



Places for People

Places for People Living+ Limited

Financial Statements

For the year ending 31 March 2021

CONTENTS

| | |
|---|----|
| Board of Management, Executives and Advisers | 2 |
| Report of the Board | 3 |
| Report of the Independent Auditor to the members of Places for People Living+ Limited | 7 |
| Statement of Comprehensive Income | 10 |
| Statement of Financial Position | 11 |
| Statement of Changes in Reserves | 12 |
| Notes to the Financial Statements | 13 |

Board of Management

Non Executives

R Gregory (Chair) (Appointed 1 February 2021)
A Daniel
R Finn
N Hopkins
G Kitchen
L Lackey
G Waddell (Appointed 1 March 2021)
A Aldridge (Resigned 28 February 2021)
H Anderson (Resigned 28 February 2021)
C Davis (Resigned 28 February 2021)

Executives

D Cowans
D Marriott-Lavery
A Lomas (Resigned 28 February 2021)
A Winstanley
T Weightman (Appointed 1 March 2021)
S Black (Appointed 1 March 2021)

Secretary

C Martin

Registered Office

80 Cheapside
London
EC2V 6EE

Banker

Barclays Bank Plc
38 Fishergate
Preston
PR1 2AD

Registered Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Registration of the Association

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

Report of the Board

The board of Directors is pleased to present its report and the audited financial statements for the year ended 31 March 2021.

Nature of the Association

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

Results

The Association's surplus for the year before taxation was £9.3m (2020: £11.3m).

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

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

Review of the year

The turnover for the Association for the year ended 31 March 2021 was £39.6m (2020: £37.9m), the movement relates to an increase in social housing lettings in the year. The operating profit has decreased year on year at £10.8m (2020: £13.1m). The underlying operating profit, excluding sale of fixed assets and revaluation of investment properties, has increased by 1% from £9.3m to £9.4m. The underlying operating margin has dropped to 23.6% (2020: 24.5%) due to the increase in social housing lettings operating costs. During the COVID-19 pandemic, Places for People Living+ Limited was still able to continue to safely deliver services to its customers and maintain its performance margins.

Customer Participation

A comprehensive set of structures exists to ensure that there is effective communication between the Association and its customers.

Internal Control

The Group Board has reviewed the effectiveness of the system of internal control for the year ended 31 March 2021 and up to the date of signing these financial statements. It has not identified any weaknesses which resulted in material losses or contingencies or other uncertainties which require disclosure in the financial statements.

Board and Committee Structure

The board of Directors of Places for People Group ("the Group") is responsible for setting strategies and budgets for the whole Group and co-ordinating the Group's activities. Places for People Group Limited exercises control over Places for People Living+ Limited through an Independence and Responsibilities Agreement, a Service Level Agreement and powers granted to Places for People Group Limited in its rules.

The Group board has delegated certain matters to committees of the board of Places for People Group.

Corporate Governance

The board has regard to the UKCG code when setting their corporate governance, by which they govern the organisation. In doing so the Board closely follows the principles followed by Group.

Linked to the above, the Association has adhered to these principles except for Code provisions 3, 4, 5 and 18.

Provisions 3, 4, and 18 contemplate dialogue with external shareholders or decisions being referred to shareholders on matters of director appointments, auditor appointments, director remuneration and the use of the AGM to communicate with investors.

Corporate Governance (continued)

The Group has an Audit & Risk Committee, a Remunerations & Nominations Committee, a Development Committee and a Treasury Committee. The remit of those committees extends to the Association and its business. The committees draw members from and report to the Group Board. During the year, it was agreed that the Group Board should take direct responsibility for oversight of the Affordable Housing business conducted through the Group's regulated subsidiaries. On 1 March 2021, the members of the Group Board were appointed members of the board of the Association and now have full oversight of the operations of the Association. This will further ensure that the provisions of the Code are met in respect of the Association.

Provision 5 states that the board should understand the views of other key stakeholders and describe in the annual report how their interests and the matters set out in section 172 (duty to promote the success of the company) of the Companies Act 2006 (the 2006 Act) have been considered in board discussions and decision-making. The Association is a registered society rather than a company and so the specific reporting requirements under section 172 of the 2006 Act do not apply to it. However, the Association's parent company, Places for People Group Limited, publishes consolidated group accounts which do contain a section 172 statement within its Strategic report. That statement addresses the issue of identification of key stakeholders and engagement with their views across the whole Group including the Association.

