlled within the Group. The consolidated financial statements of Places for People Group Limited, in which it is included, are publicly available.

2. Turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation are attributable to the Group's principal activity which is wholly undertaken in the United Kingdom.

Segmental analysis of the private and public sectors has not been provided as, in the opinion of the directors, such disclosure would be seriously prejudicial to the company's interests.

3. Interest receivable (net)

	Year ended 31 March 2015 £'000	1 January 2013 to 31 March 2014 £'000
Bank interest receivable	**15**	18
Expected return on pension scheme assets	**210**	249
Interest on pension scheme liabilities	**(156)**	(197)
Interest receivable on loans with parent company	**52**	-
Other interest payable	**(9)**	(14)
	112	56

Notes to the financial statements (continued) for the year ended 31 March 2015

4. Profit on ordinary activities before taxation

	Year ended 31 March 2015 £'000	1 January 2013 to 31 March 2014 £'000
Profit on ordinary activities before taxation is stated after crediting:		
Share of operating profit of associated company (note 10)	-	3
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets:		
- owned	**193**	229
Operating lease rentals:		
- residential properties	**6,337**	6,481
- plant and machinery	**68**	99
- other	**478**	618

During the period the Company held operating leases with owners of residential properties to provide accommodation under its contract with Westminster City Council.

Services provided by the Company's auditor

During the period the Company obtained the following services from the Company's auditor:

	Year ended 31 March 2015 £'000	1 January 2013 to 31 March 2014 £'000
Fees payable to Company's auditor:		
- for the audit of the parent company's financial statements	**32**	32
- for the audit of the subsidiary financial statements	**7**	11
	39	43

5. Profit attributable to the Company

The profit for the financial period dealt with in the financial statements of the parent Company was £3,935k (2014: £2,102k). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent Company.

6. Directors and employees

The average number of persons employed by the Group during the financial period, including the directors, was 358 (2014: 336).

	Year ended 31 March 2015 £'000	1 January 2013 to 31 March 2014 £'000
The aggregate payroll costs of the above were:		
Wages and salaries	**10,573**	12,060
Social security costs	**1,010**	1,200
Other pension costs	**279**	224
	11,862	13,484
Remuneration in respect of directors was as follows:		
Emoluments	**446**	493
Pension costs	**12**	11
	458	504
Remuneration of the highest paid director	**266**	300

Notes to the financial statements (continued) for the year ended 31 March 2015

7. Tax on profit on ordinary activities

(a) Analysis of tax on profit on ordinary activities

There is current tax payable for the current period of £27k (2014: £512k nil). There is current tax receivable in relation to prior periods of £123k (2014: £nil).

	Year ended 31 March 2015 £'000	1 January 2013 to 31 March 2014 £'000
Current tax:		
Payable for the current period	**(27)**	(512)
Receivable in relation to prior periods	**123**	-
	96	(512)
Deferred tax:		
Tax losses (note 11)	**143**	-
Accelerated capital allowances	**(41)**	(94)
Other short-term timing differences	**6**	-
Pension surplus (note 19)	**61**	(38)
	265	(644)
Add: Deferred tax attributable to the actuarial loss	**(91)**	(12)
Total tax credit / (charge) for the period	**174**	(656)

(b) Factors affecting the tax charge for the current period

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK.

The differences are explained below:

	Year ended 31 March 2015 £'000	1 January 2013 to 31 March 2014 £'000
Profit on ordinary activities before tax	**3,889**	3,572
Tax on profit on ordinary activities at the standard UK corporation tax rate of 21% (2014: 23%) thereon	**(817)**	(822)
Effects of:		
Expenses not deductible for tax purposes	**(27)**	(6)
Capital allowances in excess of depreciation	**(117)**	61
Brought forward losses used in period	**934**	271
Short term timing differences	**-**	(16)
Adjustment in relation to prior periods	**123**	-
Current tax charge for the period	**96**	(512)

7. Tax on profit on ordinary activities (continued)

(c) Factors affecting future tax charge

Deferred tax in respect of the Group's defined benefit pension scheme is disclosed in note 11.

The Directors believe that there is currently sufficient evidence that the assets will be recovered in the foreseeable future.

During the period a deferred tax asset of £13k (2014: £20k) relating to decelerated capital allowances was recognised in subsidiary companies.

The deferred tax asset at 31 March 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

8. Dividends to Parent Company

During the period the Company declared dividends of £3,000k (2014: £500k) to the immediate Parent Company. These were declared on the Ordinary shares in issue at a rate of £1.20 (2014: £0.20) per share.

9. Tangible fixed assets

	Freehold property £'000	Leasehold improvements £'000	Fixtures & Fittings £'000	Computer equipment £'000	Total £'000
Group and Company					
Cost					
At 1 April 2014	1,025	549	396	2,302	4,272
Additions	66	4	5	291	366
Disposals	-	(3)	(13)	(53)	(69)
At 31 March 2015	**1,091**	**550**	**388**	**2,540**	**4,569**
Depreciation					
At 1 April 2014	110	509	388	1,739	2,746
Charge for the period	-	11	3	179	193
Disposals	-	(2)	(10)	(30)	(42)
At 31 March 2015	**110**	**518**	**381**	**1,888**	**2,897**
Net book value					
At 31 March 2015	**981**	**32**	**7**	**652**	**1,672**
At 31 March 2014	915	40	8	563	1,526

Notes to the financial statements (continued) for the year ended 31 March 2015

10. Fixed asset investments

Group

	Shares in joint-venture undertaking £'000
At 31 March 2014 and at 31 March 2015	**5**

The Group, through its subsidiary Gross Fine Holdings Limited, has a 50% shareholding in Namegrace Limited.

Company

	Shares in subsidiary undertakings £'000
Cost and Net Book Value:	
At 31 March 2014 and at 31 March 2015	**1,282**

Disclosure of group undertakings:

Name	Nature of business
Christchurch Estates Limited	Property management
Curzon Street Management Limited	Property management
Residential Management Property Limited	Property management
Namegrace Limited (joint venture)	Property management
Gross Fine	Property management
Hertford Company Secretaries Limited	Company Secretarial services
Cecil Square Cleaning Co Limited	Inactive
CPM Asset Management (Northern) Limited	Inactive
David Glass Associates Limited	Inactive
Gross Fine (Holdings) Limited	Inactive
Gross Fine Management Limited	Inactive
Gross Fine Services Limited	Inactive
Resident Association Management Limited	Inactive
RMG Asset Management Limited	Inactive
RMG Client Services Limited	Inactive
RMG JC Limited	Inactive
Simmonds & Partners Limited	Inactive
Wood & Co. (Surveyors) Limited	Inactive
Wood Carewell Managements Limited	Inactive
Wood Group Trustees Limited	Inactive
Wood Insurance Brokers Limited	Inactive
Wood Management Trustees Limited	Inactive
Wood Managements Group Limited	Inactive
Wood Managements Limited	Inactive
Wood Trustees Limited	Inactive

The company held 100% of the equity in the above companies except for Namegrace Limited in which Gross Fine (Holdings) Limited held 50%, the other 50% being held by a third party. All are incorporated in England and Wales and have an Accounting Reference Date of 31 March.

Notes to the financial statements (continued) for the year ended 31 March 2015

11. Debtors

	Group		Company	
	31 March 2015 £'000	31 March 2014 £'000	**31 March 2015 £'000**	31 March 2014 £'000
Amounts falling due within one year:				
Trade debtors	**1,752**	2,255	**1,718**	2,236
Amounts owed by Group undertakings	**3,652**	-	**7,327**	3,675
VAT receivable	**-**	-	**-**	-
Corporation tax	**425**	-	**433**	-
Other debtors	**127**	91	**126**	89
Prepayments and accrued income	**958**	956	**955**	940
Deferred tax asset	**488**	380	**475**	360
	7,402	3,682	**11,034**	7,300

The deferred tax asset arises from brought forward taxable losses, decelerated capital allowances and other short-term timing differences.

	Group		Company	
	31 March 2015 £'000	31 March 2014 £'000	**31 March 2015 £'000**	31 March 2014 £'000
Deferred tax movement:				
Brought forward	**380**	512	**360**	181
Credited / (charged) to the profit and loss account	**108**	(132)	**115**	(128)
Transfers from subsidiary undertakings	**-**	-	**-**	307
Carried forward	**488**	380	**475**	360

	Group		Company	
	31 March 2015 £'000	31 March 2014 £'000	**31 March 2015 £'000**	31 March 2014 £'000
Deferred tax analysis:				
Unutilised tax losses	**356**	213	**356**	213
Depreciation in excess of capital allowances	**123**	164	**110**	144
Other timing differences	**9**	3	**9**	3
	488	380	**475**	360

12. Client Monies

The company receives and holds funds as an agent for its clients for the purposes of funding services to be provided to those clients. In compliance with s42 of the Landlord and Tenant Act 1987 and the Service Charge Residential Management Code published by the Royal Institution of Chartered Surveyors, the amounts are kept in separate bank accounts which are under the control of the company but do not form part of these financial statements. At 31 March 2015 the amount of cash held in bank accounts on behalf of clients was £59,903k (2014: £54,708k).

Notes to the financial statements (continued) for the year ended 31 March 2015

13. Creditors – amounts falling due within one year

	Group		Company	
	31 March 2015 £'000	31 March 2014 £'000	**31 March 2015 £'000**	31 March 2014 £'000
Trade creditors	**608**	616	**608**	613
Amounts owed to Group undertakings	**1,004**	4	**4,401**	3,292
VAT payable	**593**	636	**546**	579
Corporation taxation	**-**	166	**-**	199
Other taxation and social security	**314**	298	**314**	298
Other creditors	**41**	212	**41**	38
Accruals and deferred income	**2,195**	1,936	**2,030**	1,896
	4,755	3,868	**7,940**	6,915

14. Provisions for liabilities

Group	**Onerous lease £'000**	**Claims £'000**	**Dilapidations £'000**	**Total £'000**
At 1 April 2014	108	337	77	522
New provisions / Released	-	125	5	130
Utilised	(8)	(89)	(2)	(99)
At 31 March 2015	**100**	**373**	**80**	**553**

Company	**Claims £'000**	**Dilapidations £'000**	**Total £'000**
At 1 April 2014	337	77	414
New provisions / Released	125	5	130
Utilised	(89)	(2)	(91)
At 31 March 2015	**373**	**80**	**453**

The claims provision relates to claims notified, the exact amount and timing of which is not determinable.

During the period the directors undertook a review of historical claims provisions to assess the likelihood of any future claims arising. The amounts released above represent those individually identified provisions that the directors no longer consider to be payable in the future.

15. Called-up share capital

	31 March 2015 £	31 March 2014 £
Allotted and called-up		
2,500,544 (2014: 2,500,544) Ordinary shares of £1.00 each	**2,500,544**	2,500,544
10,000 (2014: 10,000) Class A shares of £0.01 each	**100**	100
	2,500,644	2,500,644

Management considers that the Class A shares are a liability because they are redeemable. The Class A shares are recorded within 'Other creditors' (note 13). Holders of Class A shares have no right to attend, vote at or speak at a general meeting of the Company. In a return of capital, the holders of Class A shares are entitled to receive a share of surplus assets before the holders of Ordinary shares. The holders of Class A shares have no entitlement to a dividend.

16. Reserves

Profit and loss account	Group £'000	Company £'000
At 1 April 2014	1,801	3,705
Profit for the financial period	4,063	3,935
Other recognised gains and losses relating to the period (net):		
- Pension actuarial losses	(456)	(456)
- Deferred tax attributable to the actuarial losses	91	91
	5,499	7,275
Dividends declared (see note 8)	(3,000)	(3,000)
At 31 March 2015	**2,499**	**4,275**

17. Reconciliation of movements in shareholders' funds

	Group		Company	
	31 March 2015 £'000	31 March 2014 £'000	**31 March 2015 £'000**	31 March 2014 £'000
Profit for the financial period	**4,063**	2,916	**3,935**	2,102
Other recognised gains and losses relating to the period (net):				
- Pension actuarial (losses)/gains	**(456)**	100	**(456)**	100
- Deferred tax attributable to the actuarial losses/(gains)	**91**	(20)	**91**	(20)
Total recognised gains and losses relating to the period	**3,698**	2,996	**3,570**	2,182
Dividends received	**-**	-	**-**	710
Dividends declared	**(3,000)**	(1,150)	**(3,000)**	(1,150)
Net addition to shareholders' funds	**698**	1,846	**570**	1,742
Opening shareholders' funds	**4,302**	2,456	**6,206**	4,464
Closing shareholders' funds	**5,000**	4,302	**6,776**	6,206

Dividends declared in the period ended 31 March 2014 includes £650k paid to the previous Parent Company.

18. Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	31 March 2015			31 March 2014		
	Land and buildings £'000	**Residential properties £'000**	**Other £'000**	Land and buildings £'000	Residential properties £'000	Other £'000
Group						
Expiry date						
- within one year	**62**	**3,255**	**1**	9	3,180	17
- between two and five years	**-**	**-**	**49**	92	-	7
- after five years	**318**	**-**	**-**	318	-	-
	380	**3,255**	**50**	419	3,180	24
Company						
Expiry date						
- within one year	**62**	**3,255**	**1**	9	3,180	17
- between two and five years	**-**	**-**	**49**	92	-	7
- after five years	**159**	**-**	**-**	159	-	-
	221	**3,255**	**50**	260	3,180	24

Notes to the financial statements (continued)
for the year ended 31 March 2015

18. Financial commitments (continued)

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

During the period the Company held operating leases with owners of residential properties to provide accommodation under its contract with Westminster City Council. The liabilities above represent the contractual amount at the year end under the terms of the contracts.

19. Retirement benefit schemes

The Company operates a defined contribution scheme for certain employees. The assets of the schemes are held separately from those of the Company. The pension costs charge represents contributions payable by the Company to the funds and amounted to a charge of £163k (2014: £97k).

The Company also operates a defined benefit pension scheme, the Residential Management Group section (formerly the WMS Haywards section) of the Citrus Pension Plan ("Citrus"), with assets held in separately administered funds. The scheme provides retirement benefits on the basis of members' final salary.

An actuarial valuation of the Citrus scheme was carried out as at 31 March 2015. The major assumptions used by the actuaries are shown below:

	31 March 2015 %	31 March 2014 %
Rate of increase in salaries	**3.30**	3.70
Rate of increase in pensions in payment	**2.35**	2.70
Discount rate	**3.35**	4.35
Rate of inflation (RPI)	**3.30**	3.70
Rate of inflation (CPI)	**2.30**	2.70

Mortality assumptions

In accordance with the published mortality table:

Males: PMA92 medium cohort (year of birth projection)

Females: PFA92 medium cohort (year of birth projection)

19. Retirement benefit schemes (continued)

The fair value of the assets in the scheme and the expected rates of return and the amounts recognised in the balance sheet are as follows:

	31 March 2015		31 March 2014	
	Long term rate of return expected	**Value**	Long term rate of return expected	Value
	%	**£'000**	%	£'000
Assets analysed as:				
Equities	**3.35**	**2,490**	4.45	2,659
Corporate bonds	**3.35**	**1,398**	4.35	835
Bonds	**3.35**	**362**	3.45	235
Cash	**3.35**	**30**	-	-
Total market value of assets		**4,280**		3,729
Present value of scheme liabilities		**(4,401)**		(3,551)
(Deficit) / Surplus in scheme		**(121)**		178
Deferred taxation liability at 20.0% (2014: 20.0%)		**26**		(35)
(Deficit)/Surplus in scheme after deferred tax		**(95)**		143

Movement in liabilities during the period:

	31 March 2015 £'000	31 March 2014 £'000
Scheme liabilities at beginning of period year	**3,551**	3,544
Movement in period:		
Current service charge	**90**	129
Interest charge	**156**	197
Contributions by plan participants	**29**	37
Benefits paid	**(40)**	(289)
Actuarial losses / (gains)	**615**	(67)
Scheme liabilities at end of period	**4,401**	3,551

19. Retirement benefit schemes (continued)

Movement in assets during the period:

	1 April 2014 to 31 March 2015 £'000	1 January 2013 to 31 March 2014 £'000
Scheme assets at beginning of period	**3,729**	3,556
Movement in period:		
Expected return on scheme assets	**210**	249
Contributions by scheme participants	**28**	37
Employer contributions	**194**	143
Benefits paid	**(40)**	(289)
Actuarial gains	**159**	33
Scheme assets at end of period	**4,280**	3,729

Actual return on scheme assets:

	1 April 2014 to 31 March 2015 £'000	1 January 2013 to 31 March 2014 £'000
Expected return on scheme assets	**210**	249
Actuarial gains on scheme assets	**159**	33
Actual return on scheme assets	**369**	282

Analysis of amount charged to operating profit:	1 April 2014 to 31 March 2015 £'000	1 January 2013 to 31 March 2014 £'000
Current service charge	**90**	129
Total operating charge	**90**	129

Analysis of amount charged to other finance income:

	1 April 2014 to 31 March 2015 £'000	1 January 2013 to 31 March 2014 £'000
Expected return on pension scheme assets (note 3)	**210**	249
Interest on pension scheme liabilities (note 3)	**(156)**	(197)
Net charge (note 3)	**54**	52

19. Retirement benefit schemes (continued)

Analysis of amount recognised in statement of total recognised gains and losses ("STRGL"):

	1 April 2014 to 31 March 2015 £'000	1 January 2013 to 31 March 2014 £'000
Actual return less expected return on pension scheme assets	**159**	33
Experience (losses) / gains arising on scheme liabilities	**(615)**	67
Actuarial (losses) / gains recognised in the STRGL	**(456)**	100
Cumulative actuarial (losses) / gains recognised in the STRGL	**(246)**	210

History of experience gains and losses:

	March 2015 £'000	March 2014 £'000	December 2012 £'000	December 2011 £'000	December 2010 £'000
Scheme assets amount	**4,280**	3,729	3,556	3,415	3,174
Scheme liabilities amount	**(4,401)**	(3,551)	(3,544)	(2,903)	(3,130)
(Deficit) / surplus amount	**(121)**	178	12	512	44
Experience adjustment on scheme liabilities amount	**(615)**	67	(588)	571	229
Experience adjustment on scheme assets amount	**159**	33	4	(183)	182

20. Related party transactions

The company has taken advantage of the exemption, as conferred by Financial Reporting Standard No 8 'Related Party Disclosures', not to disclose transactions with other 100% owned members of the Group headed by the ultimate holding company at the period end, Places for People Group Limited.

