

Registered number 06182287

Keepmoat Property Services Limited
Annual Report and Financial Statements
for the year ended 31 March 2015

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Keepmoat Property Services Limited

Annual Report and Financial Statements 2015

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Keepmoat Property Services Limited

Directors and advisers

Directors

D Sheridan
J Thomson
M Cutler

Registered office

The Waterfront
Lakeside Boulevard
Doncaster
South Yorkshire
DN4 5PL

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Paul's Place
121 Norfolk Street
Sheffield
S1 2LE

Bankers

Lloyds Bank plc
City Office
PO Box 72
Bailey Drive
Gillingham Business Park
Kent
ME8 0LS

Keepmoat Property Services Limited

Strategic report

Principal activities

The Company's principal activity during the year was that of maintenance, improvement, refurbishment and management of homes.

Business model and overview

Keepmoat Property Services Limited is an expert in delivering responsive maintenance solutions for housing providers and Local Authority clients across the UK. The Company is well placed to respond to the demands of the changing market place.

The Company's market share in responsive maintenance is expected to increase through its strong relationships and extensive offering. Additionally, increased levels of institutional lending in relation to housing demand is expected to fuel the need for outsourced property services solutions.

The Company is a wholly owned subsidiary of the Keepmoat Regeneration Limited Group, a Group specialising in sustainable community regeneration and planned and responsive repairs to the UK housing stock and representing the Regeneration division of the wider Keepmoat Limited Group.

Markets and trends

The Regeneration market is being driven by a number of factors across its different value streams. Stable market volumes and additional Government funding initiatives are expected to drive moderate growth in property services.

Review of business and future developments

On 9 September 2014, it was announced that investment funds managed by TDR Capital LLP and Sun Capital Partners Limited had signed an agreement to acquire Lakeside 1 Limited, which was, prior to the acquisition, the Company's ultimate parent company. Following completion on 28 November 2014, the Company's ultimate UK based parent company became Keystone JVco Limited.

Turnover increased by 49.5% in the year to £27.2m (2014: £18.2m), with an operating loss before exceptional items of £4.3m (2014: profit £29,000). This was primarily due to actual losses and provisions against anticipated future losses on two new contracts.

Improvement plans are now in place to improve operational efficiency and to mitigate contract risk across all contracts going forward.

In order to measure the financial impact of the Company's strategy, we use a variety of key performance indicators (KPIs) to monitor the performance of the Company.

	2015	2014
	£m	£m
Turnover (£m)	27.2	18.2
Adjusted EBITDA* (£m)	(4.2)	0.1

*Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation and exceptional items.

Keepmoat Property Services Limited

Strategic report

Principal risks and uncertainties

This section sets out a description of the principal risks and uncertainties that could have a material impact on the performance, results and reputation of Keepmoat Property Services Limited.

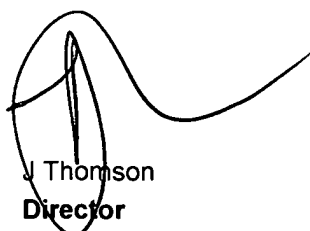
Principal risk	Context	Possible impact	Mitigation
Commercial risk	Failure to adequately control contract management.	Failure to provide quality assurance and the safe execution and delivery of contracts Failure to meet cost budgets Failure to meet client expectations	Clear and robust contract review and authorisation procedures Routine and structured contract performance reports Routine reviews of project management plans Key issues highlighted as part of management reporting. Monthly and quarterly reviews of key performance indicators
	Failure to maintain adequate material supply could lead to construction delays. Failure to maintain adequate sub-contract services could impact delivery of construction services.	Production delays and pressure on margins due to lack of material and labour supply Reduced ability to compete effectively	Strategic supply contracts established with key suppliers, manufacturers and sub-contractors
	Failure to adequately protect employees and the public could result in death or personal injury with consequential financial loss.	Inadequate health and safety procedures leading to operational failure and possible significant compensation payments	Comprehensive safety strategy implemented Internal safety audits Certification of management systems to OHSAS / ISO standards by UKAS accredited body
Key staff reliance and depth of management	The Company relies on its experienced and well-qualified staff to maintain key client relationships and deliver high quality construction services to its clients.	Loss of management control as a result of temporary or permanent loss of key directors, executives and managers Reduced ability to compete effectively Increased recruitment costs	Company is part of a Keepmoat Group leadership succession plan Company is part of a Keepmoat Group wide leadership development programme established to nurture and develop junior and senior management talent Monitoring of management development plans built into annual appraisal process