Provision 5 also prescribes the options for workforce engagement. The board has concluded that its methods for engagement described in the Investing in our colleagues section of Group's Annual report are effective and more suited to the Group's overall needs than any of the Code's prescribed mechanisms.

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

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

The board have referred to the UKCG code when setting their corporate governance, by which the organisation is governed. In doing so the Board closely follows the principles followed by group.

Going concern statement

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. The global Covid-19 pandemic has inevitably presented a series of unprecedented challenges into aspects of all our businesses. The Board continues to monitor the evolving situation, is focussed on mitigating the risks for the Group and has assessed the going concern in light of the risks raised by the pandemic.

At 31 March 2021 the Places for People Group (Group) had cash and undrawn facilities of £954.6m. The Group continues to actively manage its cash flows in order to mitigate any reductions in income.

The directors have reviewed the projected cash flows covering a period of 12 months from the date of the approval of the financial statements, which indicate that the Group will be able to operate within the levels of its agreed facilities and the compliance with debt covenants. For the purposes of both Viability and Going Concern, the Directors have overlaid several severe but plausible, multi-variant scenarios with specific considerations for the potential impact of the ongoing Covid-19 pandemic. These scenarios include a short-term impact on rent collection, further closure of Leisure centres and a downturn of the housing market affecting property sales.

As a result of these assumptions, and before any cost reductions are applied, management believe the liquidity of the Group at 31 March 2022 would be £750m and £462m at 31 March 2023 if the Group did not raise any additional finance to that which is currently available.

Places for People Living+ Limited is part of the Guarantor Group and accesses funding from this Group pool, therefore the liquidity position of the Group supports the going concern assumption for the association.

On the basis described above, the directors are confident that the Group has adequate resources to continue to meet all liabilities, as and when they fall due, for 12 months from the date of approval of the financial statements and therefore consider it appropriate to adopt the going concern basis in preparing these financial statements.

Viability statement

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

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

In assessing the Group's prospects and resilience, the management produced projections which considered the Group's current business position and risk appetite. The projections have undergone rigorous single and multi-variate stress testing through consideration of several events, scenarios and mitigation factors, which identify the mix of extreme circumstances that could create challenging conditions for the Group, including a downturn in the housing market. These events and scenarios have been selected from an analysis of the operating environment; policy and politics; the regulatory framework; the Group risk register; and analysis of economic and financial market trends and risks. The results confirmed that the Group would continue to be able to settle projected liabilities as they fall due over a three-year period.

The directors continue to specifically consider the impact of the ongoing Covid-19 pandemic. The key financial risks identified from the Covid-19 pandemic, in the prior year, have been mitigated thus far. The Board continues to review and monitor the situation closely, to ensure mitigations remain relevant and consistent due to the continuing uncertainty arising from the Covid-19 pandemic.

In making this statement the directors understand that there is inherent uncertainty in all business planning and therefore as a result it is not possible to consider every risk and eventuality that the Group may face. The Board is satisfied that the stress testing that is performed on the Group's business plan includes all the major risks that the Group may face and therefore provides strong assurance of the Group's financial viability.

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

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

Statement of Disclosure to the Auditors

At the time of approval of this report:

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

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

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

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

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

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

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

Strategic Report

Places for People Living+ Limited has taken the exemption allowed in the statement of recommended practice for registered social housing providers to not include a strategic report as this is prepared for the Places for People Group and is included in the annual report which is available to the public and may be obtained from Places for People Group Limited, 80 Cheapside, London, EC2V 6EE

By order of the Board



C Martin

1 September 2021

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

Opinion

We have audited the financial statements of Places for People Living+ Limited ("the association") for the year ended 31 March 2021 which comprise the Statement of Financial Position, Statement of Comprehensive Income and Statement of Changes in Reserves and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the Association as at 31 March 2021 and of its income and expenditure for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

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

Going concern

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

In our evaluation of the Board's conclusions, we considered the inherent risks to the Association's business model and analysed how those risks might affect the Association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Association will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Association's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit and Risk Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Places for People Living+ Limited
Report of the Independent Auditor
For the year ending 31 March 2021