The Group made the following material purchases from, and sales to, related parties that are not members of the group headed by Places for People Group Limited:

		31 March 2015		31 March 2014	
Related party	**Nature of purchases/ disbursements**	**Value of sales/ (purchases) £'000**	**Balance as at 31/3/2014 £'000**	Value of sales/ (purchases) £'000	Balance as at 31/12/2012 £'000
Vital Regeneration	Administrative expenses	**9**	-	**21**	-
Vital Regeneration	Administrative expenses	**(125)**	-	**(121)**	-

During the period, the Group made gifts in kind, estimated at a value of £46k (2014: £37k), to Vital Regeneration. Vital Regeneration is a charity of which Hugh McGeever, a director of the Group, is a trustee. The gifts were in the form of back office accounting, human resource advice, technical IT support and office accommodation.

During the period, Residential Management Group Limited held a number of directorships of property management companies, to which it provided property management services. There was no intention to hold these directorships on a permanent basis and they are held prior to their transfer to the residents. The property management services provided are on the same basis as those provided to other property management companies and are on an arms length basis. Disclosure of the list of companies together with the value of transactions and balances is not practical, nor would it provide assistance with interpretation of these financial statements.

21. Ultimate parent undertaking and controlling party

Residential Management Group Limited is the smallest group within which the financial statements of Residential Management Group Limited are included.

At the balance sheet date and at the date of approval of the financial statements, Places for People Ventures Limited was the immediate parent company of Residential Management Group Limited. Places for People Ventures Limited is a company incorporated in England and Wales, with its registered address at 80 Cheapside, London, EC2V 6EE.

At the balance sheet date and at the date of approval of the financial statements, Places for People Group Limited was the ultimate parent company and the ultimate controlling party of Residential Management Group Limited. Places for People Group Limited is a company incorporated in England and Wales, with its registered address at 80 Cheapside, London, EC2V 6EE.

The individual financial statements of the Company are incorporated in the group financial statements of Places for People Group Limited which is the largest group in which the financial statements of the Company are included. Copies of the consolidated accounts of Places for People Group Limited may be obtained from the registered address and from Companies House.

22. Post Balance Sheet Event

On 17 June 2015 the Company acquired the business of F&S Property Management as a going concern. The acquired business is expected to contribute revenue at a rate of £800k per annum in the foreseeable future.

Company Registration No. 01513643

Residential Management Group Limited

Annual Report and Financial Statements

for the 12 month period

from 1 April 2015 to 31 March 2016

Contents

Residential Management Group Limited

Officers and professional advisers

Directors

H McGeever
A Inglis
C Phillips
D Cowans

Secretary

C Martin

Registered Office

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EN11 0DR

Bankers

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Lloyds Bank plc
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Independent auditor

KPMG LLP
Arlington Business Park
Theale
Reading
RG7 4SD

Residential Management Group Limited

Directors' report

The Directors present their report and the audited financial statements for the year ended on 31 March 2016.

Principal activities

Residential Management Group Limited is a private limited company incorporated in England and Wales with registered number 01513643.

The principal activity of the Group during the period was the management of residential housing in the Private and Public sectors. At the date of this report the Directors were not aware of any likely major changes to the activities of the Group for the year ahead.

Set out in the Strategic Report is a review of the business and of its risk management strategy.

Directors

The Directors who served during the period and up to the date of this report were:

H McGeever
A Inglis
C Phillips
D Cowans

Employee consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. Staff feedback is actively encouraged and is communicated to the Board.

The Group has accreditation under the Investors in People scheme.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Charitable contributions

During the period, the Group made gifts in kind, estimated at a value of £45k (2015: £46k), to Vital Regeneration, a charity of which Hugh McGeever, a director of the Group, is a trustee. The gifts were in the form of back office accounting, human resource advice, technical IT support and office accommodation.

Dividends

An interim dividend of £2,500k was approved by the Board on 21 March 2016 and was paid to the Parent Company on 24 March 2016.

The Board does not recommend the payment of a final dividend for the period (2015: £nil).

Directors' report (continued)

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 (FRS102) - the Financial Reporting Standard applicable to 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 judgments 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; and

• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Information provided to the auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditor

The Group has no requirement to hold annual general meetings. Accordingly, subject to the receipt of any objections as provided under statute or the company's Articles of Association, the Company is relying on the provisions for the deemed reappointment of KPMG LLP as auditor as provided in the Companies Act 2006, s.485.

Approved by the Board and signed on its behalf by:

H McGeever
Director

16 September 2016

Residential Management Group Limited

Strategic report

Operational performance and Key Performance Indicators

The Directors monitor the performance of the Group by reference to Key Performance Indicators (KPIs) which measure: financial performance; operational efficiency; delivery of services to clients; and client satisfaction. Monthly Executive meetings are held at which the results are discussed in detail.

Business review

The Directors are satisfied with the outcome for the year.

The financial performance for the year and the Group's financial position at the end of the year are shown in the attached financial statements.

Turnover has grown again, by a further 7%. For the 12 month year ended 31 March 2016, turnover was £31,870k (2015: £29,764k restated).

Private Sector property management reported an increase in turnover, both in the core management contracts and in other services provided in addition to those contracts. The year saw further steady growth with the number of units under management contracts rising to over 100,000 across more than 2,000 developments.

Retention of Private Sector clients was 95% during the year, a rate that has been constant overt the last 3 years and demonstrates overall confidence in the Group's management of client developments.

The Group has developed its Health and Safety compliance services and turnover from that service rose by 23% in the year with an increased number of clients appreciating the benefits of compliance with statute and best-practice.

Staff development through improved recruitment and on-going training has brought identifiable benefits in efficiency, effectiveness and quality of service-delivery. The Group-sponsored 3-year degree course at De Montfort University, Leicester, has been running since 2010 and 45 staff have benefitted from the course.

The Group invested a further £336k in Information Technology. Development of IT systems, and the associated processes, improves the way that the Group communicates with its clients. During the year web-chat was introduced as an option for Private Sector clients contacting representatives at our Cheshire-based Customer Service Centre. Web-chat is available through the 'RMG Living' portal in addition to communicating by telephone, email, social media and post and has shown a significant adoption by clients.

Public Sector long-term contracts performed in line with forecast. The Group met the KPIs set by the client for the Housing Options Service and grew its Private Sector Leasing initiative under which it enters into leases with private landlords to provide accommodation under the Group's contract with Westminster City Council.

New initiatives have been investigated to assist with meeting the increasing need for homelessness services when faced with restrictions on Government spending and increases in rents in the private rented sector.

The success of the Housing Options Service provision to address homelessness in Westminster is being presented to other local authorities who are faced with similar positions.

The Directors remain focused on identifying new opportunities for business growth in both the Private and Public Sectors.

Residential Management Group Limited

Strategic report (continued)

The Directors establish a detailed business plan and closely monitor progress of the business against its business plan with an emphasis in both the Private and Public sectors on the measurement of the service provided to clients and residents, the development of additional service offerings and the growth of the number and value of the core management contracts. The business plan includes growth of the business both organically and by acquisition. On 17 June 2015 the Company acquired the business of F&S Property Management as a going concern. The acquisition was settled in cash with no requirement for external funding. The acquired business has contributed revenue in line with the business case for the acquisition.

In the opinion of the Directors, the current open market value of the Group's interest in land and buildings is at least equal to the book value.

Operating profit for the Group was £3,719k (2015: £3,750k restated), equivalent to 12% of turnover (2015: 12%). Operating profit is stated after charges of £622k (2015: £193k) for depreciation of tangible fixed assets and amortization of goodwill. Profit before depreciation and amortisation (EBITDA) has risen by 10% to £4,341k from £3,943k in 2015.

The Group's cash at bank and in hand at the period end was £1,229k (2015: £1,324k). That balance is after paying cash dividends in the period of £3,500k (including £1,000k for 2015). The Group's net cash flow for the year before those dividend payments was £3,405k.

The Group's shareholders' funds at the period end, after the declaration of dividends of £2,500k, was £5,759k (2015: £5,000k).

Risk management

The Board has accountability for reviewing and approving the adequacy and effectiveness of internal controls operated by the Group, including financial, operational and compliance controls and risk management. It is the role of management to implement the agreed policies on risk, compliance and control.

The system of internal financial and operational control is designed to meet the Group's particular needs and aims to facilitate effective and efficient operation, to safeguard the Group's assets, ensure proper accounting records are maintained and that the financial information used within the business is reliable.

Such systems of internal control can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide reasonable, but not absolute, assurance against material misstatement and loss.

The Group's approach to risk is founded on strong corporate governance practices and is central to the Group's strategic management. The Group has adopted a risk appetite that it considers 'cautious'.

Residential Management Group Limited

Strategic report (continued)

Future developments and liquidity

The management team considers the Group to be in a strong position both to carry out the work for which it is contracted and to compete for future contracts.

Synergies from the relationship with the parent group, Places for People Group Limited, have realised, and will continue to realise, savings in capital expenditure and overheads, increases in turnover with access to new markets and assistance with the further development of innovative service offerings to clients.

The Group has prepared forecast cash flows and has stress tested these with conservative assumptions. The Directors have been able to satisfy themselves that the Group will be able to trade within the available facilities for a period not less than twelve months from the date of approval of these financial statements. Accordingly, the accounts have been prepared on a going concern basis.

Approved by the Board and signed on its behalf by:

H McGeever
Director
16 September 2016

Independent auditor's report to the members of Residential Management Group Limited

We have audited the financial statements of Residential Management Group Limited for the 12 month period ended on 31 March 2016. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS102 Reporting Standard applicable in the UK and Republic of Ireland.

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Chris Wilson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale, Reading
RG7 4SD

26 September 2016

Residential Management Group Limited

Statement of comprehensive income for the Group for the year ended 31 March 2016

	Note	2016 £'000	2015 £'000 (restated)
Turnover	2	**31,870**	29,764
Cost of sales		**(9,103)**	(8,962)
Gross profit		**22,767**	20,802
Operating costs		**(19,048)**	(17,052)
Operating profit before interest		**3,719**	3,750
Interest receivable and similar income (net)	3	**65**	70
Profit on ordinary activities before taxation	4	**3,784**	3,820
Tax (charge) / credit on surplus on ordinary activities	7	**(804)**	204
Profit for the year		**2,980**	4,024
Other comprehensive income:			
Actuarial gains / (losses) recognised in the pension scheme	18	**357**	(387)
Deferred tax arising on the (gain) / loss in the pension scheme		**(78)**	61
Total comprehensive income for the year		**3,259**	3,698

The operating profit for the year arises from the Group's continuing operations.

The notes on pages 14 to 30 form part of these financial statements.

Residential Management Group Limited

Statement of financial position for the Group for the year ended 31 March 2016

	Note	2016 £'000	2015 £'000 (restated)
Fixed assets			
Intangible assets	9	**629**	-
Tangible assets	10	**2,648**	1,672
Investments	11	**3**	5
		3,280	1,677
Current assets			
Debtors: due within one year	12	**5,749**	7,428
Cash at bank and in hand		**1,229**	1,324
		6,978	8,752
Creditors: Amounts falling due within one year	14	**(4,296)**	(4,755)
Net current assets		**2,662**	3,997
Total assets less current liabilities		**5,962**	5,674
Provisions for liabilities	15	**(496)**	(553)
Net assets excluding pension surplus / (deficit)		**5,466**	5,121
Pension surplus / (deficit)	18	**293**	(121)
Net assets including pension surplus / (deficit)		**5,759**	5,000
Capital and reserves			
Called-up share capital	16	**2,501**	2,501
Profit and loss account		**3,258**	2,499
Shareholders' funds		**5,759**	5,000

The financial statements of Residential Management Group Limited, registered number 01513643, were approved by the board of Directors and authorised for issue on 31 August 2016.

They were signed on its behalf by:

H McGeever
Director

The notes on pages 14 to 30 form part of these financial statements.

Residential Management Group Limited

Statement of financial position for the Company for the year ended 31 March 2016

	Note	2016 £'000	2015 £'000 (restated)
Fixed assets			
Intangible assets	9	**629**	-
Tangible assets	10	**2,595**	1,672
Investments	11	**1,282**	1,282
		4,506	2,954
Current assets			
Debtors: due within one year	12	**9,404**	11,060
Cash at bank and in hand		**1,134**	1,276
		10,538	12,336
Creditors: amounts falling due within one year	14	**(7,330)**	(7,940)
Net current assets		**3,208**	4,396
Total assets less current liabilities		**7,714**	7,350
Provisions for liabilities	15	**(400)**	(453)
Net assets excluding pension surplus / (deficit)		**7,314**	6,897
Pension surplus / (deficit)	18	**293**	(121)
Net assets including pension surplus / (deficit)		**7,607**	6,776
Capital and reserves			
Called-up share capital	16	**2,501**	2,501
Profit and loss account		**5,106**	4,275
Shareholders' funds		**7,607**	6,776

The financial statements of Residential Management Group Limited, registered number 01513643, were approved by the board of Directors and authorised for issue on 31 August 2016.

They were signed on its behalf by:

H McGeever
Director

The notes on pages 14 to 30 form part of these financial statements.

Residential Management Group Limited

Statement of cash flows for the Group for the year ended 31 March 2016

	2016 £'000	2015 £'000
Cash flows from operating activities		
Profit on ordinary activities before interest and taxation	**3,719**	3,750
Adjustments for:		
Amortisation of intangible assets	**377**	-
Depreciation of tangible assets	**245**	193
Net (decrease)/increase in net debtors/creditors	**(692)**	459
Interest received and paid (net)	**65**	70
Corporation tax received/(paid)	**266**	(495)
Net cash generated from operating activities	**3,980**	3,977
Cash flow from investing activities		
Purchase of intangible fixed assets	**(1,006)**	-
Purchase of tangible fixed assets	**(1,221)**	(366)
Proceeds on disposal of fixed assets	**2**	27
Cash flow from financing activities		
Loans repaid by / (made to) group companies	**1,650**	(3,650)
Dividends paid in relation to prior periods	**(1,000)**	-
Dividends paid in relation to the current year	**(2,500)**	(2,000)
Cash at bank and in hand		
Net change in cash and cash equivalents	**(95)**	(2,012)
Cash and cash equivalents at beginning of year	**1,324**	3,336
Cash and cash equivalents at end of year	**1,229**	1,324

The notes on pages 14 to 30 form part of these financial statements.