Keepmoat Property Services Limited

Strategic report

Principal risk	Context	Possible impact	Mitigation
The ability to provide adequate security to customers	The Company relies on surety companies to provide performance bonds.	Unable to enter into contracts due to lack of bond availability Reduced ability to compete effectively	Surety market engagement strategy established with a range of surety providers to reduce reliance on any single provider The use of a broker to maximise access to market Regular review and monthly reporting of bond position and access to bonding lines Indemnity management process in place to monitor and forecast potential breach of bond indemnity conditions
Financial irregularity risk and liquidity risk	The Company could suffer loss either through misappropriation of assets or the misrepresentation of financial results.	Loss of confidence from customers and suppliers Negative publicity affecting the Company's reputation	The Company has financial and management controls in place to ensure that the Company's assets are protected from major financial risks
	The inability to satisfy short-term financial liabilities as a result of failure to manage liquidity.	Unable to meet contractual debt repayment schedules leading to funding being withdrawn Possible adverse supply issues if creditor terms exceeded	The Company maintains strong financial disciplines Cash generation is controlled by robust budgeting, forecasting and cash management disciplines
	The wider Keystone Midco Limited Group and therefore the Company fails to meet agreed bank covenants.	Funding withdrawn due to non-compliance with bank covenants	Bank covenants are controlled by forecasting and stress testing and are routinely reported through monthly Board reports

Approved by and signed on behalf of the Board



J Thomson
Director
25 August 2015

Keepmoat Property Services Limited

Directors' report

The directors present their report, the Strategic report and the audited financial statements of the Company for the year ended 31 March 2015.

Principal activities

The Company's principal activity during the year was that of maintenance, improvement, refurbishment and management of homes.

Results and dividends

The profit and loss account for the year is set out on page 10. No dividends were declared or proposed for the year ended 31 March 2015 (2014: £nil).

Business review and future developments

A review of the results, performance and future developments for the Company is presented in the Strategic report.

Financial risk management

The directors of Keystone JVco Limited manage the Company's financial risks at a Keystone JVco Limited Group (the "Group") level. For this reason, the Company's directors believe that discussion of the Group's financial risks for the company is not necessary or appropriate for an understanding of the development, performance or position of the Company's business. The financial risk management of the Group, which include those of the Company, and the development, performance and position of the Company, are discussed in the Annual Report of Keystone JVco Limited, which does not form part of this report.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

D Sheridan

J Thomson

M Cutler (appointed 2 February 2015)

Directors' indemnities

The Keystone JVco Limited Group maintains liability insurance for the directors and officers of member companies which remains in place up to the date of this Annual Report. The Company has also provided an indemnity for the directors which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Keepmoat Property Services Limited

Directors' report

Employees

The Company believes that its success depends upon its employees and their development. Employees are kept as fully informed as is practicable about the performance and prospects of the company. The methods of communication and consultation include both regular informal contact as well as periodic formal meetings, the two regional Employee Forums have been an excellent success, which meet at least four times per year.

It is the Company's policy to provide equal opportunities to people of all sexes, colours and races. The Company actively encourages the employment of disabled people and they share the same opportunities as all other employees. The Company places special emphasis on occupational health and safety matters with both policies and practices kept under constant review.

It is also the Company's policy to actively plan, encourage and assist in the training, retraining and career development of all its employees. Annual training programmes have been implemented by the Company to develop the necessary managerial, technical and craft skills needed to achieve success in the Company's business.

The Company has an ongoing action plan to continually improve the equality of opportunities, supported by the Race Relations Employment Advisory Service. The Company's commitment to this issue has been recognised by the achievement of the Kickstart Equality Award.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting 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 judgements 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Keepmoat Property Services Limited

Directors' report

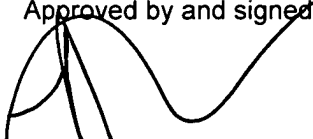
Disclosure of information to the auditors

All directors, at the date this report is approved, confirm that, as far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and that they have taken all the 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 auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and have been deemed reappointed for the next financial year.

Approved by and signed on behalf of the Board



J Thomson
Director
25 August 2015

Keepmoat Property Services Limited

Independent auditors' report to the members of Keepmoat Property Services Limited

Report on the financial statements

Our opinion

In our opinion, Keepmoat Property Services Limited's financial statements (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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Keepmoat Property Services Limited's financial statements comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account for the year then ended;
- the statement of recognised gains and losses for the year then ended;
- the reconciliation of movements in shareholders' funds for the year then ended;
- the statement of accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Keepmoat Property Services Limited

Independent auditors' report to the members of Keepmoat Property Services Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

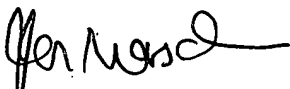
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Ian Marsden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Sheffield

25 August 2015

Keepmoat Property Services Limited

Profit and loss account for the year ended 31 March 2015

	Note	2015 £'000	2014 £'000
Turnover	1	27,242	18,248
Cost of sales		(30,017)	(17,111)
Gross (loss)/profit		(2,775)	1,137
Administrative expenses		(1,524)	(1,160)
Operating (loss)/profit before exceptional items		(4,299)	29
Exceptional items	6	-	(52)
Operating loss	4	(4,299)	(23)
Interest receivable and similar income	5	2	10
Loss on ordinary activities before taxation		(4,297)	(13)
Tax on loss on ordinary activities	7	932	51
(Loss)/profit for the financial year	15	(3,365)	38

All items dealt with in arriving at operating loss above relate to continuing operations.