As required by auditing standards, and taking into account possible pressures to meet internal performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from other core (non-social) income streams is overstated and the risk that Association management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition because due to the nature and scope of the Association's activities, there are no perceived pressures or incentives on management to commit fraudulent financial reporting through inappropriate revenue recognition.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Association-wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by unexpected individuals, journals containing specific words, journals posted to seldom used accounts, and journals posted to cash and turnover that were considered outside of the normal course of business.
- Assessing whether revenue transactions either side of the year end were recognised in the correct period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Association is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

Firstly, the Association is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related cooperative & community benefit society legislation), taxation legislation, pensions legislation and specific disclosures required by housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Association is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and certain aspects of co-operative & community benefit society legislation recognising the nature of the Association's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Other information

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Board's responsibilities

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

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

This report is made solely to the association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association for our audit work, for this report, or for the opinions we have formed.



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

Chartered Accountants

15 Canada Square
London
E14 5GL

17 September 2021

Places for People Living+ Limited
Statement of Comprehensive Income
For the year ending 31 March 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|---------------|---------------|
| Turnover | 2 | 39,604 | 37,873 |
| Operating costs | 2 | (30,244) | (28,609) |
| Loss on sale of fixed assets | 4 | (30) | (73) |
| Gain on revaluation of investment properties | 12 | 1,472 | 3,870 |
| Operating surplus before interest | 2 | 10,802 | 13,061 |
| Interest receivable and similar income | 7 | 366 | 206 |
| Interest payable and similar charges | 8 | (1,858) | (1,981) |
| Surplus for the year and total comprehensive income | | 9,310 | 11,286 |

The notes on pages 13 to 27 form an integral part of these financial statements.

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

The Association has £nil (2020: £nil) other comprehensive income for the year ended 31 March 2021.



R Gregory
Chair



D Cowans
Board Member



C Martin
Secretary

Places for People Living+ Limited
Statement of Financial Position
As at 31 March 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|---|-------|------------------|---------------|
| Fixed assets | | | |
| Housing properties | 11 | 359,014 | 350,537 |
| Investments | 12 | 67,424 | 56,952 |
| | | 426,438 | 407,489 |
| Current assets | | | |
| Stock | 13 | 24 | 14 |
| Debtors: amounts falling due after more than one year | 14 | - | 72 |
| Debtors: amounts falling due within one year | 15 | 2,616 | 2,203 |
| Cash and cash equivalents | | 282 | 228 |
| | | 2,922 | 2,517 |
| Creditors - amounts falling due within one year | 16 | (14,341) | (11,935) |
| Net current liabilities | | (11,419) | (9,418) |
| Creditors - amounts falling due after more than one year | 17 | (221,703) | (214,079) |
| Net Assets | | 193,316 | 183,992 |
| Capital and reserves | | | |
| Non-equity share capital | 19 | 1 | 1 |
| Revenue reserves | | 170,266 | 160,956 |
| Restricted reserves | | 199 | 185 |
| Revaluation reserves | | 22,850 | 22,850 |
| Total capital and reserves | | 193,316 | 183,992 |

The financial statements on pages 10 to 27 were approved by the Board on 1 September 2021 and were signed on its behalf by:

R Gregory
Chair

D Cowans
Board Member

C Martin
Secretary

Places for People Living+ Limited
Statement of Changes in Reserves
For the year ending 31 March 2021

| | Non-equity share capital | Revenue Reserve £'000 | Restricted Reserve £'000 | Revaluation Reserve £'000 | Total Reserves £'000 |
|---------------------------------|-----------------------------|-----------------------------|--------------------------------|---------------------------------|----------------------------|
| Balance at 1 April 2020 | 1 | 160,956 | 185 | 22,850 | 183,992 |
| Surplus for the year | - | 9,310 | - | - | 9,310 |
| Restricted reserve movement | - | - | 14 | - | 14 |
| Balance at 31 March 2021 | 1 | 170,266 | 199 | 22,850 | 193,316 |

The financial statements on pages 10 to 26 were approved by the Board on 1 September 2021 and were signed on its behalf by:

1. ACCOUNTING POLICIES

Basis of accounting

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

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP), the Accounting Direction for Private Registered Providers of Social Housing 2019. The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator Social Housing (ROSH) as a housing provider.