Residential Management Group Limited

Statement of changes in equity for the Group and Company for the year ended 31 March 2016

	Called up Share Capital £'000	Profit and Loss Account £'000 (restated)	Total £'000 (restated)
Group			
Year to 31 March 2015			
Balance at 1 April 2014	2,501	1,801	4,302
Total comprehensive income for the year			
- Profit for the year	-	4,024	4,024
- Other comprehensive income	-	(326)	(326)
- Dividends declared	-	(3,000)	(3,000)
Balance at 31 March 2015	2,501	2,499	5,000
Year to 31 March 2016			
Balance at 1 April 2015	2,501	2,499	5,000
Total comprehensive income for the year			
- Profit for the year	-	2,980	2,980
- Other comprehensive income	-	279	279
- Dividends declared	-	(2,500)	(2,500)
Balance at 31 March 2016	**2,501**	**3,258**	**5,759**
Company			
Year to 31 March 2015			
Balance at 1 April 2014	2,501	3,705	6,206
Total comprehensive income for the year			
- Profit for the year	-	3,864	3,864
- Other comprehensive income	-	(294)	(294)
- Dividends declared	-	(3,000)	(3,000)
Balance at 31 March 2015	2,501	4,275	6,776
Year to 31 March 2016			
Balance at 1 April 2015	2,501	4,275	6,776
Total comprehensive income for the year			
- Profit for the year	-	2,867	2,867
- Other comprehensive income	-	279	279
- Dividends declared	-	(2,500)	(2,500)
- Dividends received		185	185
Balance at 31 March 2016	**2,501**	**5,106**	**7,607**

Notes to the financial statements for the year ended 31 March 2016

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 102 ('FRS102'), and with the Companies Act 2006.

These are the company's first financial statements prepared in accordance with FRS102. Changes in the reporting of the Defined Benefit Pension Scheme under FRS102 have given rise to restatements of the position at 31 March 2015 but the Directors do not consider that the adjustments make any material change to the reported performance. The application of FRS102 has not required any adjustment to Turnover, Total Comprehensive Income, or Shareholders Funds in either the year to 31 March 2016 or the year to 31 March 2015.

The financial statements have been prepared on the historical cost basis.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to the Accounting Reference Date. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report and the Strategic Report.

The Group meets its day to day working capital requirements through its cash at bank and in hand and through normal trade credit and has no overdraft or borrowing facility.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its currently available funds.

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the company.

1. Accounting policies (continued)

Intangible fixed assets - Goodwill

Goodwill arising on the acquisition of businesses is calculated and amortised over a maximum of five years. The expected useful life of goodwill stemming from the acquisition of F&S Property Management during the year is 2 years.

At the acquisition date, the company recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

Tangible fixed assets

Tangible fixed assets are initially recorded at cost.

Tangible fixed assets are stated at cost, net of depreciation and provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold property	over 50 years
Leasehold improvements	over 5 years (or the remainder of the lease if shorter)
Fixtures & fittings	over 5 years
Computer equipment	over 3 to 5 years

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

Investments

Except as stated below, fixed asset investments are shown at cost less provision for impairment.

In the Company balance sheet, for investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued. Any premium is ignored.

Taxation

Tax on the statement of comprehensive income for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Notes to the financial statements for the year ended 31 March 2016 (continued)

1. Accounting policies (continued)

Current taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred taxation

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Turnover

Turnover shown in the profit and loss account is in respect of services rendered during the period for the management of residential housing in the public and private sectors, exclusive of Value Added Tax.

Turnover for the year ended 31 March 2015 was reported in the financial statements for that year as £30,157k, which included £393k for a recharge of payroll costs to clients. In the period to 31 March 2016 the recharge was treated as a reduction in direct costs so turnover and cost of sales for the prior year have both been reduced by £393k to ensure consistency of treatment. There is no adjustment to Gross Profit or to Operating Profit.

Pension costs

The Company operates a defined benefit pension scheme and a defined contribution pension scheme for employees. The assets of all schemes are held separately from those of the Company.

The details of the defined benefit schemes are contained in note 18 to the financial statements.

1. Accounting policies (continued)

Pension costs (continued)

For the defined benefit scheme, the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an accruals basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are within 'Other creditors' in note 14.

Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments

Equity instruments issued by the Company are recorded at the value of proceeds received, net of direct issue costs.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event which will result in a probable outflow of economic benefits that can be reasonably estimated.

2. Turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation are attributable to the Group's principal activity which is wholly undertaken in the United Kingdom.

Segmental analysis of the private and public sectors has not been provided as, in the opinion of the Directors, such disclosure would be seriously prejudicial to the company's interests.

On 17 June 2015, the Company acquired 100% of the unincorporated business of F&S Property Management for £1,000k, incurring £16k of acquisition costs. F&S is a residential property managing agent operating from offices in Southampton. The business contributed revenue of £766k and an operating profit of £141k for the year before management charges from the parent company and interest.

3. Interest receivable and similar income (net)

	2016 **£'000**	2015 £'000 (restated)
Bank interest receivable	**8**	15
Interest receivable on loans with parent company	**66**	52
Other interest (payable)	**(9)**	(10)
Expected return on pension scheme assets	**147**	167
Interest on pension scheme liabilities	**(147)**	(154)
	65	70

4. Profit on ordinary activities before taxation

	2016 **£'000**	2015 £'000
Profit on ordinary activities before taxation is stated after crediting:		
Share of operating profit of associated company (note 11)	**52**	-
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets – owned	**245**	193
Amortisation of goodwill	**377**	-
Profit on disposal of fixed assets	**-**	26
Operating lease rentals:		
- motor vehicles	**50**	40
- office equipment	**42**	68
- residential properties	**6,484**	6,337
- other	**511**	438

During the period the Company held operating leases with owners of residential properties to provide accommodation under its contract with Westminster City Council.

Notes to the financial statements for the year ended 31 March 2016 (continued)

Services provided by the Company's auditor

During the period the Company obtained the following services from the Company's auditor:

	2016 £'000	2015 £'000
Fees payable to Company's auditor:		
- for the audit of the parent company's financial statements	**32**	32
- for the audit of the subsidiary financial statements	**8**	7
	40	39

5. Profit attributable to the Company

The operating profit before interest for the financial period dealt with in the financial statements of the parent Company was £3,540k (2015: £3,935k). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent Company.

6. Directors and employees

The average number of persons employed by the Group during the financial period, including the Directors, was 400 (2015: 351; restated to exclude staff recharged to clients).

	2016 £'000	2015 £'000 (restated)
The aggregate payroll costs of the above were:		
Wages and salaries	**11,596**	10,209
Social security costs	**1,117**	987
Other pension costs	**371**	274
	13,084	11,470
Remuneration in respect of Directors was as follows:		
Emoluments	**413**	446
Pension costs	**16**	12
	429	458
Remuneration of the highest paid director	**246**	266

The Company, as a qualifying entity under FRS102 section 1.12, has used the disclosure exemption of section 33.7, and therefore has not disclosed key management personnel compensation in aggregate.

Notes to the financial statements for the year ended 31 March 2016 (continued)

7. Tax on profit on ordinary activities

(a) Analysis of tax on profit on ordinary activities

	2016 £'000	2015 £'000
Current tax:		
Payable for the current period	-	(27)
Receivable in relation to prior periods	-	123
Group relief	(464)	-
	(464)	96
Deferred tax:		
Origination and reversal of timing differences	(395)	109
Adjustments in respect of prior year	10	(1)
	(804)	204
Add: Deferred tax attributable to the actuarial (gain)/loss	(78)	61
Total tax (charge) / credit for the period	(882)	265

(b) Factors affecting the tax charge for the current period

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK.

The differences are explained below:

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	3,784	3,820
Tax on profit on ordinary activities at the standard UK corporation tax rate of 20% (2015: 21%) thereon	(757)	(802)
Effects of:		
Expenses not deductible for tax purposes	(45)	(27)
Brought forward losses used in period	-	934
Adjustment in relation to prior periods	10	108
Difference in corporation tax rate	(12)	(9)
Current tax (charge) / credit for the period	(804)	204

(c) Factors affecting future tax charge

Deferred tax in respect of the Group's defined benefit pension scheme is disclosed in note 12.

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax asset at 31 March 2016 has been calculated based on these rates.

7. Tax on profit on ordinary activities (continued)

(c) Factors affecting future tax charge (continued)

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly and reduce the deferred tax asset at 31 March 2016.

The deferred tax asset at 31 March 2016 was £ 50k (2015: £ 512k) for the group and the company £ 41k (2015: £ 499k).

The Directors believe that there is currently sufficient evidence that the assets will be recovered in the foreseeable future.

8. Dividends to Parent Company

An interim dividend of £2,500k was approved by the Board on 21 March 2016 and was paid to the Parent Company on 24 March 2016. These were declared on the Ordinary shares in issue at a rate of £1.00 (2015: £1.20) per share.

The Board does not recommend the payment of a final dividend for the period (2015: £nil).

9. Fixed assets - Intangible assets / Acquisitions

Group and Company

	Goodwill arising on acquisition of subsidiaries £'000
Cost	
At 1 April 2015	-
Additions	1,006
At 31 March 2016	**1,006**
Amortisation	
At 1 April 2015	-
Charge for the period	377
At 31 March 2016	**377**
Net book value	
At 31 March 2016	**629**
At 31 March 2015	-

On 17 June 2015, the Company acquired 100% of the unincorporated business of F&S Property Management for £1,000k, incurring £16k of acquisition costs. F&S is a residential property managing agent operating from offices in Southampton. The business contributed revenue of £766k and an operating profit of £141k for the year before management charges from the parent company and interest.

The total consideration of £1,016k comprised £10k for tangible fixed assets and £1,006k for goodwill. The expected useful life of goodwill stemming from this acquisition is 2 years.

No fair value adjustments were deemed necessary to the net assets acquired.

10. Fixed assets - Tangible assets

	Freehold property £'000	Leasehold improve-ments £'000	Fixtures & Fittings £'000	Computer equipment £'000	Total £'000
Group					
Cost					
At 1 April 2015	1,091	550	388	2,540	4,569
Additions	730	117	38	336	1,221
Disposals	-	(496)	(379)	(1,524)	(2,399)
At 31 March 2016	**1,821**	**171**	**47**	**1,352**	**3,391**
Depreciation					
At 1 April 2015	110	518	381	1,888	2,897
Charge for the period	-	20	7	218	245
Disposals	-	(496)	(379)	(1,524)	(2,399)
At 31 March 2016	**110**	**42**	**9**	**582**	**743**
Net book value					
At 31 March 2016	**1,711**	**129**	**38**	**770**	**2,648**
At 31 March 2015	981	32	7	652	1,672

	Freehold property £'000	Leasehold improve-ments £'000	Fixtures & Fittings £'000	Computer equipment £'000	Total £'000
Company					
Cost					
At 1 April 2015	1,091	550	388	2,540	4,569
Additions	730	104	28	300	1,162
Disposals	-	(497)	(378)	(1,524)	(2,399)
At 31 March 2016	**1,821**	**157**	**38**	**1,316**	**3,332**
Depreciation					
At 1 April 2015	110	518	381	1,888	2,897
Charge for the period	-	18	6	214	238
Disposals	-	(496)	(378)	(1,524)	(2,398)
At 31 March 2016	**110**	**40**	**9**	**578**	**737**
Net book value					
At 31 March 2016	**1,711**	**117**	**29**	**738**	**2,595**
At 31 March 2015	981	32	7	652	1,672

Notes to the financial statements for the year ended 31 March 2016 (continued)

11. Fixed assets - Investments

Group

	Shares in joint-venture undertaking £'000
At 31 March 2015	5
Increase in share of accumulated profits of investment during the period	52
Dividend received	(54)
At 31 March 2016	**3**

The Group has a 50% shareholding in Namegrace Limited.

Company

	Shares in subsidiary undertakings £'000
Cost and Net Book Value:	
At 31 March 2015 and at 31 March 2016	**1,282**

Disclosure of group undertakings:

Name	**Nature of business**
Christchurch Estates Limited	Property management
Curzon Street Management Limited	Property management
Residential Management Property Limited	Property management
Namegrace Limited (joint venture)	Property management
Gross Fine	Property management
F&S Property Management Limited	Property management
Hertford Company Secretaries Limited	Company Secretarial services
Gross Fine (Holdings) Limited	Holding company
Cecil Square Cleaning Co Limited	Inactive
CPM Asset Management (Northern) Limited	Inactive
David Glass Associates Limited	Inactive
Gross Fine Management Limited	Inactive
Gross Fine Services Limited	Inactive
Resident Association Management Limited	Inactive
RMG Asset Management Limited	Inactive
RMG Client Services Limited	Inactive
RMG JC Limited	Inactive
Simmonds & Partners Limited	Inactive
Wood & Co. (Surveyors) Limited	Inactive
Wood Carewell Managements Limited	Inactive
Wood Group Trustees Limited	Inactive
Wood Insurance Brokers Limited	Inactive
Wood Management Trustees Limited	Inactive
Wood Managements Group Limited	Inactive
Wood Managements Limited	Inactive
Wood Trustees Limited	Inactive

The company held 100% of the equity in the above companies except for Namegrace Limited in which it held 50%, the other 50% being held by a third party. All are incorporated in England and Wales and have an Accounting Reference Date of 31 March.

Notes to the financial statements for the year ended 31 March 2016 (continued)

12. Debtors

	Group		Company	
	2016	2015	**2016**	2015
	£'000	£'000	**£'000**	£'000
		(restated)		(restated)
Amounts falling due within one year:				
Trade debtors	**2,077**	1,752	**1,863**	1,718
Amounts owed by Group undertakings	**2,060**	3,652	**6,019**	7,327
Corporation tax	**159**	425	**159**	433
Other debtors	**269**	127	**251**	126
Prepayments and accrued income	**1,134**	958	**1,071**	955
Deferred tax asset	**50**	514	**41**	501
	5,749	7,428	**9,404**	11,060

The deferred tax asset arises from decelerated capital allowances and other short-term timing differences.

	Group		Company	
	2016	2015	**2016**	2015
	£'000	£'000	**£'000**	£'000
		(restated)		(restated)
Deferred tax movement:				
Brought forward	**512**	406	**499**	386
(Charged)/Credited to the profit and loss account	**(462)**	108	**(458)**	115
Carried forward	**50**	514	**41**	501

	Group		Company	
	2016	2015	**2016**	2015
	£'000	£'000	**£'000**	£'000
		(restated)		(restated)
Deferred tax analysis:				
Unutilised tax losses	**-**	356	**-**	356
Depreciation in excess of capital allowances	**42**	123	**33**	110
Other timing differences	**8**	35	**8**	35
	50	514	**41**	501

13. Client Monies

The company receives and holds funds as an agent for its clients for the purposes of funding services to be provided to those clients. In compliance with s42 of the Landlord and Tenant Act 1987 and the Service Charge Residential Management Code published by the Royal Institution of Chartered Surveyors, the amounts are kept in separate client bank accounts which are under the control of the company but do not form part of these financial statements. At 31 March 2016 the amount of cash held in bank accounts on behalf of clients was £69,009k (2015: £59,903k).

Notes to the financial statements for the year ended 31 March 2016 (continued)

14. Creditors – amounts falling due within one year

	Group		Company	
	2016	2015	**2016**	2015
	£'000	£'000	**£'000**	£'000
Trade creditors	**356**	608	**336**	608
Amounts owed to Group undertakings	**463**	1,004	**3,876**	4,401
VAT payable	**775**	593	**680**	546
Other taxation and social security	**339**	314	**339**	314
Other creditors	**88**	41	**85**	41
Accruals and deferred income	**2,275**	2,195	**2,014**	2,030
	4,296	4,755	**7,330**	7,940

15. Provisions for liabilities

	Onerous lease £'000	**Claims £'000**	**Dilapidations £'000**	**Total £'000**
Group				
At 1 April 2015	100	373	80	553
Net new provisions / adjustments	10	46	(1)	55
Utilised	(14)	(97)	(1)	(112)
At 31 March 2016	**96**	**322**	**78**	**496**

	Claims £'000	**Dilapidations £'000**	**Total £'000**
Company			
At 1 April 2015	373	80	453
Net new provisions / adjustments	46	(1)	45
Utilised	(97)	(1)	(98)
At 31 March 2016	**322**	**78**	**400**

The claims provision relates to potential claims and claims notified, the exact amount and timing of which are not determinable.

During the period the Directors reviewed historical claims provisions to assess the likelihood of any future claims arising. The amounts released above represent those individually identified provisions that the Directors no longer consider to be payable in the future.

Notes to the financial statements for the year ended 31 March 2016 (continued)

16. Called-up share capital

	2016 £	2015 £
Allotted and called-up		
2,500,544 (2015: 2,500,544) Ordinary shares of £1.00 each	**2,500,544**	2,500,544
10,000 (2015: 10,000) Class A shares of £0.01 each	**100**	100
	2,500,644	2,500,644

Management considers that the Class A shares are a liability because they are redeemable so they are recorded within 'Other creditors' (note 13). Holders of Class A shares have no right to attend, vote at or speak at a general meeting of the Company. In a return of capital, the holders of Class A shares are entitled to receive a share of surplus assets before the holders of Ordinary shares. The holders of Class A shares have no entitlement to a dividend.