There is no difference between the loss on ordinary activities before taxation and the (loss)/profit for the financial years stated above and their historical cost equivalents.

Keepmoat Property Services Limited

Statement of total recognised gains and losses for the year ended 31 March 2015


	Note	2015 £'000	2014 £'000
(Loss)/profit for the financial year	15	(3,365)	38
Actuarial loss on pension scheme		(32)	(32)
Movement on deferred tax relating to net pension liability		6	7
Total recognised (loss)/gain for the year		(3,391)	13

Keepmoat Property Services Limited

Balance sheet as at 31 March 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Tangible assets	8	250	146
Current assets			
Stocks	9	127	160
Debtors: amounts falling due within one year	10	15,137	6,262
Debtors: amounts falling after more than one year	10	58	46
Cash at bank and in hand		587	406
		15,909	6,874
Creditors: amounts falling due within one year	11	(14,314)	(4,794)
Net current assets		1,595	2,080
Total assets less current liabilities		1,845	2,226
Provisions for liabilities	12	(5)	(20)
Net assets excluding pension liability		1,840	2,206
Provision for pension liability	17	(51)	(26)
Net assets including pension liability		1,789	2,180
Capital and reserves			
Called up share capital	14	3,000	-
Share premium account	15	125	125
Profit and loss account	15	(1,336)	2,055
Total shareholders' funds		1,789	2,180

The financial statements on pages 10 to 27 of Keepmoat Property Services Limited, registered number 06182287, were approved by the Board of directors on 25 August 2015 and were signed on its behalf by:


J. Thomson
Director

Keepmoat Property Services Limited

Reconciliation of movements in shareholders' funds for the year ended 31 March 2015

	Note	2015 £'000	2014 £'000
(Loss)/profit for the financial year	15	(3,365)	38
Actuarial loss on pension scheme		(32)	(32)
Movement on deferred tax relating to net pension liability		6	7
Proceeds from issue of ordinary shares	14	3,000	-
Net (decrease)/addition to shareholders' funds		(391)	13
Opening shareholders' funds		2,180	2,167
Closing shareholders' funds		1,789	2,180

Keepmoat Property Services Limited

Statement of accounting policies for the year ended 31 March 2015

Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The directors have considered the adequacy of the Keystone JVco Limited Group's (the "Group") financial resources through a review of the financial projections for the business, taking into account the new facilities available to the Group following the acquisition of Lakeside 1 Limited and associated refinancing on 28 November 2014. The directors have also considered the covenants attaching to the new facilities and the likely level of headroom available to the Group. After careful consideration the directors are satisfied that the Group and Company have adequate resources to continue in operation for the foreseeable future being at least twelve months from the date of signing the financial statements. For this reason the directors continue to apply the going concern basis in preparing the financial statements.

Turnover and profit recognition

Turnover and profit on short term contracts are recognised when the contracts have been completed. Turnover on long-term contracts represents the value of work done, and excludes value added tax and trade discounts. For long term contracts, attributable profits are calculated based on the directors' estimate of total forecast value less total forecast costs and are recognised based on the proportion of cost incurred to date compared to total costs expected to be incurred.

Attributable profits are not recognised until the point at which the outcome of the contract can be assessed with reasonable certainty. Provision is made for losses on all long-term contracts as soon as such losses become apparent.

Claims on customers or third parties for variations to the original contract are recognised in the profit and loss account once entitlement to the claim has been established. Claims by customers or third parties in respect of work carried out are recognised in the profit and loss account once the obligation to transfer economic benefit has become probable.

Stocks

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

Long term contracts

Long-term contract balances are included in the balance sheet at the value of turnover less the value of progress payments certified and receivable. The value of progress payments not yet certified is treated as receivable in respect of work completed, or measurable parts thereof, and is stated after making allowance for irrecoverable amounts. Where turnover exceeds progress payments the net balance is included in debtors as amounts recoverable on contracts; where progress payments exceed turnover the net balance is included in current liabilities as payments on account.

Keepmoat Property Services Limited

Statement of accounting policies for the year ended 31 March 2015

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

The principal annual rates used for this purpose are:

Plant and equipment	10% - 25% on cost
Fixtures and fittings	25% - 33% on cost

Deferred taxation

Deferred tax is provided in full on 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. 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.