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

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

Going Concern

The directors, after reviewing the company's budgets for 2021/22 and the group's medium term financial position as detailed in the 30-year business plan as approved on 17 March 2021, including changes arising from the Covid-19 pandemic, are of the opinion that, taking account of severe but plausible downsides, the company will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The Association receives funding from Places for People Homes through an on-lending facility. Places for People Homes is part of the Places for People Guarantor Group and can access funding from this Group pool. The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

Significant Judgements

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

1. ACCOUNTING POLICIES (Continued)

Going Concern

In order to assess whether it is appropriate for the Association to be reported as a going concern, the management apply judgement, having undertaken appropriate enquiries and having considered the business activities and the principal risks and uncertainties. In arriving at this judgement there are a large number of assumptions and estimates involved in calculating future cash flow projections. This includes management's expectations of both property sales and rental turnover, operating costs, timing and quantum of future capital expenditure and estimates and cost of future funding. The Directors have overlaid several severe but plausible, multi-variant scenarios with specific considerations for the potential impact of the ongoing Covid-19 pandemic, in respect of these assumptions used within the going concern assessment and to aid sensitivity analysis. As a result of these considerations the financial statements have been prepared on a going concern basis.

Investment properties

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

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

Accounting estimates

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

Residual value of social housing properties

It is considered that the estimate of residual value of social housing properties has a significant impact on the carrying amount of social housing assets. The Association considers the residual value of social housing property structure to be cost. The net book value of completed social housing properties is £358.2m. The residual value of social housing property structure is £32.0m above the carrying value as at 31 March 2021. A 10% reduction in residual value would result in no impact to the depreciation charge.

Investment properties

In addition to judging whether or not properties are categorised as investment properties, the Association is also required to estimate the fair value of investment properties on an annual basis. To facilitate this estimation, the Association engaged Savills, a leading professional adviser, to use RICS guidance and the requirements of the Red Book to complete a full valuation of the Association's investment properties. The results of the valuation exercise have been subjected to management scrutiny and challenge.

Turnover

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

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

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

All turnover arises from activities within the United Kingdom.

VAT

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

Pensions

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

1. ACCOUNTING POLICIES (Continued)

Housing Properties

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

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

Land

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

Depreciation

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

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

1. ACCOUNTING POLICIES (Continued)

Investment properties

Properties held for rental income or capital appreciation that are not held primarily for the provision of social benefit are held as investment properties at fair value, with changes to fair value recognised in the statement of comprehensive income.

Fixed asset investments

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

Impairment

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

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

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

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

Social Housing Grant and Other Capital Grant

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

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

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

Financial Instruments

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

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

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

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

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

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

Restricted Reserves

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

Places for People Living+ Limited
Notes to the Financial Statements
For the year ending 31 March 2021

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

| | 2021 | | | | | 2020 | | | | |
|--|---------------|---------------|-----------------|-----------------------|------------------------------|----------|---------------|-----------------|-----------------------|------------------------------|
| | Turnover | Cost of sales | Operating costs | Other operating items | Operating surplus/ (deficit) | Turnover | Cost of sales | Operating costs | Other operating items | Operating surplus/ (deficit) |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Social housing lettings (note 3) | 35,892 | - | (26,935) | - | 8,957 | 33,906 | - | (24,746) | - | 9,160 |
| Other social housing activities | | | | | | | | | | |
| Social housing property sales | - | - | (1) | - | (1) | - | - | - | - | - |
| Shared Ownership property sales | - | - | (10) | - | (10) | - | - | - | - | - |
| Charges for support services | 3,706 | - | (3,265) | - | 441 | 3,963 | - | (3,549) | - | 414 |
| Charges for domiciliary care services | - | - | - | - | - | - | - | (2) | - | (2) |
| Other | - | - | - | - | - | 4 | - | (293) | - | (289) |
| | 39,598 | - | (30,211) | - | 9,387 | 37,873 | - | (28,590) | - | 9,283 |
| Non social housing activities | 6 | - | (33) | - | (27) | - | - | (19) | - | (19) |
| | 39,604 | - | (30,244) | - | 9,360 | 37,873 | - | (28,609) | - | 9,264 |
| Loss on sale of fixed assets (note 4) | - | - | - | (30) | (30) | - | - | - | (73) | (73) |
| Gain on revaluation of investment properties (note 12) | - | - | - | 1,472 | 1,472 | - | - | - | 3,870 | 3,870 |
| | 39,604 | - | (30,244) | 1,442 | 10,802 | 37,873 | - | (28,609) | 3,797 | 13,061 |

3. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

| | 2021 Total £'000 supported housing & housing for older people | 2020 Total £'000 supported housing & housing for older people |
|--|---|---|
| Income from social housing lettings activities | | |
| Rent receivable net of identifiable service charges | 16,218 | 14,537 |
| Service charge income | 11,253 | 10,532 |
| Amortised government grants | 2,507 | 2,220 |
| Other income | 5,914 | 6,617 |
| Turnover from social housing lettings | 35,892 | 33,906 |
| Expenditure on social housing lettings activities | | |
| Management costs | (7,177) | (6,621) |
| Service charge costs | (10,024) | (9,859) |
| Routine maintenance | (2,677) | (2,309) |
| Planned maintenance | (721) | (603) |
| Major repairs expenditure | (436) | (430) |
| Bad debts | (92) | (179) |
| Depreciation on housing assets | (2,725) | (2,760) |
| Intra group property recharges | (3,074) | (1,950) |
| Other costs | (9) | (35) |
| Total expenditure on lettings | (26,935) | (24,746) |
| Operating surplus | 8,957 | 9,160 |
| Void losses | (1,081) | (598) |

4. SALE OF FIXED ASSETS

| | 2021 | | | |
|---------------------------------|---------------------------|---------------------------|----------------------------------|---------------|
| | Sale proceeds £'000 | Cost of sales £'000 | Other sales expenses £'000 | Loss £'000 |
| Sale of housing assets | 835 | (510) | (8) | 317 |
| Sale of fixed asset investments | 4,653 | (5,000) | - | (347) |
| | 5,488 | (5,510) | (8) | (30) |
| | 2020 | | | |
| | Sale proceeds £'000 | Cost of sales £'000 | Other sales expenses £'000 | Loss £'000 |
| Sale of housing assets | 284 | (289) | (68) | (73) |

Places for People Living+ Limited
Notes to the Financial Statements
For the year ending 31 March 2021

5. DIRECTORS' EMOLUMENTS

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

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

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

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

6. EMPLOYEE INFORMATION

| | 2021 | 2020 |
|--|-------------|------|
| | No. | No. |
| The average number of employees expressed as full time equivalents employed during the year was: | | |
| Central administration services | 16 | 18 |
| Care services | 292 | 300 |
| | 308 | 318 |

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

| | 2021 | 2020 |
|--------------------------------------|--------------|-------|
| | £'000 | £'000 |
| Staff costs (for the above persons): | | |
| Wages and salaries | 6,896 | 6,808 |
| Severance pay | 45 | 61 |
| Social security costs | 578 | 569 |
| Other pension costs | 589 | 549 |
| | 8,108 | 7,987 |

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

| | 2021 | 2020 |
|---------------------|-------------|------|
| | No. | No. |
| £60,000 - £69,999 | 3 | 1 |
| £80,000 - £89,999 | 2 | - |
| £90,000 - £99,999 | 2 | 2 |
| £120,000 - £129,999 | 1 | - |

Places for People Living+ Limited
Notes to the Financial Statements
For the year ending 31 March 2021

7. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2021 | 2020 |
|--------------------------------------|--------------|-------|
| | £'000 | £'000 |
| Interest on fixed asset investments | 237 | 75 |
| Interest receivable on cash deposits | - | 4 |
| Dividend receivable | 129 | 127 |
| | 366 | 206 |

8. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2021 | 2020 |
|--|--------------|-------|
| | £'000 | £'000 |
| In respect of housing and bank loans | 638 | 728 |
| In respect of loans from related undertakings | 1,274 | 1,293 |
| In respect of Recycled Capital Grant Fund | - | 32 |
| Less: Capitalised interest | (54) | (72) |
| | 1,858 | 1,981 |
| Capitalisation rate used to determine the finance costs capitalised during the year: | 3.00% | 3.00% |

9. SURPLUS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION

| | 2021 | 2020 |
|--|--------------|-------|
| | £'000 | £'000 |
| The surplus on ordinary activities before and after taxation is stated after charging: | £'000 | £'000 |
| Depreciation | 3,000 | 2,760 |
| Auditor's remuneration | 26 | 25 |
| Payments under operating leases: | | |
| Motor vehicles | 63 | 69 |

10. TAXATION

The Association has charitable status and is exempt from corporation taxation under the provisions of Section 505 of the Income and Corporation Taxes Act 1988 therefore there is no corporation tax payable in either 2021 or 2020.