17. Financial commitments

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

	2016			2015		
	Land and buildings £'000	**Residential properties £'000**	**Other £'000**	Land and buildings £'000	Residential properties £'000	Other £'000
Group						
Leases which expire:						
- within one year	**9**	**2,379**	**2**	62	2,898	1
- between one and five years	**290**	**-**	**655**	-	-	175
- after five years	**2,993**	**-**	**-**	3,101	-	-
	3,292	**2,379**	**657**	3,163	2,898	176
Company						
Leases which expire:						
- within one year	**9**	**2,379**	**2**	62	2,898	1
- between one and five years	**228**	**-**	**655**	-	-	175
- after five years	**1,005**	**-**	**-**	955	-	-
	1,242	**2,379**	**657**	1,017	2,898	176

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

During the period the Company held operating leases with owners of residential properties to provide accommodation under its contract with Westminster City Council. The liabilities above represent the minimum commitment for the leases held at the year end.

18. Retirement benefit schemes

The Group operates a **defined contribution** pension scheme for certain employees. The assets of the schemes are held separately from those of the Group. The pension costs charge represents contributions payable by the Group to the funds and amounted to a charge of £216k (2015: £163k).

The Group also operates a **defined benefit** pension scheme, the Residential Management Group section (formerly the WMS Haywards section) of the Citrus Pension Plan ("Citrus"), with assets held in separately administered funds. The scheme provides retirement benefits on the basis of members' final salary.

An actuarial valuation of the Citrus scheme was carried out as at 31 March 2016. The major assumptions used by the actuaries are shown below:

	31 March 2016 %	31 March 2015 %
Rate of increase in salaries	**3.20**	3.30
Discount rate	**3.60**	3.35
Rate of inflation (RPI)	**3.20**	3.30
Rate of inflation (CPI)	**2.20**	2.30

Mortality assumptions

In accordance with the published mortality table:

Males: PMA92 medium cohort (year of birth projection)
Females: PFA92 medium cohort (year of birth projection)

The fair value of the assets in the scheme and the expected rates of return and the amounts recognised in the balance sheet are as follows:

	2016		2015	
	Long term rate of return expected	**Value**	Long term rate of return expected	Value
	%	**£'000**	%	£'000
Assets analysed as:				
Equities	**3.60**	**2,608**	3.35	2,490
Corporate bonds	**3.60**	**1,462**	3.35	1,398
Bonds	**3.60**	**356**	3.35	362
Cash	**3.60**	**18**	3.35	30
Total market value of assets		**4,444**		4,280
Present value of scheme liabilities		**(4,151)**		(4,401)
Surplus / (Deficit) in scheme		**293**		(121)

The Directors consider that the application of FRS 102 has made no significant change to the assets or liabilities of the scheme.

Notes to the financial statements for the year ended 31 March 2016 (continued)

18. Retirement benefit schemes (continued)

Movement in liabilities during the period:

	31 March 2016 £'000	31 March 2015 £'000
Scheme liabilities at beginning of period	**4,401**	3,551
Movement in period:		
Current service charge	**122**	93
Administration costs	**25**	24
Interest cost	**147**	154
Contributions by scheme participants	**28**	29
Benefits and expenses paid	**(61)**	(65)
Actuarial (gains) / losses	**(511)**	615
Scheme liabilities at end of period	**4,151**	4,401

Movement in assets during the period:

	2016 £'000	2015 £'000
Scheme assets at beginning of period	**4,280**	3,729
Movement in period:		
Interest income	**147**	167
Contributions by scheme participants	**28**	28
Contributions by employer	**204**	194
Actual return on assets excluding net interest	**(154)**	227
Benefits and expenses paid	**(61)**	(65)
Scheme assets at end of period	**4,444**	4,280

Analysis of amount charged to operating profit:

	2016 £'000	2015 £'000
Current service cost	**122**	93
Administration costs	**25**	24
Total operating charge	**147**	117

Analysis of amount credited to other finance income:

	2016 £'000	2015 £'000
Interest income on scheme assets	**147**	166
Interest on scheme liabilities	**(147)**	(154)
Net interest on net defined benefit liability	**-**	12

Notes to the financial statements for the year ended 31 March 2016 (continued)

18. Retirement benefit schemes (continued)

Total amount charged to the statement of comprehensive income:

	2016 £'000	2015 £'000
Total operating charge	**147**	117
Net interest on net defined benefit liability	-	(12)
Net interest on net defined benefit liability	**147**	105

19. Related party transactions

The company is a subsidiary of Places for People Ventures Operations Limited, 80 Cheapside, London, EC2V 6EE. As the ultimate parent company, Places for People Group Limited, publishes consolidated group accounts the company has accordingly taken advantage of the exemption not to report transactions with other group members as permitted by FRS102 section 33.1A.

The Group made the following material purchases from, and sales to, related parties that are not members of the group headed by Places for People Group Limited:

		2016		2015	
Related party	**Nature of purchases/ disbursements**	**Value of sales/ (purchases) £'000**	**Balance as at 31/3/2016 £'000**	Value of sales/ (purchases) £'000	Balance as at 31/3/2015 £'000
Vital Regeneration	Administrative expenses	-	-	9	-
Vital Regeneration	Administrative expenses	**(130)**	-	(125)	-

During the period, the Group also made gifts in kind, estimated at a value of £45k (2015: £46k), to Vital Regeneration. Vital Regeneration is a charity of which Hugh McGeever, a director of the Group, is a trustee. The gifts were in the form of back office accounting, human resource advice, technical IT support and office accommodation.

During the period, Residential Management Group Limited held a number of Directorships of property management companies, to which it provided property management services. There was no intention to hold these Directorships on a permanent basis and they are held prior to their transfer to the residents. The property management services provided are on the same basis as those provided to other property management companies and are on an arms length basis. Disclosure of the list of companies together with the value of transactions and balances is not practical, nor would it provide assistance with interpretation of these financial statements.

Notes to the financial statements for the year ended 31 March 2016 (continued)

20. Ultimate parent undertaking and controlling party

Residential Management Group Limited is the smallest group within which the financial statements of Residential Management Group Limited are included.

At the balance sheet date and at the date of approval of the financial statements, Places for People Ventures Operations Limited was the immediate parent company of Residential Management Group Limited. Places for People Ventures Operations Limited is a company incorporated in England and Wales, with its registered address at 80 Cheapside, London, EC2V 6EE.

At the balance sheet date and at the date of approval of the financial statements, Places for People Group Limited was the ultimate parent company and the ultimate controlling party of Residential Management Group Limited. Places for People Group Limited is a company incorporated in England and Wales, with its registered address at 80 Cheapside, London, EC2V 6EE.

The individual financial statements of the Company are incorporated in the group financial statements of Places for People Group Limited which is the largest group in which the financial statements of the Company are included. Copies of the consolidated accounts of Places for People Group Limited may be obtained from the registered address and from Companies House.

21. Post Balance Sheet Event

On 26 August 2016 the Company completed a contract for the sale of a freehold property which was included within Fixed Assets (Note 10). The property had a Net Book Value of £1,704k as at 31 March 2016 and additional costs were incurred in preparing the property for sale. The proceeds exceeded the accumulated costs at the point of sale and the profit on disposal will be reported in the financial statements for the year to 31 March 2017.

The unaudited consolidated financial statements for the six month periods ended 30 September 2015 and 30 September 2016 of Residential Management Group Limited

Residential Management Group Limited Consolidated Profit and Loss Statement For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Total income	15,401	15,856
Total costs	(12,854)	(13,648)
Profit/(loss) before interest	**2,547**	**2,208**
Interest receivable	42	31
Interest payable	0	0
Profit/(loss) before tax	**2,588**	**2,239**

Residential Management Group Limited Consolidated Balance Sheet For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Fixed assets		
Goodwill	377	735
Tangible fixed assets	1,034	2,018
Investments	3	40
Total fixed assets	**1,414**	**2,793**
Current assets		
Stock	0	0
Debtors < within 1 year	8,891	6,400
Cash at bank & in hand	1,278	1,797
Total current assets	**10,169**	**8,197**
Current liabilities	(3,528)	(3,307)
Net Current Assets	**6,641**	**4,890**
Total Assets less Current Liabilities	**8,055**	**7,683**
Non-current liabilities		
Amounts falling due after more than one year	**196**	**559**
Equity		
Share Capital	2,501	2,501
Revenue Reserves	5,358	4,623
	7,859	**7,124**
Total non-current liabilities & equity	**8,055**	**7,683**

The audited financial statements for the financial years ended 31 March 2015 and 31 March 2016 (including the audit reports issued in respect thereof) of Touchstone Corporate Property Services Limited

Touchstone Corporate Property Services Limited

Annual report and financial statements

Registered number 04695692

31 March 2015

Contents

Company Information

Directors	S Barton J Clark M Hunt J Midgley J Perrett T Saunders D Cowans C Phillips
Secretary	C Martin
Auditor	KPMG LLP Arlington Business Park Theale Reading RG7 4SD
Bankers	HSBC Bank plc 3 Rivergate Bristol BS1 6ER
Registered number	04695692
Registered office	80 Cheapside London EC2V 6EE

Strategic Report

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2015.

Principal activity

The Company has continued to provide residential property management services during the period. There are no plans to change the nature of trade in the foreseeable future.

Review of the business

Touchstone has had another busy and successful year.

As anticipated in last year's strategic report, our work on the Opal portfolio came to an end in summer 2014, with Greystar and Campus Living (the two purchasers) terminating the interim contracts established with Touchstone to cover the period immediately post sale. The management was taken in-house, with the site staff at all student halls and the team at our retail office in Fallowfield, Manchester transferring to the new owners under TUPE.

We have carried out one other sizeable administration project during 2014/15, involving the management of c750 shared ownership and social rented properties, forming part of an administration conducted by Pricewaterhouse Coopers. We also undertook an extensive piece of consultancy work for Circle Housing, advising them on the condition and performance of a portfolio of c850 private rented sector properties.

These short-term projects have contributed strongly to turnover and profit during 2013/14 and 2014/15. We are now beginning to build a strong pipeline of longer-term opportunities, as an increasing number of investors look to enter the newly-emerging professional private rented sector. New clients include Mill Group, Dolphin Square Foundation, Moorfield and Matrix Homes – all new-build schemes much of which has yet to come on stream but which will contribute increasingly to turnover and profit in 2015/16 and beyond.

We participated in the Places for People Group's Have Your Say employee survey for the first time. The feedback has been closely studied and a number of initiatives are being implemented to address areas of concern.

The Company is well-placed for continued success in 2015/16. Our key priorities are:

- to build a pipeline of long-term opportunities to replace recent "one-off" wins;
- to consolidate the management and organisational changes made during 2014/15, drive synergies and improve our effectiveness and competitiveness;
- to grow our "high street" lettings business, focussed on the private landlord market;
- to continue the gradual process of integration with the rest of the Group, where we believe this can help deliver growth, improve service standards or increase efficiency;
- to motivate our staff through a positive, measured but sustained reaction to the Have Your Say survey.

Results for the year

The Company generated a profit before tax for the year of £2,053,720 (2014: £1,931,284).

During the year, the directors declared and paid a dividend of £1,500,000 (2014: £Nil).

Strategic Report *(continued)*

Risks and risk management

The principal risks and uncertainties facing the Company are integrated into the Group's risk profile, further information on which is set out in the consolidated financial statements of Places for People Group Limited. A copy of these financial statements can be obtained from the Company Secretary at 80 Cheapside, London, EC2V 6EE.

By order of the board

Tim Saunders
Director

4 August 2015

Directors' report

Employment Policy

The Company is an equal opportunities employer and its policy is to ensure that all employees and job applicants will be given an equal opportunity. The Company has maintained its commitment to employee involvement throughout the business.

Employees are kept well informed of the performance and objectives of the Company through personal briefings, regular meetings and the Group intranet. Directors and senior management regularly visit the Company's offices and discuss matters of current interest and concern to the business with employees.

The Company's policy is to apply best practice in the employment and training of disabled persons. Full and fair consideration is given to every application from disabled persons whose aptitude and skills can be utilised in the business and to their training and career development, including, wherever practical, the retraining and retention of staff who become disabled during their employment.

The Company is responsive to the needs of its employees, customers and the community at large and endeavours to use everyone's talents and abilities to the full.

Directors

The Directors in office at the date of approval of the financial statements are as set out on page 1. The following directors resigned during the year:

E Letts – resigned 3 September 2014

C Williams – resigned 8 August 2014

Political contributions

The Company made no political donations nor incurred any political expenditure during the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he / she ought to have taken as a director to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Tim Saunders
Director

80 Cheapside
London
EC2V 6EE
4 August 2015

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing 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)

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 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.

Independent auditor's report to the members of Touchstone Corporate Property Services Limited

We have audited the financial statements (the "financial statements") of Touchstone Corporate Property Services Limited for the year ended 31 March 2015 set out on pages 8 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 and as required by paragraph 7 of the Regulations. 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 such 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that the financial statements give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the Strategic Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

Chris Wilson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business park
Theale
Reading
RG7 4SD

6 August 2015

Profit and Loss Account
for the year ended 31 March 2015

	Note	2015 £	2014 £
Turnover	2	**13,787,115**	14,470,079
Cost of sales		**(1,785,719)**	(1,773,976)
Gross profit		**12,001,396**	12,696,103
Administrative expenses		**(9,960,926)**	(10,394,270)
Operating profit		**2,040,470**	2,301,833
Exceptional item		**-**	(600,000)
Profit on sale of fixed assets		**-**	230,000
Interest payable and similar charges		**(132)**	(549)
Interest receivable		**13,382**	-
Profit on ordinary activities before taxation	3	**2,053,720**	1,931,284
Tax on profit on ordinary activities	6	**(445,522)**	(491,219)
Profit for the financial year		**1,608,198**	1,440,065

The exceptional item recorded in the year to 31 March 2014 reflects the impairment of an investment made by the Company and full provision against a related unsecured loan.

Balance Sheet
at 31 March 2015

	Note	**2015** £	£	2014 £	£
Fixed assets					
Intangible assets	*8*		**919,489**		725,514
Tangible assets	*9*		**206,572**		185,009
			1,126,061		910,523
Current assets					
Debtors	*10*	**1,836,046**		2,065,631	
Cash at bank and in hand		**1,941,267**		1,980,372	
		3,777,313		4,046,003	
Creditors: amounts falling due within one year	*11*	**(1,327,200)**		(1,488,550)	
Net current assets			**2,450,113**		2,557,453
Net assets			**3,576,174**		3,467,976
Capital and reserves					
Called up share capital	*13*		**35,000**		35,000
Profit and loss account	*14*		**3,541,174**		3,432,976
Shareholders' funds			**3,576,174**		3,467,976

These financial statements were approved by the board of directors on 15th July 2015 and were signed on its behalf by:

Tim Saunders
Director 4 August 2015

Company registered number: 4695692

Notes *(forming part of the financial statements)*

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is ultimately a wholly owned subsidiary of Places for People Group Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

Going concern

The directors believe that the Company is well placed to manage its business risks successfully given the current economic outlook.

The Company is a 100% subsidiary of Places for People Ventures Limited and is ultimately owned by the Group parent, Places for People Group Limited. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

True and fair override

During the year, the Company acquired the share capital of J.D. Lettings Limited for consideration of £239,747. The cost of the Company's investment in that subsidiary undertaking reflected the underlying fair value of its net assets and goodwill at the time of acquisition. Subsequently, the trade and net assets of J.D. Lettings Limited were transferred to the Company at their book value which was less than their fair value. As a result of this transfer, the value of the Company's investment in that subsidiary undertaking fell below the amount at which it was stated in the Company's accounting records. Schedule 1 to the Companies Act 2006, The Small Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008 No 409) requires that the investment be written down accordingly and that the amount be charged as a loss in the Company's profit and loss account. However, the directors consider that, as there has been no overall loss to the Company, it would fail to give a true and fair view to charge that diminution to the Company's profit and loss account for the year and it should instead be re-allocated to goodwill and the identifiable net assets transferred, so as to recognise in the Company's individual balance sheet the effective cost to the Company of those net assets and goodwill. The effect of this departure is to increase the amount of goodwill by £239,747 in the Company's balance sheet.

Goodwill and negative goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life. The estimated useful life of the Company's goodwill is 20 years.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	-	10-20% straight line
Fixtures, fittings and equipment	-	20% straight line
IT hardware and software	-	25% straight line
Motor vehicles	-	25% straight line

No depreciation is provided on freehold land.

Notes *(continued)*

1 Accounting policies *(continued)*

Impairment of fixed assets and goodwill

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless they arise on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historical cost.

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment.

Reversals of impairment

An impairment loss is reversed on intangible assets and goodwill only if subsequent external events reverse the effect of the original event which caused the recognition of the impairment or the loss arose on an intangible asset with a readily ascertainable market value and that market value has increased above the impaired carrying amount. For other fixed assets where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss is recognised in the current period.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post-retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Notes *(continued)*

2 Analysis of turnover

The Company's turnover was derived from its principal activity wholly undertaken in the United Kingdom.