11. HOUSING PROPERTIES

| | Completed housing properties £'000 | Completed LSE & shared ownership housing properties £'000 | Housing properties in the course of construction £'000 | LSE & Shared Ownership properties in the course of construction £'000 | Total housing properties £'000 |
|--|---------------------------------------|--|---|--|-----------------------------------|
| Cost | | | | | |
| At 1 April 2020 | 391,652 | 5,699 | 5,890 | 14 | 403,255 |
| Additions | - | - | 11,980 | 10 | 11,990 |
| Transfer to completed schemes | 17,170 | - | (17,170) | - | - |
| Change of tenure | (26) | - | - | - | (26) |
| Disposals | (221) | (351) | - | - | (572) |
| At 31 March 2021 | 408,575 | 5,348 | 700 | 24 | 414,647 |
| Depreciation and Impairment | | | | | |
| At 1 April 2020 | (51,981) | (737) | - | - | (52,718) |
| Charge for year: | | | | | |
| Depreciation | (3,000) | - | - | - | (3,000) |
| Change of tenure: | | | | | |
| Depreciation | 6 | - | - | - | 6 |
| Eliminated on disposal: | | | | | |
| Depreciation | 44 | 35 | - | - | 79 |
| At 31 March 2021 | (54,931) | (702) | - | - | (55,633) |
| Net book value at 31 March 2021 | 353,644 | 4,646 | 700 | 24 | 359,014 |
| Net book value at 1 April 2020 | 339,671 | 4,962 | 5,890 | 14 | 350,537 |

LSE denotes Leasehold Schemes for the Elderly.

| | 2021 £'000 | 2020 £'000 |
|---------------------------------------|----------------|---------------|
| Housing properties comprise, at cost: | | |
| Freehold | 344,167 | 333,417 |
| Long leasehold | 68,110 | 67,497 |
| Short leasehold | 2,370 | 2,341 |
| | 414,647 | 403,255 |

Additions to housing properties in the course of construction during the year include an apportionment of staff time directly spent on the administration of development activities amounting to £0.1m (2020: £0.1m).

Expenditure on major works to existing properties during the year was £7.5m (2020: £6.3m).

Additions to housing properties in the course of construction during the year include capitalised interest of £54k (2020: £72k).

Places for People Living+ Limited
Notes to the Financial Statements
For the year ending 31 March 2021

12. FIXED ASSETS INVESTMENTS

| | 2021 | 2020 |
|---|---------------|--------|
| | £'000 | £'000 |
| External investments and investment in related undertakings (a) | 10,158 | 9,108 |
| Investment property (b) | 57,266 | 47,844 |
| Total fixed asset investments | 67,424 | 56,952 |

(a) External investments and investment in related undertakings

| | 2021 | 2020 |
|---|---------------|-------|
| | £'000 | £'000 |
| External investments | | |
| Romsey Extra Care Limited | 9,769 | 3,737 |
| Triple Point Social Housing REIT plc | - | 5,000 |
| | 9,769 | 8,737 |
| Grace Gillett restricted reserve - investment portfolio | 202 | 188 |
| Equity loans | 187 | 183 |
| At 31 March | 10,158 | 9,108 |

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

(b) Investment Properties

| | |
|-------------------------|---------------|
| | £'000 |
| At 1 April 2020 | 47,844 |
| Additions | 7,950 |
| Revaluation | 1,472 |
| At 31 March 2021 | 57,266 |

For the year ended 31 March 2021, the Places for People Group has obtained an independent valuation of the investment property portfolio. This was performed in accordance with the Appraisal and Valuation manual of the Royal Institution of Chartered Surveyors (a "red book" valuation). The valuation was undertaken by Savills who are independent, RICS qualified, have a strong professional reputation with and considerable experience in producing red book valuations.

A discounted cash flow method was used to estimate the fair value of the portfolio. This used up-to-date information on net operating cash flows and applied an appropriate yield to this data based on an understanding of the market and the individual circumstances of each part of the portfolio. Comparisons have also been made with similar properties in recent transactions to give additional comfort around the valuations. Where applicable, an assessment is made on a similar basis for any related commercial income in respect of these properties. Management interrogation and challenge has been applied to both the valuation method and the assumptions used, including in respect of cash flows, CPI and HPI as appropriate.

Places for People Living+ Limited
Notes to the Financial Statements
For the year ending 31 March 2021

13. STOCK

| | 2021 | 2020 |
|------------------------------|--------------|-----------|
| | £'000 | £'000 |
| Buildings - Work in progress | <u>24</u> | <u>14</u> |

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

| | 2021 | 2020 |
|---------------|--------------|-----------|
| | £'000 | £'000 |
| Agency leases | <u>-</u> | <u>72</u> |

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 |
|--|---------------------|--------------|
| | £'000 | £'000 |
| Rental debtors | 965 | 1,246 |
| Less: Provision for bad and doubtful debts | (261) | (536) |
| | <u>704</u> | 710 |
| Other trade debtors | 1,377 | 1,196 |
| Agency leases | 72 | - |
| Other taxes | - | 8 |
| Capital development debtor | 337 | 198 |
| Sundry debtors, prepayments and accrued income | 105 | 73 |
| Loans to employees | 21 | 18 |
| | <u>2,616</u> | <u>2,203</u> |

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 |
|--|----------------------|---------------|
| | £'000 | £'000 |
| Debt | | |
| Housing and bank loans - principal payable within one year | 135 | 1,636 |
| Amounts owed to related undertakings | 4,017 | 1,563 |
| | <u>4,152</u> | <u>3,199</u> |
| Other financial liabilities | | |
| Deferred government grant | 2,492 | 2,213 |
| Recycled Capital Grant Fund (note 18) | 26 | 47 |
| Interest on loans | 465 | 871 |
| Payments received on account | 9 | - |
| Development creditor | 616 | - |
| Trade creditors | 1,230 | 1,114 |
| Other creditors and accruals | 5,071 | 4,186 |
| Prepaid rent | 278 | 305 |
| Other taxes | 2 | - |
| | <u>14,341</u> | <u>11,935</u> |

Places for People Living+ Limited
Notes to the Financial Statements
For the year ending 31 March 2021

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

| | 2021 | 2020 |
|---------------------------------------|----------------|---------|
| | £'000 | £'000 |
| Debt | | |
| Housing and bank loans | 4,219 | 6,375 |
| Amounts owed to related undertakings | 66,941 | 56,100 |
| | 71,160 | 62,475 |
| Other Financial Liabilities | | |
| Capital creditor | - | 481 |
| Recycled Capital Grant Fund (note 18) | 4,202 | 4,888 |
| Deferred government grant | 146,341 | 146,235 |
| | 221,703 | 214,079 |

Analysis of debt

| These are repayable as follows: | 2021 | 2020 |
|---|---------------|--------|
| | £'000 | £'000 |
| In one year or less | 4,152 | 1,636 |
| In one year or more but less than two years | 67,090 | 1,756 |
| In two years or more but less than five years | 4,070 | 56,719 |
| In five years or more | | |
| By instalments | - | - |
| Not by instalments | - | 4,000 |
| | 75,312 | 64,111 |

All loans are secured by specific charges on the Associations' housing properties and are repayable at varying rates of interest from 9.63% - 9.79% in installments.