3 Notes to the profit and loss account

	2015	2014
Profit on ordinary activities before taxation is stated after charging:	**£**	£
Depreciation and other amounts written off owned tangible fixed assets	**92,611**	312,091
Amortisation of goodwill	**87,921**	79,989
Hire of land and buildings - operating leases	**401,006**	535,225
Hire of other assets - operating leases	**120,128**	108,420

Auditor's remuneration:

	2015	2014
	£	£
Audit of these financial statements	**19,000**	18,000

4 Remuneration of directors

	2015	2014
	£	£
Directors' emoluments	**969,649**	973,998

The aggregate of Company pension contributions paid to defined contribution schemes on behalf of directors was £77,709 *(2014: £74,139)*.

The aggregate of emoluments of the highest paid director was £169,110 *(2014: £169,082)*, of which £12,679 *(2014: £7,803)* related to Company pension contributions.

	Number of directors	
	2015	2014
Retirement benefits are accruing to the following number of directors under:		
Defined contribution schemes	**6**	8

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2015	2014
Sales and administration	**299**	323

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	**5,911,486**	6,336,596
Social security costs	**505,077**	562,572
Other pension costs	**196,422**	188,726
	6,612,985	7,087,894

Notes *(continued)*

6 Taxation

Analysis of charge in period

	2015		2014	
	£	£	£	£
UK corporation tax				
Current tax on income for the period		**440,362**		525,986
Total current tax				
Deferred tax (see note 12)				
Origination/reversal of timing differences	**5,160**		(32,220)	
Adjustment in respect of previous years	-		(2,547)	
Total deferred tax		**5,160**		(34,767)
Tax on profit on ordinary activities		**445,522**		491,219

Factors affecting the tax charge for the current period

The current tax charge for the period is higher *(2014: higher)* than the standard rate of corporation tax in the UK (21%, *2014: 23%*). The differences are explained below.

	2015	2014
	£	£
Current tax reconciliation		
Profit on ordinary activities before tax	**2,053,720**	1,931,284
Current tax at 21% *(2014: 23 %)*	**431,281**	444,195
Effects of:		
Expenses not deductible for tax purposes	**14,499**	(94,662)
Capital allowances for period in excess of depreciation	**(5,160)**	32,220
Loss not recognised	-	134,029
Rate difference	**(258)**	10,204
Total current tax charge (see above)	**440,362**	525,986

Factors that may affect future current and total tax charges

The Finance Act 2014, which was substantively enacted on 2 July 2014, included legislation to further reduce the main rate of Corporation Tax to 20% from 1 April 2015. The impact of this change is not expected to be material to the balance sheet.

Notes *(continued)*

7 Dividends

The aggregate amount of dividends comprises:

	2015	2014
	£	£
Declared and paid in the year	**1,500,000**	-

8 Intangible fixed assets

	Goodwill
	£
Cost	
At beginning of year	1,140,817
Additions	281,896
At end of year	1,422,713
Amortisation	
At beginning of year	415,303
Charged in year	87,921
At end of year	503,224
Net book value	
At 31 March 2015	**919,489**
At 31 March 2014	725,514

On 1 September 2014 the Company acquired 100% of the ordinary share capital of J.D. Lettings Limited for consideration of £239,747 including fees. Following the acquisition, the trade and assets of J.D. Lettings Limited were transferred into the Company at their book value which was less than their fair value. As described in note 1 to the financial statements, the directors have applied the true and fair override and reallocated the cost of their investment in J.D. Lettings Limited to goodwill.

On 7 May 2014 the Company acquired 100% of the trade and assets of Lords Holdings Limited for consideration of £42,149 including fees. Due to the nature of the intangible assets acquired, fair values were not readily available and therefore the purchased assets were subsumed within goodwill.

Notes *(continued)*

9 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings, and equipment	IT hardware and software	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At beginning of year	19,380	307,211	574,278	23,342	924,211
Additions	-	37,974	76,200	-	114,174
Disposals	-	(137,733)	(391,364)	(23,342)	(552,439)
At end of year	19,380	207,452	259,114	-	485,946
Depreciation					
At beginning of year	2,803	254,543	458,514	23,342	739,202
Charge for year	4,451	29,071	59,089	-	92,611
On disposals	-	(137,733)	(391,364)	(23,342)	(552,439)
At end of year	7,254	145,881	126,239	-	279,374
Net book value					
At 31 March 2015	**12,126**	**61,571**	**132,875**	**-**	**206,572**
At 31 March 2014	16,577	52,668	115,764	-	185,009

Notes *(continued)*

10 Debtors

	2015	2014
	£	£
Trade debtors	**933,537**	1,172,358
Other debtors	**-**	16,564
Deferred tax asset	**62,863**	68,023
Prepayments and accrued income	**839,646**	808,686
	1,836,046	2,065,631

11 Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	**187,983**	240,713
Taxation and social security	**592,530**	837,834
Other creditors	**26,615**	16,405
Accruals and deferred income	**520,072**	393,598
	1,327,200	1,488,550

12 Deferred taxation

	2015	2014
	£	£
Capital allowances	**(56,759)**	(62,467)
Short term timing differences	**(6,104)**	(5,556)
Deferred tax asset (see note 10)	**(62,863)**	(68,023)

13 Called up share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
35,000 Ordinary shares of £1 each	**35,000**	35,000

Notes *(continued)*

14 Reserves

	Profit and loss account
	£
At beginning of year	3,432,976
Profit for the year	1,608,198
Dividends	(1,500,000)
At end of year	**3,541,174**

15 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2015		2014	
	Land and buildings	**Other**	Land and buildings	Other
	£	**£**	£	£
Operating leases which expire:				
Within one year	**16,500**	**58,635**	33,500	6,561
Within one to two years	**27,200**	**32,295**	-	-
In the second to fifth years inclusive	**49,000**	**19,123**	450,720	92,757
Over five years	**353,000**	-	53,500	-
	445,700	**110,053**	537,720	99,318

16 Pension scheme

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension charge for the period represents contributions payable by the Company to the scheme and amounted to £196,422 *(2014: £189,348)*.

Contributions amounting to £30,521 *(2014: £27,782)* were payable to the scheme and are included in creditors.

17 Related party disclosures

The Company has taken advantage of the exemption under FRS8 from disclosing transactions or balances with companies which are a wholly owned member of the Group.

Touchstone Corporate Property Services Limited is a subsidiary of Places for People Ventures Limited. The ultimate controlling party is Places for People Group Limited.

This is the largest group in which the results of the Company are consolidated. It is headed by Places for People Group Limited, incorporated in the United Kingdom. No other group financial statements include the results of the Company. The consolidated financial statements of this group are available to the public and may be obtained from 80 Cheapside, London, EC2V 6EE.

Touchstone Corporate Property Services Limited has the following related undertakings: J.D. Lettings Limited and Castle Estates Relocation Services Limited both of which are 100% owned. There are no other associates, joint ventures or partnerships in which Touchstone Corporate Property Services Limited has an interest.

Touchstone Corporate Property Services Limited

Annual report and financial statements

Registered number 04695692

31 March 2016

Contents

Strategic Report

The directors present their strategic report on the company for the year ended 31st March 2016.

Principal activity

The Company has continued to provide residential property management services during the period. There are no plans to change the nature of trade in the foreseeable future.

Results for the year and Dividends

The Company generated a profit before tax for the year of £1,427,067 (2015: £2,054,399).

As set out in last year's strategic report profitability in 2015 was boosted by interim contracts in respect of the Opal and Asset Trust portfolios, both of which came to an end during the 2014/15 year.

We have also seen a decline in the level of instructions received in respect of Buy-to-Let mortgage arrears, where we are appointed as Receiver of Rent under the Law of Property Act 1925. A prolonged period of low interest rates and a buoyant rental market have seen continued erosion in the level of income from this activity over the past few years, and 2015/16's turnover was £498,090 down on 2014/15.

However, our core portfolio management operation performed strongly, with income up by £286,639 on the prior year and an overall increase of 40% in turnover over the past 3 years.

During the year, the directors declared and paid a dividend of £1,000,000 (2015: £1,500,000).

Review of the business

Touchstone is one of the UK's leading residential property management companies. Our proactive, informed approach means we go beyond just delivering world-class basics. We demonstrate more than "rear view" market intelligence and provide dynamic, unfettered advice on how to increase yields and optimise returns.

2015 was another exciting year. We've used our market intelligence and operational experience to deliver management services on very different but equally challenging opportunities and continued to support the development of the private rented sector.

In September we launched our first Build-to-Rent on-site management team at Moorfield Group's The Keel development on Liverpool's waterfront. A conversion of an ex-HMRC building, we worked with Moorfield and their partners through the design, marketing and mobilisation stages to deliver a genuinely new offer in the city's rental market. Marketing has focused on the long-term rental offer and a level of customer service that has attracted typical prospective customers but also down-sizers, and applicants fed-up with the standard of management at their existing accommodation.

Our approach underpins the long-term rental offering – marketing, viewings, move-ins and ongoing support is all provided on-site to give consistency and familiarity to prospective and resident customers, and we're implementing on-line applications and customer portals on this and other sites to expand choice of communication and data capture.

We've taken on management delivery of the ground breaking local authority pension funded Matrix Homes stock in Manchester, achieving average let times across four diverse sites of 10 days. Suburban houses differ from the majority of Build-to-Rent plans but, whilst the marketing and management challenges have been different to our work in Liverpool, our commitment to customer service has been the same. Demand has been strong from customers looking for a long-term, professionally-managed home. The ownership structure – with Places for People taking a 20-year operating lease and Touchstone handling the day-to-day management – has helped forge a progressive template for others to follow.

Strategic report *(continued)*

And we've worked on a variety of projects in partnership with Dolphin Living, mobilising ourselves and other parts of the Places for People group to deliver new-build affordable housing in Central London. We've also helped stabilise the much-publicised New Era estate in Hoxton, where a major challenge was to implement a management regime to compliment Dolphin Living's progressive approach to this community, settling tenant concerns, changing their attitudes toward landlords, clarifying expectations and ensuring compliant and stable foundations on which Dolphin Living could build their ground-breaking rent policies.

On all these projects we've backed ourselves to deliver. Sometimes, the circumstances have been challenging – letting-up 240 apartments at The Keel from a standing start as quickly as possible; coping with delays in the development process at various sites; or managing a particularly vocal group of tenants at New Era. In each case, we've outperformed our clients' expectations, operationally and financially.

Our commitment to these projects has been matched by increasingly innovative fee structures, introducing greater levels of performance-related fees and reflecting a clearer delineation between our consultancy and management roles to allow our clients to allocate our fees between development and revenue budgets and reduce the impact on their ongoing gross to net leakage. And we're listening to our customers, surveying both clients and tenants to re-focus our services and introduce a related re-branding.

We continue to support Hearthstone Investments plc in the development of their Residential PAIF and played a key role in the formation of The Housing Fund for Scotland, unique propositions in an increasingly innovative sector.

And we're also innovating to help support those seeking to meet the housing shortage. In June we launched a strategic alliance with L&G and Laing O'Rourke to offer expert services to public land owners looking to develop housing but without the skills / capacity to do so.

We recognise that solving the housing crisis and the development of a world-class PRS will only be met by the concerted efforts of a range of parties committed to change. Quality, long-term rented accommodation can only be delivered if designers, builders, owners and managers work as a team. We'll play our part, using data and experience to understand the needs of both landlords and tenants, recognising that increasing levels of tenant satisfaction and retention will deliver more sustainable returns and long-term value.

Key Performance Indicators

The business reports monthly against a number of Key Performance Indicators (KPIs), which are designed to monitor, inter alia, the effectiveness of our property management operations, our management of staff and our impact on the environment.

The table set out below highlights some of our most important KPIs

	2016	2015
Rent Collection		
Rent received as a %age of rent due	**99.58%**	99.83%
Occupancy		
Let days as a %age of lettable days	**95.81%**	96.47%
People		
Stability rate	**79.77%**	60.24%
Environment		
Reduction in energy use	**3%**	n/a

The metrics for occupancy and rent collection are self-explanatory and broadly consistent year on year.

Our stability rate is based on the percentage of staff working within the business who have been employed for more than 1 year. Whilst this metric was skewed in 2014/15 by a number of one-off factors, including staff transferred in under TUPE, there has been a steady and continuous reduction in our staff turnover as a result of a number on initiatives we have taken to improve engagement across the business.

Measuring our environmental impact is a new initiative. Touchstone was accredited under ISO14001 / 50001 during the 15/16 year and ongoing management in this area is a key element of maintaining that accreditation.

Strategic report *(continued)*

Post balance sheet events

During the final quarter of 2015/16, the directors took the decision to sell the Company's retail lettings business, to focus on our core business-to-business operations. Touchstone Residential Lettings, which operated from 9 high street offices and provided letting and management services to the private landlord market, was sold to Connells Residential on 5 May 2016.

Risks and risk management

The principal risks and uncertainties facing the Company are integrated into the Group's risk profile, further information on which is set out in the consolidated financial statements of Places for People Group Limited. A copy of these financial statements can be obtained from the Company Secretary at 80 Cheapside, London, EC2V 6EE.

By order of the board

Tim Saunders
Director

80 Cheapside
London
EC2V 6EE
4 August 2016

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 March 2016.

Directors

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

S Barton
J Clark
M Hunt
J Midgley
J Perrett
T Saunders
D Cowans
C Phillips

Results for the year and Dividends

The Company generated a profit before tax for the year of £1,427,067 (2015: £2,054,399). A more detailed analysis of the results for the year is set out in the Strategic Report on pages 1 to 3.

During the year, the directors declared and paid a dividend of £1,000,000 (2015: £1,500,000).

Post balance sheet events

Details of post balance sheet events are included in the Strategic Report on pages 1 to 3.

Employment policy

The Company is an equal opportunities employer and its policy is to ensure that all employees and job applicants will be given an equal opportunity. The Company has maintained its commitment to employee involvement throughout the business.

Employees are kept well informed of the performance and objectives of the Company through personal briefings, regular meetings and the Group intranet. Directors and senior management regularly visit the Company's offices and discuss matters of current interest and concern to the business with employees.

The Company's policy is to apply best practice in the employment and training of disabled persons. Full and fair consideration is given to every application from disabled persons whose aptitude and skills can be utilised in the business and to their training and career development, including, wherever practical, the retraining and retention of staff who become disabled during their employment.

The Company is responsive to the needs of its employees, customers and the community at large and endeavours to use everyone's talents and abilities to the full.

Political contributions

The Company made no political donations nor incurred any political expenditure during the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he / she ought to have taken as a director to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' report *(continued)*

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Tim Saunders
Director

80 Cheapside
London
EC2V 6EE
4 August 2016

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing 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)

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 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.

Independent auditor's report to the members of Touchstone Corporate Property Services Limited

We have audited the financial statements of Touchstone Corporate Property Services for the year ended 31 March 2016 set out on pages 9 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

Chris Wilson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale
Reading
RG7 4SD

Date 8 April 2016

Statement of Comprehensive Income
for the year ended 31 March 2016

	Note	**2016**	2015
		£	£
Turnover	*4*	**12,928,186**	13,787,115
Cost of sales		**(1,474,344)**	(1,785,719)
Gross profit		**11,453,842**	12,001,396
Administrative expenses		**(10,026,692)**	(9,960,247)
Operating profit		**1,427,150**	2,041,149
Other interest receivable and similar income		**-**	13,382
Interest payable and similar charges	*8*	**(83)**	(132)
Profit on ordinary activities before taxation		**1,427,067**	2,054,399
Tax on profit on ordinary activities	*9*	**(317,616)**	(445,522)
Profit for the financial year		**1,109,451**	1,608,877
Total comprehensive income for the year		**1,109,451**	1,608,877

Statement of Financial Position
at 31 March 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Intangible assets	*10*		**35,718**		194,654
Property, plant and equipment	*11*		**882,899**		206,572
			918,617		401,226
Current assets					
Debtors	*13*	**2,028,947**		1,836,046	
Cash at bank and in hand		**1,445,905**		1,941,267	
		3,474,852		3,777,313	
Creditors: amounts falling due within one year	*14*	**(1,432,679)**		(1,327,200)	
Net current assets			**2,042,173**		2,450,113
Net assets			**2,960,790**		2,851,339
Capital and reserves					
Called up share capital	*16*		**35,000**		35,000
Profit and loss account			**2,925,790**		2,816,339
Shareholders' funds			**2,960,790**		2,851,339

These financial statements were approved by the board of directors on 4 August 2016 and were signed on its behalf by:

Tim Saunders
Director
Company registered number: 4695692

Statement of Changes in Equity

	Called up Share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 April 2014	35,000	3,432,976	3,467,976
FRS102 transition	-	(725,514)	(725,514)
Balance at 1 April 2014	35,000	2,707,462	2,742,462
Total comprehensive income for the period			
Profit or loss	-	1,608,877	1,608,877
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	1,608,877	1,608,877
Issue of shares	-	-	-
Dividends	-	(1,500,000)	(1,500,000)
Total contributions by and distributions to owners	-	(1,500,000)	(1,500,000)
Balance at 31 March 2015	**35,000**	**2,816,339**	**2,851,339**

	Called up Share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 April 2015	35,000	2,816,339	2,851,339
Total comprehensive income for the period			
Profit or loss	-	1,109,451	1,109,451
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	1,109,451	1,109,451
Issue of shares	-	-	-
Dividends	-	(1,000,000)	(1,000,000)
Total contributions by and distributions to owners	-	(1,000,000)	(1,000,000)
Balance at 31 March 2016	**35,000**	**2,925,790**	**2,960,790**

Notes to the financial statements

1 Company Information

Touchstone Corporate Property Services Limited ("the company") has continued to provide residential property management services during the period.

The company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is 80 Cheapside, London, EC2V 6EE.

2 Basis of preparation

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' ('FRS102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

These are the company's first financial statements prepared in accordance with FRS 102. The date of transition is 1 April 2014. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided in note 21.

The financial statements are presented in £ Sterling.

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 FRS102 and are available to the public and may be obtained from 80 Cheapside, London, EC2V 6EE. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS 102 section 1.12) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Statement of cashflows and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The directors believe that the Company is well placed to manage its business risks successfully given the current economic outlook. After reviewing the Companies forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Notes *(continued)*

3 Principle accounting policies

3.1 Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses.

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 2 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill is tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill may be impaired.

3.2 Property, plant and equipment

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

- Leasehold improvements - over the period of the lease
- Computer hardware - 4 years
- Furniture and equipment - 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

3.3 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the company.

At the acquisition date, the company recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

On transition, the Company reassessed goodwill to determine its useful life under FRS 102 and will amortise goodwill over that period going forward.

Notes *(continued)*

3 Principle accounting policies *(continued)*

3.4 Basic Financial Instruments

Cash in the balance sheet comprises cash at banks and in hand.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

Investments in non-puttable ordinary shares are initially recorded at transaction price. The carrying value of these investments are reviewed on an annual basis and any losses arising from impairment are recognised in the income statement.

3.5 Employee benefits

Defined contribution plans and other long term employee benefits

The Company operates a defined contribution pension scheme. A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

3.6 Turnover

The company's turnover represents the value, excluding value added tax, of services supplied to customers during the year.

3.7 Expenses

Operating lease

Rentals payable under operating leases are charged to the profit and loss on a straight-line basis over the lease term.

The aggregate benefit of lease incentives are recognised as a reduction to the expenses recognised over the lease term on a straight line basis.

3.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes *(continued)*

4 Turnover

The Company's turnover was derived from its principle activity wholly undertaken in the United Kingdom.

	2016	2015
	£	£
Rendering of services	**12,844,838**	13,640,961
Interest earned on client deposits	**83,348**	146,154
Total turnover	**12,928,186**	13,787,115

Fees are earned on the provision of services and interest is earned on tenant deposits held on behalf of clients. Where the company is entitled to receive interest it also incurs the relevant bank charges on these accounts.

5 Expenses and auditors remuneration

Included in profit are the following:

	2016	2015
	£	£
Amortisation of goodwill	**122,961**	87,242
Depreciation of owned assets	**90,108**	92,611
Operating lease charges – land and buildings	**426,451**	401,006
Operating lease charges – other assets	**102,631**	120,128

Auditor's remuneration:

	2016	2015
	£	£
Fees payable to the company's audit for the audit of the company's annual accounts	**16,500**	19,000

6 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2016	2015
Sales and administration	**273**	299
	273	299

The aggregate payroll costs of these persons were as follows:	2016	2015
	£	£
Wages and salaries	**5,939,295**	5,911,486
Social security costs	**498,439**	505,077
Contributions to defined contribution pension plans	**184,279**	196,422
	6,622,013	6,612,985

Notes *(continued)*

7 Directors' remuneration

	2016	2015
	£	£
Directors' emoluments	**644,435**	891,940
Pension contributions to defined contribution schemes	**56,232**	77,709
	700,667	969,649

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2016	2015
	£	£
Directors' emoluments	**153,543**	156,431
Pension contributions to defined contribution schemes	**13,249**	12,679
	166,792	169,110

	Number of directors	
	2016	2015
Retirement benefits are accruing to the following number of directors under:		
Defined contribution schemes	**6**	6

Remuneration includes salary and the estimated money value of any benefits received other than in cash.

8 Interest payable and similar charges

	2016	2015
	£	£
Bank loans and overdrafts	**83**	132
	83	132

Notes *(continued)*

9 Taxation

Total tax expense recognised in the statement of comprehensive income

	2016		2015	
	£	£	£	£
Current tax				
Current tax on income for the period	-		440,362	
Group Relief	300,168		-	
Total current tax		300,168		440,362
Deferred tax (see note 15)				
Origination and reversal of timing differences	17,698		5,160	
Adjustments in respect of prior periods	(250)			
Total deferred tax		17,448		5,160
Tax on profit on ordinary activities		317,616		445,522

Notes *(continued)*

9 Taxation *(continued)*

	2016			2015		
	£	**£**	**£**	£	£	£
	Current tax	**Deferred tax**	**Total tax**	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	**300,168**	**17,448**	**317,616**	440,362	5,160	445,522
Recognised in other comprehensive income	-	-	-	-	-	-
Recognised directly in equity	-	-	-	-	-	-
Total tax	**300,168**	**17,448**	**317,616**	440,362	5,160	445,522

Reconciliation of tax charge

The tax assessed is higher than the standard rate of corporation tax in the UK of 20%. The differences are explained below:

	2016	2015
	£	£
Profit on ordinary activities before tax	**1,427,067**	2,054,399
Profit on ordinary activities multiplied by the standard rates of corporation tax in the UK of 20% (2015: 21%)	**285,413**	431,424
Effects of:		
Expenses not deductible for tax purposes	**27,407**	14,356
Capital allowances for period in excess of depreciation	**-**	(5,160)
Difference in tax rates	**5,046**	(258)
Prior year charge / (credit)	**(250)**	
Tax on profit on ordinary activities	**317,616**	440,362

Factors affecting current and future tax charge

The Finance Act 2014, which was substantively enacted on 2 July 2014, included legislation that reduced the main rate of corporation tax from 21% to 20% from 1 April 2015. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.

A further rate reduction to 17% (effective 1 April 2020) was announced on 16 March 2016. Whilst this will reduce the company's tax liability in the future, it has not been substantively enacted as at the balance sheet date.

Notes *(continued)*

10 Intangible assets and goodwill

	Goodwill £
Cost	
Balance at 1 April 2015	1,422,713
Reduction in purchase price of JD Lettings Limited	(35,975)
Balance at 31 March 2016	1,386,738
Amortisation and impairment	
Balance at 1 April 2015	1,228,059
Amortisation for the year	122,961
Balance at 31 March 2016	1,351,020
Net book value	
At 31 March 2016	**35,718**
At 31 March 2015	194,654

Amortisation of goodwill is included in administrative expenses.

Notes *(continued)*

11 Property, plant and equipment

	Leasehold improvements £	IT equipment £	Fixtures, Fittings and equipment £	Total £
Cost				
Balance at 1 April 2015	19,380	259,114	207,452	485,946
Additions	523,614	124,081	118,740	766,435
Disposals	-	-	-	-
Balance at 31 March 2016	542,994	383,195	326,192	1,252,381
Depreciation and impairment				
Balance at 1 April 2015	7,254	126,239	145,881	279,374
Depreciation charge for the year	11,280	51,521	27,307	90,108
Disposals	-	-	-	-
Balance at 31 March 2016	18,534	177,760	173,188	369,482
Net book value				
At 31 March 2016	**524,460**	**205,435**	**153,004**	**882,899**
At 31 March 2015	12,126	132,875	61,571	206,572

12 Investments

The Company has the following investments in subsidiaries

	Aggregate of capital and reserves	Profit or loss for the year	Country of incorporation	Class of shares held	Ownership 2016	Ownership 2015
	£	£			%	%
Castle Estates Relocation Services Limited	442	-	UK	Ordinary	100	100

Castle Estates Relocation Services is a dormant company.

Notes *(continued)*

13 Debtors due within one year

	2016	2015
	£	£
Trade debtors	923,941	933,537
Other debtors	121,575	-
Deferred tax assets (see note 15)	45,415	62,863
Prepayments and accrued income	938,016	839,646
	2,028,947	1,836,046

14 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	164,637	187,983
Taxation and social security	682,895	592,530
Other creditors	26,156	26,615
Accruals and deferred income	558,991	520,072
	1,432,679	1,327,200

15 Deferred tax asset

Deferred tax assets are attributable to the following:

	Assets		**Net**	
	2016	2015	**2016**	2015
	£	£	**£**	£
Capital allowances	**(39,420)**	(56,759)	**(39,420)**	(56,759)
Short term timing differences	**(5,995)**	(6,104)	**(5,995)**	(6,104)
Net tax (assets)	**(45,415)**	(62,863)	**(45,415)**	(62,863)

Notes *(continued)*

16 Share capital

	2016	2015
	£	£
Allotted, called up and fully paid		
35,000 ordinary shares of £1 each	**35,000**	35,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

17 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2016	2015
	£	£
Less than one year	**418,702**	366,727
Between one and five years	**1,588,712**	1,490,322
More than five years	**1,874,482**	2,204,854
	3,881,896	4,061,903

During the year £529,082 was recognised as an expense in the profit and loss account in respect of operating leases (2015: £521,134).

18 Pension Scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £184,279 (2015: £196,422).

Contributions totalling £33,304 (2015: £30,521) were payable to the fund at the year-end and are included in creditors

Notes *(continued)*

19 Ultimate parent company

Touchstone Corporate Property Services Limited is a subsidiary of Places for People Ventures Limited. The ultimate controlling party is Places for People Group Limited, 80 Cheapside, London, EC2V 6EE.

Places for People Group Limited includes the company in its consolidated financial statements. This is the largest group in which the results of the Company are consolidated. The consolidated financial statements are prepared in accordance with FRS102 and are available to the public and may be obtained from Places for People Group Limited, 80 Cheapside, London, EC2V 6EE. No other group financial statements include the results of the Company.

As the ultimate parent company publishes consolidated group accounts, the company has accordingly used the exemption not to report transactions with other group members as permitted by FRS102 section 33.1A.

20 Subsequent event

The Company's retail lettings business, Touchstone Residential Lettings, was sold to Connells Residential on 5 May 2016.

Notes *(continued)*

21 Explanation of transition to FRS 102 from old UK GAAP

As stated in note 2, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 2 and 3 have been applied in preparing the financial statements for the year ended 31 March 2016 and the comparative information presented in these financial statements for the year ended 31 March 2015.

In preparing its FRS 102 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 102 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

Reconciliation of equity from old GAAP to FRS 102

	Note	Equity as at 1 April 2014 £	Equity as at 31 March 2015 £
Amount under old GAAP		**3,467,976**	**3,576,174**
Amortisation of goodwill	A	(725,514)	(724,835)
Amount under FRS 102		**2,742,462**	**2,851,339**

Reconciliation of profit from old GAAP to FRS 102

	Note	Profit for the year ended 31 March 2015 £
Amount under old GAAP		**1,608,198**
Amortisation of goodwill	A	679
Amount under FRS 102		**1,608,877**

Notes to the reconciliation of profit

A) Goodwill Amortisation
Under previous UK GAAP the company amortised goodwill on a straight line basis over a period of 20 years. The company has reviewed its amortisation period under FRS102 and the finite useful life of goodwill is estimated to be 2 years. The impact at the date of transition is a reduction in goodwill of £725,514 with an equivalent reduction in revenue reserves. The goodwill charged in the year ended 31 March 2015 was reduced by £679.

The unaudited financial statements for the six month periods ended 30 September 2015 and 30 September 2016 of Touchstone Corporate Property Services Limited

Touchstone Corporate Property Services Limited Profit and Loss Statement For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Total income	8,468	6,394
Total costs	(4,979)	(5,625)
Profit/(loss) before interest	**3,489**	**769**
Interest receivable	2	0
Interest payable	(0)	(40)
Profit/(loss) before tax	**3,490**	**729**

Touchstone Corporate Property Services Limited Balance Sheet For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Fixed assets		
Goodwill	0	97
Tangible fixed assets	819	271
Investments	0	0
Total fixed assets	**819**	**368**
Current assets		
Stock	0	0
Debtors < within 1 year	2,378	3,036
Cash at bank & in hand	1,876	1,671
Total current assets	**4,254**	**4,707**
Current liabilities	(2,329)	(1,667)
Net Current Assets	**1,925**	**3,040**
Total Assets less Current Liabilities	**2,744**	**3,408**
Non-current liabilities		
Amounts falling due after more than one year	**0**	**0**
Equity		
Share Capital	35	35
Revenue Reserves	2,709	3,373
	2,744	**3,408**
Total non-current liabilities & equity	**2,744**	**3,408**

The audited financial statements for the financial years ended 31 March 2015 and 31 March 2016 (including the audit reports issued in respect thereof) of Zero C Holdings Limited

Company number: 06540829

ZERO C HOLDINGS LIMITED

Financial Statements

for the year ended 31 March 2015

CONTENTS

Zero C Holdings Limited
Board of Directors, Executives and Advisers
For the year ended 31 March 2015

Directors	A Beazer	
	D Cowans	(appointed 22 December 2014)
	A Jacobs	(resigned 22 December 2014)
	K Moore	
	C Phillips	(appointed 22 December 2014)
	D Shaw	(appointed 22 December 2014, resigned 10 November 2015)
	K Slowe	
	V Smith	(resigned 22 December 2014)
	S Soin	(appointed 10 November 2015)
	P Walker	(resigned 22 December 2014)
Company Secretary	D Howe	(resigned 22 December 2014)
	C Martin	(appointed 22 December 2014)
Registered Office	80 Cheapside London EC2V 6EE	
Registered Auditor	KPMG LLP Gateway House Tollgate Chandlers Ford Southampton SO53 3TG	
Registration of Company	The company is incorporated under the Companies Act 2006 (Company Number 06540829)	

Zero C Holdings Limited
Report of the Board of Directors
For the year ended 31 March 2015

The Board of Directors is pleased to present its report and financial statements for the year ended 31 March 2015.

Directors

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

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report, Strategic 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 the law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgement and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Change in ownership

On 22 December 2014 the entire share capital of ZeroC Group (2008) Limited, the immediate parent company of Zero C Holdings Limited, was acquired by Places For People Ventures Limited.

Going Concern

Due to the nature of the business, cash flows fluctuate significantly depending on timing of projects and associated expenditure. The company forecasts a net cash outflow in the next 12 months however expects to make a profit. The company has bank facilities that run to 11 September 2017. Should the company require additional project funding, this will come through a mixture of external bank funding and group funding from its parent Places For People Ventures Limited.

The directors, having assessed the responses of the directors of the company's ultimate parent, Places for People Group Limited, to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Places for People Group Limited to continue as a going concern or its ability to provide funding to the company in the future should the need arise.

Based on the financing arrangements and discussions with the directors of the parent company, the directors are satisfied that there are no significant doubts about the company's ability to continue as a going concern.

Statement of disclosure to the Auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Rees Pollock resigned as auditor of the Company on 12 February 2015. KPMG LLP were subsequently appointed as auditor on 5 March 2015.

Pursuant to Section 487 of the Companies Act 2006, The auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

K Slowe
Director

13 **January 2016**

Registered Office: 80 Cheapside, London, EC2V 6EE

Zero C Holdings Limited
Strategic Report
For the year ended 31 March 2015

Business review and principal activities

Zero C Holdings Limited ("the company') (ZeroC) is engaged in residential-led property development.
The results for the company show a pre-tax profit of £2,828k (2014: £4,381k) for the year and sales of £29,048k (2014: £30,272k). The company has net debt of £6,542k (2014: £2,335k).

Future outlook

ZeroC's strategy of delivering highly sustainable homes on master planned developments has worked well throughout the recent recession. A strong start to the 2015/16 trading year would also indicate that the same strategy is equally robust in a stronger market and ZeroC will continue to work with responsible landowners to deliver high quality homes within the upper mid-market sector.