18. RECYCLED CAPITAL GRANT FUND

| | Homes England | | Greater London Authority | |
|--|----------------------|-------|---------------------------------|-------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| At 1 April | 837 | 613 | 4,098 | 4,069 |
| Inputs to RCGF: | | | | |
| Grant recycled | 97 | 221 | 29 | - |
| Interest Accrued | - | 3 | 4 | 29 |
| Transfers from other group members | 783 | - | - | - |
| Recycling of grant: New Build | (1,620) | - | - | - |
| Repayment of grant to the HCA/GLA | - | - | - | - |
| | 97 | 837 | 4,131 | 4,098 |
| Amounts 3 years old or older where repayment may be required | - | 47 | 26 | - |
| Total recycled capital grant fund | 4,228 | 4,935 | | |

Places for People Living+ Limited
Notes to the Financial Statements
For the year ending 31 March 2021

19. NON-EQUITY SHARE CAPITAL

2021 2020

£ £

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

At 1 April and 31 March

805 805

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

20. PENSION OBLIGATIONS

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

The Places for People Group Stakeholder Scheme

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

The total cost charged to the statement of comprehensive income of £573k (2020: £543k) represents contributions payable to these schemes by the Association at rates specified in the rules of the plan.

21. CAPITAL COMMITMENTS

2021 2020

£'000 £'000

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

403 3,903

Additional Capital expenditure that has been authorised by the Board of directors

100,422 168,270

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

Motor vehicles Motor vehicles

2021 2020

£'000 £'000

In one year or less

57 40

Between one and two years

45 21

Between two and five years

24 12

126 73

22. CONTINGENT LIABILITIES

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

The total capital outstanding at 31 March 2021 in respect of such guarantees was £1,498.3m (2020: £1,586.4m). The total interest accrued at 31 March 2021 relating to this debt was £16.6m (2020: £17.0m). These represent the maximum exposure for the Association.

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

23. RELATED PARTY TRANSACTIONS AND ULTIMATE PARENT UNDERTAKING

Transactions with Group companies

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

Defined benefit schemes

Under Section 33 of FRS 102 defined benefit pension schemes are considered to be related parties. Employees of the Association are members of the Social Housing Pension Scheme.

Key management personnel of the entity or its parent

Living+ had a £5,000,000 (2020: £5,000,000) investment in a listed social housing REIT, on the 17 June 2020 the shares in this entity were sold for £4,700,000. In the year to 31 March 2021 dividends of £129,000 (2020: £127,000) were received from this investment.

At 31 March 2021, Living+ had lent £9,768,785 (2020: £3,737,170) to Romsey Extra Care Limited and received interest of £237,239 (2020: £75,183) during the year.

Places for People Living+ Limited
Notes to the Financial Statements
For the year ending 31 March 2021

24. HOUSING STOCK

The Association owns or manages 6,719 housing properties, a breakdown of these housing properties is shown below:

| | 2020 No. | Units developed or newly built units acquired | Units sold/ demolished | Transfers (to)/from other RPs | Other movements | 2021 No. |
|--|--------------|---|---------------------------|-------------------------------------|---------------------|-------------------------|
| Social housing owned | | | | | | |
| - General Needs Housing | 2,935 | - | - | - | (102) | 2,833 |
| - Affordable Housing | 126 | 59 | - | - | - | 185 |
| - Supported Housing | 2,196 | 90 | (22) | 19 | 8 | 2,291 |
| - Housing for Older people - Low cost home ownership accommodation | 510 65 | 1 - | - (4) | - - | 100 - | 611 61 |
| Total social housing owned | 5,832 | 150 | (26) | 19 | 6 | 5,981 |
| Social housing managed | | | | | | |
| - Affordable Housing | - | 59 | - | - | - | 59 |
| - Supported Housing | 1,274 | 54 | (22) | 3 | 27 | 1,336 |
| - Housing for Older people | 881 | 1 | - | - | 9 | 891 |
| - Low cost home ownership | 5 | - | - | - | (1) | 4 |
| Total social housing managed | 2,160 | 114 | (22) | 3 | 35 | 2,290 |
| | | | | | 2021 No. | 2020 No. |
| Non-social housing managed | | | | | | |
| - Leased housing - freehold only | | | | | 18 | 17 |
| - Staff | | | | | - | 36 |
| Total Social housing managed | | | | | 2,290 | 2,160 |
| Total housing managed | | | | | 2,308 | 2,213 |
| Total housing owned but managed by another body | | | | | 4,411 | 4,413 |
| Total housing owned or managed | | | | | 6,719 | 6,626 |
| Garages, commercial premises and other non-residential units managed or serviced | | | | | 178 | 37 |
| Total residential and non-residential units managed or serviced | | | | | 6,897 | 6,663 |

The Association manages 719 units (2020: 740) which are owned by other Registered Providers.