Principal risks and uncertainties

Risk description	Mitigation
Economic conditions. ZeroC's business is sensitive to changes in interest rates, unemployment and general consumer confidence.	Levels of committed expenditure are assiduously monitored against secured sales, and bank facilities. So as to ensure that the company is not unduly exposed to a market down turn.
Sales An inability to match supply to demand in terms of product, location and price could result in high levels of completed /unsold stock which would impact on the company's cash flow.	A detailed market analysis of each site is undertaken before acquisition, and throughout the delivery of each scheme, to ensure that supply is matched to the perceived demand. Later phases of larger projects are adjusted when necessary to meet the customer demand. Design typology, house size, and the product specification are all assessed on a site-by-site basis to ensure that they meet the target market, and the customer aspirations for the project. Completed stock levels are reviewed at regular Board meetings
Mortgage providers have been negatively impacted by the financial crisis and this has reduced their ability to provide mortgages to potential purchasers. An inability of customers to secure a mortgage could have a direct and unwelcome impact on the Company's level of unit completions.	The Company is participating in the Government backed mortgage indemnity scheme, NewBuy, and on the Government's new Help to Buy scheme. Deposits are taken on all sales to mitigate the financial impact on the Company in the event that sales do not complete due to a lack of mortgage availability

Principal risks and uncertainties (continued)

Risk description	Mitigation
Build costs are affected by the availability of skilled labour and the price and availability of materials. Procurement inflation and long lead times for building materials could adversely impact on the profitability of each scheme.	Build cost reconciliations and build programme dates are presented and reviewed in detail at monthly cost review meetings. The Company has developed the expertise to deliver its schemes under both Design and Build contracts or through its own in-house construction management.
ZeroC has a reputation for delivering high quality, design led, sustainable homes. If the company fails to deliver against these standards, it could be exposed to reputational damage, as well as reduced sales and increased costs.	Every ZeroC build is subjected to a detailed examination during the design stage and the delivery of the build. A dedicated Project Manager, who stays with the project from site acquisition through to the end of the post construction liability period, is allocated to each project.

Key performance indicators ("KPIs")

	Mar-15	Change	Mar-14
Sales turnover	£29,048k	-£1,224k	£30,272k
Average selling price	£319k	-£14k	£333k
Gross margin	21.1%	-2.5%	23.6%
Return on Capital Employed	22.3%	-3.1%	25.4%

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

This report was approved by the board on 13 January 2016 and signed on its behalf.

K Slowe
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Zero C Holdings Limited

We have audited the financial statements of Zero C Holdings Limited for the year ended 31 March 2015 set out on pages 9 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended ;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Zero C Holdings Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; 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.

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

Chartered Accountants
Gateway House
Tollgate
Chandlers Ford
SO53 3TG

Date 13 January 2016

Zero C Holdings Limited
Profit and Loss Account
For the year ended 31 March 2015

	Notes	2015 £'000	2014 £'000
Turnover	2	**29,048**	30,272
Cost of sales		**(22,910)**	(23,137)
Gross profit		**6,138**	7,135
Administrative expenses		**(1,973)**	(2,218)
Other operating income	3	**134**	75
Operating profit		**4,299**	4,992
Interest receivable and similar income		**4**	5
Interest payable and similar charges	7	**(1,475)**	(616)
Profit on ordinary activities before taxation		**2,828**	4,381
Taxation	8	**(687)**	(903)
Profit on ordinary activities after taxation	16	**2,141**	3,478

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

There is no difference between the profit on ordinary activities after taxation and the retained profit for the year stated above, and their historical cost equivalents.

All operations are continuing.

Company number: 06540829

Zero C Holdings Limited
Balance Sheet
As at 31 March 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Tangible fixed assets	9	**67**	27
Investments	10	**-**	-
		67	27
Current assets			
Stocks	11	**32,746**	19,590
Debtors	12	**5,671**	1,500
Cash at bank and in hand		**2,455**	1,845
		40,872	22,935
Creditors: amounts falling due within one year	13	**(23,435)**	(10,274)
Net current assets		**17,437**	12,661
Total assets less current liabilities		**17,504**	12,688
Creditors: amounts falling due after more than one year	14	**(9,228)**	(6,553)
Net Assets		**8,276**	6,135
Capital and reserves			
Called up share capital	15	**9**	9
Share premium account	16	**1,492**	1,492
Profit and loss account	16	**6,775**	4,634
Equity Shareholders' Funds	17	**8,276**	6,135

The financial statements on pages 9 to 18 were approved by the directors on 13 January 2016 and signed on its behalf by:

A Beazer
Director

1. ACCOUNTING POLICIES

Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

The directors, having assessed the responses of the directors of the company's ultimate parent, Places for People Group Limited, to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Places for People Group Limited to continue as a going concern or its ability to provide funding to the company in the future should the need arise. Based on the financing arrangements and discussions with the directors of the parent company, the directors are satisfied that there are no significant doubts about the company's ability to continue as a going concern. For this reason they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

A cash flow statement has not been prepared as Zero C Holdings Limited is a wholly owned subsidiary of Places for People Group Limited, which has prepared a consolidated cash flow statement, complying with revised Financial Reporting Standard 1.

Tangible fixed assets

Tangible fixed aseets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their residual value, over their expected useful lives on the following basis:

Motor vehicles	4 years
Fixtures and fittings	5 years
Computer equipment	5 years

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Stocks and work in progress

Stock consists of costs incurred on properties under development and completed developments ready for sale. Stock is valued at lower of cost and net realisable value.

Overage and Sectional costs

Overage and Sectional costs in relation to specific projects are accrued for in the financial statements at the point at which a trigger arises to crystallise the liability payable.

Development profit

No profit is recognised on development projects until a sale contract has been completed. Provided a profitable outcome to a project can be forseen with reasonable certainty, and a sale contract has been completed, then profit is recognised by apportioning the direct development costs on a relative sales value basis.

1. ACCOUNTING POLICIES (continued)

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Related parties

The Company is a 100% subsidiary of Zero C Group (2008) Limited. The Company has taken advantage of the exemption permitted by paragraph 3(c) of Financial Reporting Standard No.8, Related Party Disclosures, and not disclosed transactions with group companies.

2. TURNOVER

The whole of the turnover relates to the company's principal continuing activity.
All turnover arises in the United Kingdom.

3. OTHER OPERATING INCOME

	2015	2014
	£'000	£'000
Other operating income	**134**	75

Other operating income comprises receipts in relation to; development consultancy work; sundry overages; and contracting income.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2015	2014
	£'000	£'000
This is stated after charging:		
Depreciation of tangible fixed assets	**25**	10
Auditor's remuneration: audit fees	**16**	13
Hire of plant	**63**	32
Operating lease rentals:		
- land and buildings	**30**	35

5. EMPLOYEES

The average number of employees during the year was as follows:	**2015**	2014
	No.	No.
	25	21
	25	21

Total employee costs were as follows:	**£'000**	£'000
Wages and salaries	**1,222**	963
Social security costs	**139**	107
	1,361	1,070

6. DIRECTORS' EMOLUMENTS

	2015	2014
	£'000	£'000
Remuneration	**431**	388

The highest paid director received remuneration of £200k (2014 - £209k)

7. INTEREST PAYABLE

	2015	2014
	£'000	£'000
On bank loans and overdrafts	**530**	616
On inter-group loans	**945**	-
	1,475	616

8. TAXATION

(a) Analysis of charge in year

	2015 £'000	2014 £'000
UK corporation tax on profits of the year	**733**	893
Adjustments in respect of prior years	**(8)**	10
Group relief	**(38)**	-
Tax on profit on ordinary activities	**687**	903

(b) Factors affecting tax charge for year
The tax assessed is higher (2014: lower) than the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are below:

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	**2,828**	4,381
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014: 23%)	**594**	1,008
Effects of:		
Expenses not deductible for tax purposes	**15**	-
Adjustments to tax charge in respect of prior years	**(8)**	10
Non-deductible interest	**120**	-
Group relief claimed	**(38)**	(124)
Other differences	**-**	-
Timing differences	**4**	9
Current tax charge for the year	**687**	903

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly.

9. TANGIBLE FIXED ASSETS

	Motor vehicles £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost				
At 1 April 2014	18	16	44	78
Additions	57	-	8	65
Disposals	-	-	-	-
At 31 March 2015	**75**	**16**	**52**	**143**
Depreciation				
At 1 April 2014	(4)	(13)	(34)	(51)
Charge for year	(17)	(2)	(6)	(25)
Disposals in year	-	-	-	-
At 31 March 2015	**(21)**	**(15)**	**(40)**	**(76)**
Net Book Value at 31 March 2015	**54**	**1**	**12**	**67**
Net Book Value at 1 April 2014	14	3	10	27

10. FIXED ASSET INVESTMENTS

The company holds a £1 investment, being 100% of the share capital in Zero C Ventures Limited, a dormant company. The company also holds an investment of £1, being 50% of the share capital in ZeroC Acheson Consortium Limited, a company whose principal activity is property development. There has been no activity in this company during the year.

11. STOCKS

	2015 £'000	2014 £'000
Land, work in progress and finished units	**32,746**	19,590

12. DEBTORS

	2015 £'000	2014 £'000
Trade debtors	**4,905**	1,244
Other debtors	**678**	139
Prepayments and accrued income	**88**	117
	5,671	1,500

13. CREDITORS: amounts falling due within one year

	2015	2014
	£'000	£'000
Bank loans and overdrafts (secured - see note below)	**2,919**	217
Amounts owed to immediate parent undertaking	**8,062**	7,124
Trade creditors	**4,643**	914
Amounts owed to other group undertakings	**9**	9
Corporation tax	**222**	387
Social security and other taxes	**57**	37
Other creditors	**340**	322
Accruals and deferred income	**7,183**	1,264
	23,435	10,274

The bank loans and overdrafts are secured by a fixed and floating charge over all of the property and assets.

14. CREDITORS: amounts falling due after more than one year

	2015	2014
	£'000	£'000
Bank loans	**6,078**	3,963
Other creditors	**3,150**	2,590
	9,228	6,553

Bank loans:

The company uses a bank facility to partly finance its property developments.

Details of the facility at the year end are:

	Balance at year end £'000	**Repayment period**	**Annual interest rate**	**Security given**
Bank loans drawn	6,078	On or before 11 September 2017	3.5% above Barclays Bank Base Rate	Fixed and floating charge over all of the property and assets.

The company has taken out an interest rate swap which is held in the balance sheet at its cost of nil, in accordance with UK GAAP. The market value of the swap at the balance sheet date was £34k in favour of the counterparty (2014: £72k in favour of the counterparty).

	2015	2014
	£'000	£'000
Other creditors:		
Other creditor are land liabilities, with a payment profile:		
Due within 1 to 2 years	**2,050**	1,645
Due within 2 to 3 years	**1,100**	945
	3,150	2,590

15. SHARE CAPITAL

	2015	2014
	£'000	£'000
Allotted, called up and fully paid		
9,250 Ordinary shares of £0.10 each	1	1
85,000 A Ordinary shares of £0.10 each	8	8
	9	9

The A Ordinary shares and the Ordinary shares rank pari passu in all respects other than that the Ordinary shares benefit from superior rights on a sale of a controlling interest in the company, a listing or a winding up.

16. RESERVES

	Share premium account £'000	Profit and loss account £'000
At 1 April 2014	1,492	4,634
Profit for the year	-	2,141
At 31 March 2015	1,492	6,775

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	2015	2014
	£'000	£'000
Opening shareholders' funds	6,135	2,657
Profit for the year	2,141	3,478
At 31 March 2015	**8,276**	**6,135**

18. OPERATING LEASE COMMITMENTS

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
In one year or less	15	29	1	12
Between two and five years	16	-	19	7

19. OTHER FINANCIAL COMMITMENTS

At the year end the company had ongoing financial commitments in relation to build contracts of £10.6m (£11.9m 2014).

20. POST BALANCE SHEET EVENT

An investigation is being conducted by the Health and Safety Executive into an incident which occurred in June 2015 at a construction site operated by the company which resulted in an injury to a contractor. An estimate of the financial effect of this cannot be made at this stage. Other parties are also under investigation.

21. CHANGE OF REGISTERED OFFICE

On the 7 January 2015 the company changed its registered address from 32 Hampstead High Street, London, NW3 1JQ to 80 Cheapside, London, EC2V 6EE.

22. RELATED PARTY TRANSACTIONS

Zero C Holdings Limited is the direct subsidiary of Zero C Group (2008) Limited, 80 Cheapside, London, EC2V 6EE.

The Company is a 100% subsidiary of Zero C Group (2008) Limited. The Company has taken advantage of the exemption permitted by paragraph 3(c) of Financial Reporting Standard No.8, Related Party Disclosures, and not disclosed transactions with group companies.

Zero C Holdings Limited is an indirect subsidiary of the Places for People Group Limited, 80 Cheapside, London, EC2V 6EE. As the parent company publishes consolidated group accounts, the company has taken advantage of the exemption not to report transactions with other group members as permitted in FRS8. The consolidated group accounts are available from Companies House.

During the year Kim Slowe, a director, made two reservations on properties being built by the Company. Neither of property was built as at the year end. £535k will be payable to the Company on the completion of these properties. Both of these transactions were considered to be on an 'arm's length' basis.

Kim Slowe, part owns one of the offices used by the company. The rental payments made during the year in respect of that office was £15,250 (2014: £14,500). The terms of the arrangement are on a normal commercial basis.

Company number: 06540829

ZERO C HOLDINGS LIMITED

Financial Statements

for the year ended 31 March 2016

CONTENTS

Zero C Holdings Limited
Company Information
For the year ended 31 March 2016

Directors	A Beazer	(resigned 2 March 2016)
	D Cowans	
	P Lacey	(appointed 7 November 2016)
	K Moore	
	C Phillips	
	C Rae	(appointed 4 March 2016)
	M Robinson	(appointed 11 March 2016)
	D Shaw	(resigned 10 November 2015)
	K Slowe	(resigned 7 November 2016)
	S Soin	(appointed 10 November 2015)

Company Secretary

C Martin

Registered Office

80 Cheapside
London
EC2V 6EE

Registered Auditor

KPMG LLP
Gateway House
Tollgate
Chandlers Ford
Southampton
SO53 3TG

Registration of Company

The company is incorporated under the Companies Act 2006 (Company Number 06540829)

Business review and principal activities

Zero C Holdings Limited ("the company') (ZeroC) is engaged in residential-led property development.
The results for the company show a pre-tax profit of £5,694k (2015: £2,828k) for the year and sales of £39,324k (2015: £29,048k). The company has bank debt, net of cash, of £8,653k (2015: £6,542k).

Future outlook

ZeroC's strategy of delivering highly sustainable homes on master planned developments worked well throughout the recent recession and the results for the 2015/16 trading year proved the same strategy to be equally robust in a stronger market. The company is therefore considered to be well placed to deal with current economic uncertainties, and will continue to work with responsible landowners to deliver high quality homes within the upper mid-market sector.

Principal risks and uncertainties

Risk description	Mitigation
Economic conditions. ZeroC's business is sensitive to changes in interest rates, unemployment and general consumer confidence.	Levels of committed expenditure are assiduously monitored against secured sales, and bank facilities. So as to ensure that the company is not unduly exposed to a market down turn.
Sales An inability to match supply to demand in terms of product, location and price could result in high levels of completed /unsold stock which would impact on the company's cash flow.	A detailed market analysis of each site is undertaken before acquisition, and throughout the delivery of each scheme, to ensure that supply is matched to the perceived demand. Later phases of larger projects are adjusted when necessary to meet the customer demand. Design typology, house size, and the product specification are all assessed on a site-by-site basis to ensure that they meet the target market, and the customer aspirations for the project. Completed stock levels are reviewed at regular Board meetings
Mortgage providers have been negatively impacted by the financial crisis and this has reduced their ability to provide mortgages to potential purchasers. An inability of customers to secure a mortgage could have a direct and unwelcome impact on the Company's level of unit completions.	The Company is participating in the Government backed mortgage indemnity scheme, NewBuy, and on the Government's Help to Buy scheme. Deposits are taken on all sales to mitigate the financial impact on the Company in the event that sales do not complete due to a lack of mortgage availability

Principal risks and uncertainties (continued)

Risk description	Mitigation
Build costs are affected by the availability of skilled labour and the price and availability of materials. Procurement inflation and long lead times for building materials could adversely impact on the profitability of each scheme.	Build cost reconciliations and build programme dates are presented and reviewed in detail at monthly cost review meetings. The Company has developed the expertise to deliver its schemes under both Design and Build contracts or through its own in-house construction management.
ZeroC has a reputation for delivering high quality, design led, sustainable homes. If the company fails to deliver against these standards, it could be exposed to reputational damage, as well as reduced sales and increased costs.	Every ZeroC build is subjected to a detailed examination during the design stage and the delivery of the build. A dedicated Project Manager, who stays with the project from site acquisition through to the end of the post construction liability period, is allocated to each project.

Key performance indicators ("KPIs")

	Mar-16	Change	Mar-15
Sales turnover	£39,324k	+£10,276k	£29,048k
Average selling price	£274k	-£45k	£319k
Gross margin	24.2%	3.1%	21.1%
Return on Capital Employed	24.8%	+2.5%	22.3%

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

This report was approved by the board on 9 November 2016 and signed on its behalf.

S Soin
Director

The Board of Directors is pleased to present its report and financial statements for the year ended 31 March 2016.

Directors

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

Statement of disclosure to the Auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Dividends

The directors do not recommend the payment of a dividend (2015: £nil).

Charitable and political donations

The Company made no charitable or political donations during the period (2015: £nil).

Employees

We recognise that staff recruitment, training and retention are fundamental to the success of the business. Decisions are made in consultation with local management, job progression is actively encouraged and staff retention is continuously monitored and reported to the board.

Going concern

After making enquiries, the Board has reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. For this reason they continue to adopt the going concern basis in preparing the company's financial statements.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 3.

By order of the Board

S Soin
Director
Registered Office: 80 Cheapside, London, EC2V 6EE

Directors' responsibilities statement

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 judgement and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Zero C Holdings Limited

We have audited the financial statements of Zero C Holdings Limited for the year ended 31 March 2016 set out on pages 9 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:
• give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended ;
• have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
• have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Zero C Holdings Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; 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.

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

Chartered Accounts
Gateway House
Tollgate
Chandlers Ford
SO53 3TG

11 November 2016

Zero C Holdings Limited
Statement of Comprehensive Income
For the year ended 31 March 2016

	Notes	**2016**	2015
		£'000	£'000
Turnover	2	**39,324**	29,048
Cost of sales		**(29,817)**	(22,910)
Gross profit		**9,507**	6,138
Administrative expenses		**(3,056)**	(1,973)
Other operating income	3	**202**	134
Operating profit	4	**6,653**	4,299
Interest receivable and similar income	7	**5**	4
Interest payable and similar charges	7	**(964)**	(1,475)
Profit on ordinary activities before taxation		**5,694**	2,828
Taxation	8	**(1,158)**	(687)
Profit on ordinary activities after taxation		**4,536**	2,141
Other comprehensive income		**-**	-
Total comprehensive income		**4,536**	2,141

The notes on pages 12 to 20 form an intergral part of these financial statements.

There is no difference between the profit on ordinary activities after taxation and the retained profit for the year stated above, and their historical cost equivalents.

All operations are continuing.

Zero C Holdings Limited
Statement of Financial Position
As at 31 March 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Tangible fixed assets	9	**262**	67
Investments	10	**-**	-
		262	67
Current assets			
Stocks	11	**36,349**	32,746
Debtors	12	**5,651**	5,671
Cash at bank and in hand		**2,844**	2,455
		44,844	40,872
Creditors: amounts falling due within one year	13	**(26,722)**	(23,435)
Net current assets		**18,122**	17,437
Total assets less current liabilities		**18,384**	17,504
Creditors: amounts falling due after more than one year	14	**(5,572)**	(9,228)
Net Assets		**12,812**	8,276
Capital and reserves			
Called up share capital	15	**9**	9
Share premium account		**1,492**	1,492
Revenue reserve		**11,311**	6,775
Equity Shareholders' Funds		**12,812**	8,276

The notes on pages 12 to 20 form an intergral part of these financial statements.

The financial statements on pages 9 to 20 were approved by the board of directors on 9 November 2016 and signed on its behalf by:

S Soin
Director

Company registered number: 06540829

Zero C Holdings Limited
Statement of Changes in Equity
As at 31 March 2016

	Called up Share Capital £'000	Share Premium Account £'000	Revenue reserve £'000	Total £'000
Balance at 1 April 2014	9	1,492	4,634	6,135
Profit for the year	-	-	2,141	2,141
Balance at 1 April 2015	9	1,492	6,775	8,276
Profit for the year	-	-	4,536	4,536
Balance at 31 March 2016	9	1,492	11,311	12,812

The notes on pages 12 to 20 form an intergral part of these financial statements.

1. ACCOUNTING POLICIES

Zero C Holdings Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 subject to the small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Principal accounting policies

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the directors have considered whether in applying the accounting policies required by FRS 102 if the restatement of comparitive items was required. After review there were no restatements required.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

After making enquiries, the Board has reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. For this reason they continue to adopt the going concern basis in preparing the company's financial statements.

The Company's ultimate parent undertaking, Places for People Group includes the Company in its consolidated financial statements. The consolidated financial statements of Places for People Group are prepared in accordance with FRS 102 and are available to the public and may be obtained from 80 Cheapside, London, England, EC2V 6EE. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

a. Statement of cashflows and related notes;
b. Disclosure of transactions or balances with other wholly owned subsidiaries which form part of the group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments. The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their residual value, over their expected useful lives on the following basis:

Freehold Property	40 years
Motor vehicles	4 years
Fixtures and fittings	5 years
Computer equipment	5 years

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1. ACCOUNTING POLICIES (continued)

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Stocks and work in progress

Stock consists of costs incurred on properties under development and completed developments ready for sale. Stock is valued at lower of cost and estimates selling price less costs to sell.

Overage and Sectional costs

Overage and Sectional costs in relation to specific projects are accrued for in the financial statements at the point at which the liabilities crystallise.

Revenue and profit recognition

No profit is recognised on development projects until a sale contract has been completed. Provided a profitable outcome to a project can be forseen with reasonable certainty, and a sale contract has been completed, then profit is recognised by apportioning the direct development costs on a relative sales value basis.

Interest

Interest income and interest expense are recognised in the income statement as they accrue, using the effective interest rate method.

Taxation

The company is liable to United Kingdom corporation tax. The credit for the year is based on the profit for the year and includes current tax on the taxable profit for the year and deferred taxation. Deferred taxation is recognised in respect of all timing differences between their treatment of certain items for taxation and for accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

Pensions

Employees are entitled to join a stakeholder pension scheme to which the company contributes. The costs of the stakeholder scheme are accounted for in the year in which they occur.

Accounting estimates, judgement and provisions

The preparation of financial statements requires management to exercise judgement in applying accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The accounting policies for revenue recognition, stock and taxation are disclosed above. Actual results may differ from these estimates.

The amount of material estimations to the company or financial information is limited. However key areas to consider are:

a. Accruals comprise balances in relation to both operating and capital costs incurred at the reporting date but for which an invoice has not been received and payment has not yet been made.
b. Provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

2. TURNOVER

The whole of the turnover relates to the company's principal continuing activity.
All turnover arises in the United Kingdom.

3. OTHER OPERATING INCOME

	2016	2015
	£'000	£'000
Other operating income	**202**	134

Other operating income comprises profit in relation to development consultancy work and contracting income.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2016	2015
This is stated after charging:	**£'000**	£'000
Depreciation of tangible fixed assets	**34**	25
Auditor's remuneration: audit fees	**17**	16
Hire of plant	**27**	63
Operating lease rentals:		
- land and buildings	**31**	30
- other	**20**	19

5. EMPLOYEES

The average number of employees during the year was as follows:

	2016	2015
	No.	No.
	40	25
	40	25

Total employee costs were as follows:	**£'000**	£'000
Wages and salaries	**2,214**	1,222
Social security costs	**279**	139
Pension costs	**31**	-
	2,524	1,361

6. DIRECTORS & SENIOR STAFF EMOLUMENTS

(a) Directors emoluments

	2016 **£'000**	2015 £'000
Directors remuneration	**430**	431
Company contributions to money purchase pension plans	**3**	-
	433	431

The emoluments, excluding pension contributions of the highest paid director were £176k (2015: £200k) and the company's contributions to money purchase pension plans were £nil (2015: £nil).

The emoluments of five of the directors were not paid through Zero C Holdings Limited during the year, as they were paid through other companies within the Places for People Group as services provided to the Company were incidental to their wider role in the group.

(b) Senior employees

The number of senior employees with total pay and benefits	**2016** **£'000**	2015 £'000
£60,000 - £70,000	-	3
£90,000 - £100,000	1	1
£110,000 - £120,000	1	-
£120,000 - £130,000	-	1
£170,000 - £180,000	1	1

7. INTEREST

(a) Interest receivable and similar income

	2016 **£'000**	2015 £'000
Bank interest receivable	**5**	4

(b) Interest payable and similar charges

On bank loans and overdrafts	**571**	530
On inter-group loans	**393**	945
	964	1,475

8. TAXATION

	2016	2015
(a) Analysis of charge in year	**£'000**	£'000
UK corporation tax on profits of the year	-	733
Adjustments in respect of prior years	-	(8)
Group relief	**1,158**	(38)
Tax on profit on ordinary activities	**1,158**	687

(b) Factors affecting tax charge for year
The tax assed is different than the standard rate of corporation tax in the UK (20%). The differences are explained below: :

	2016	2015
	£'000	£'000
Profit on ordinary activities before taxation	**5,694**	2,828
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 21%)	**1,139**	594
Effects of:		
Expenses not deductible for tax purposes	**19**	15
Adjustments to tax charge in respect of prior years	-	(8)
Non-deductible interest	-	120
Group relief claimed	-	(38)
Timing differences	-	4
Total tax charge for the year	**1,158**	687

Factors affecting current and future tax charge

The Finance Act 2014 included legislation that reduced the main rate of corporation tax from 21% to 20% from 1 April 2015. Further reductions to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly. A further reduction to 17% (effective 1 April 2020) was announced on 16 March 2016. Whilst this will reduce the company's tax liability in the future, it has not been substantively enacted as at the balance sheet date

9. TANGIBLE FIXED ASSETS

	Land and buildings £'000	Motor vehicles £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost					
At 1 April 2015	-	75	16	52	143
Additions	193	9	9	21	232
Disposals	-	(19)	-	(1)	(20)
At 31 March 2016	**193**	**65**	**25**	**72**	**355**
Depreciation					
At 1 April 2015	-	(21)	(15)	(40)	(76)
Charge for year	(1)	(25)	(2)	(6)	(34)
Disposals in year	-	17	-	-	17
At 31 March 2016	**(1)**	**(29)**	**(17)**	**(46)**	**(93)**
Net Book Value at 31 March 2016	**192**	**36**	**8**	**26**	**262**
Net Book Value at 1 April 2015	-	54	1	12	67

10. FIXED ASSET INVESTMENTS

The company holds a £1 investment, being 100% of the share capital in Zero C Ventures Limited, a dormant company incorporated and domiciled in the UK having reserves of £1. The company also holds an investment of £1, being 50% of the share capital in ZeroC Acheson Consortium Limited, a dormant company incorporated and domiciled in the UK having reserves of £2.

11. STOCKS

	2016 £'000	2015 £'000
Land, work in progress and finished units	**36,349**	32,746

Stock recognised as an expense in the year was £29,817k, (2015: £22,910k).

12. DEBTORS

	2016 £'000	2015 £'000
Trade debtors	**4,998**	4,905
Other debtors	**543**	678
Prepayments and accrued income	**110**	88
	5,651	5,671

All amounts shown under debtors fall due for payment within one year

13. CREDITORS: amounts falling due within one year

	2016 £'000	2015 £'000
Bank loans and overdrafts (secured - see note below)	**7,025**	2,919
Trade creditors	**4,912**	4,643
Amounts owed to group undertakings	**9,549**	8,071
Corporation tax	**-**	222
Social security and other taxes	**95**	57
Other creditors	**239**	340
Accruals	**4,902**	7,183
	26,722	23,435

The bank loans and overdrafts are secured by a fixed and floating charge over all of the property and assets.

Included in 'Amounts owed to group undertakings' is a loan of £8,455k (2015: £8,061k) against which interest is charged at a rate of 5%. The loan is repayable upon demand.

14. CREDITORS: amounts falling due after more than one year

	2016 £'000	2015 £'000
Bank loans	**4,472**	6,078
Land creditors	**1,100**	3,150
	5,572	9,228

Bank loans:

The company uses a bank facility to partly finance its property developments.

Details of the facility at the year end are:

	Repayment period	Annual interest rate	Security given
Bank loans drawn	On or before 11 September 2017	3.5% above Barclays Bank Base Rate	Fixed and floating charge over all of the property and assets.

	2016 £'000	2015 £'000
Bank loans are due for repayment as follows:		
Between 2 and 5 years	**4,472**	6,078

14. CREDITORS: amounts falling due after more than one year (continued)

The company had taken out an interest rate swap. At the balance sheet date this was £2k in favour of the counterparty (2015: £34k in favour of the counterparty). The interest rate swap expired on 6 May 2016. The value was immaterial and so it has not been recognised on the balance sheet, nor has any other disclosure been made in the financial statements.

	2016	2015
	£'000	£'000
Land creditors:		
Land creditors are liabilities with a payment profile:		
Due within 1 to 2 years	**1,100**	2,050
Due within 2 to 3 years	**-**	1,100
	1,100	3,150

15. SHARE CAPITAL

	2016	2015
	£'000	£'000
Allotted, called up and fully paid		
9,250 Ordinary shares of £0.10 each	**1**	1
85,000 A Ordinary shares of £0.10 each	**8**	8
	9	9

The A Ordinary shares and the Ordinary shares rank pari passu in all respects other than that the Ordinary shares benefit from superior rights on a sale of a controlling interest in the company, a listing or a winding up.

16. OPERATING LEASE COMMITMENTS

At 31 March 2016 the company had total commitments under non-cancellable operating leases ending as

	Land and buildings		**Other**	
	2016	2015	**2016**	2015
	£'000	£'000	**£'000**	£'000
In one year or less	**32**	11	**21**	20
Between two and five years	**100**	72	**16**	18

During the year £51,000 (2015: £49,000) was recognised as an expense in the profit and loss account in respect of operating leases.

17. OTHER FINANCIAL COMMITMENTS

At the year end the company had ongoing financial commitments in relation to build contracts of £ 8.3m (£10.6m 2015).

18. CONTINGENT LIABILITY

An investigation has been concluded by the Health and Safety Executive into an accident which occurred in June 2015 at a construction site operated by the company which resulted in an injury to a contractor. Other parties are also under investigation. The Health and Safety executive has informed the company that it intends to bring criminal proceedings against it, however an estimate of the financial effect of this cannot be made at this stage.

19. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption not to report transactions with other Group members as permitted by FRS 102, Section 33.1A.

During the year Kim Slowe, a director, purchased four properties built by the Company for total consideration of £1,095k. All of these transactions were considered to be on an 'arm's length' basis.

Kim Slowe, part owns one of the offices used by the company. The rental payments made during the year in respect of that office was £15,996 (2015: £15,250). The terms of the arrangement are on a normal commercial basis.

20. ULTIMATE PARENT COMPANY AND PARENT COMPANY OF LARGER GROUP

The Company is a 100% subsidiary undertaking of ZeroC Group (2008) Limited which is an indirect subsidiary of Places for People Group Limited, the company's ultimate parent undertaking and ultimate controlling party. The largest group in which the results of the Company are consolidated is that headed by Places for People Group Limited, incorporated in the UK. No other group financial statements include the results of the Company. The consolidated financial statements of this group are available to the public and may be obtained from 80 Cheapside, London, England, EC2V 6EE.

The unaudited financial statements for the six month periods ended 30 September 2015 and 30 September 2016 of Zero C Holdings Limited

Zero C Holdings Limited Profit and Loss Statement For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Total income	8,096	12,436
Total costs	(8,556)	(10,929)
Profit/(loss) before interest	**(460)**	**1,507**
Interest receivable	0	0
Interest payable	(351)	(509)
Profit/(loss) before tax	**(811)**	**998**

Zero C Holdings Limited Balance Sheet For the six month periods ended 30 September 2015 and 30 September 2016		
	30-Sep-16	**30-Sep-15**
	£'000	**£'000**
Fixed assets		
Goodwill	0	0
Tangible fixed assets	270	72
Investments	0	0
Total fixed assets	**270**	**72**
Current assets		
Stock	43,501	30,591
Debtors < within 1 year	623	1,259
Cash at bank & in hand	3,183	4,990
Total current assets	**47,307**	**36,840**
Current liabilities	(30,440)	(18,520)
Net Current Assets	**16,867**	**18,320**
Total Assets less Current Liabilities	**17,137**	**18,392**
Non-current liabilities		
Amounts falling due after more than one year	**5,174**	**9,229**
Equity		
Share Capital	1,501	1,501
Revenue Reserves	10,462	7,662
	11,963	**9,163**
Total non-current liabilities & equity	**17,137**	**18,392**

ISSUER

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London EC2V 6EE

Zero C Holdings Limited
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London EC2V 6EE

Places for People Ventures Operations Limited
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London EC2V 6EE

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