Pension costs

The Company participates in a Keepmoat Group defined contribution pension scheme for its directors and senior employees which are funded by the payment of contributions to separately administered funds. The assets of the schemes are held separately from those of the Company in independently administered funds. Contributions are charged to the profit and loss account as they become payable.

The Company also participates in a multi-employer scheme namely West Yorkshire Local Government Pension Scheme ("West Yorkshire LGPS"). The assets of the scheme are held in independently administered funds and the scheme has been accounted for as a defined benefit obligation. The Company is responsible for funding the pension benefits for its employees only.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The increase in the present value of the liabilities of the Company's defined benefit pension scheme expected to arise from employee service in the period is charged to operating profit. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in net interest. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet net of related deferred tax.

Keepmoat Property Services Limited

Statement of accounting policies for the year ended 31 March 2015

Operating leases

Costs in respect of operating leases are charged to the profit and loss account over the lease term on a straight line basis.

Cash flow statement

In accordance with FRS 1 (revised 1996), 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 consolidated financial statements.

Related party transactions

The Company has taken advantage of the exemption contained in paragraph 3 of FRS 8 and consequently has not disclosed details of transactions with other wholly owned subsidiary companies in the Keystone JVco Limited Group.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

Exceptional items

Exceptional items are material items which fall within the ordinary activities of the Company and which need to be disclosed by virtue of their size or incidence. Such items are included within operating profit unless they represent profits or losses on the sale or termination of an operation; costs of a fundamental reorganisation or restructuring having a material effect on the nature and focus of the company's operations; profits or losses on the disposal of fixed assets; or provisions in respect of such items. In these cases, separate disclosure is provided on the face of the profit and loss account after operating profit.

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2015

1 Turnover

The Company's turnover and operating profit relate entirely to its principal activity and arise in the United Kingdom.

2 Employee information

The average monthly number of persons (including executive directors) employed by the Company during the year was:

By activity	2015 Number	2014 Number
Production	219	170
Administration, selling and distribution	46	103
	265	273

Staff costs	2015 £'000	2014 £'000
Wages and salaries	7,035	7,239
Social security costs	684	710
Other pension costs	126	107
	7,845	8,056

3 Directors' emoluments

	2015 £'000	2014 £'000
Aggregate emoluments	-	88
Compensation for loss of office	-	23
Company pension contributions to money purchase scheme	-	3

The emoluments of the directors are paid by Keepmoat Limited, a fellow subsidiary of the Keystone JVco Limited Group, without recharge to the Company and, as it is not practical to apportion these between subsidiaries, their emolument disclosures are included in the financial statements of Keepmoat Limited.

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2015

4 Operating loss

	2015 £'000	2014 £'000
Operating (loss)/profit is stated after charging:		
Depreciation - owned tangible fixed assets	147	38
Loss on disposal of fixed assets	-	1
Operating lease rentals - plant and machinery	1,239	1,106
Operating lease rentals - land and buildings	63	107

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's financial statements totalling £10,000 (2014: £10,000) have been borne by Keepmoat Limited and recharged to the Company as part of a wider annual management charge.

5 Interest receivable and similar income

	2015 £'000	2014 £'000
Bank interest receivable	-	9
Net return on pension scheme assets (note 17)	2	1
	2	10

6 Exceptional items

	2015 £'000	2014 £'000
Restructuring and associated costs	-	52

Restructuring and associated costs

These costs comprised redundancies and associated restructuring costs.

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2015

7 Tax on loss on ordinary activities

	2015 £'000	2014 £'000
Current tax		
UK corporation tax on loss for the year at 21% (2014: 23%)	(918)	(11)
Adjustments in respect of prior years	(2)	(42)
Total current tax credit	(920)	(53)
Deferred tax		
Current year	(12)	(4)
Difference in applicable tax rates	-	6
Total deferred tax (note 13)	(12)	2
Tax on loss on ordinary activities	(932)	(51)

The current tax credit assessed for the year is higher (2014: charge lower) than the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:

	2015 £'000	2014 £'000
Loss on ordinary activities before taxation	(4,297)	(13)
UK corporation tax on loss for the year at 21% (2014: 23%)	(902)	(3)
Effects of:		
Expenses not deductible/income not taxable for tax purposes	(23)	(12)
Accelerated capital allowances and other timing differences	7	4
Adjustments in respect of prior years	(2)	(42)
Current tax credit for the year	(920)	(53)

Factors affecting current and future tax charges

Changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2014 on 2 July 2013. These include reductions to the main rate to reduce the rate to 20% from 1 April 2015. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

The Finance Bill 2015-16 presented to Parliament on 14 July 2015 has proposed a reduction of the corporation tax rate to 19% in 2017 and to 18% in 2020.

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2015

8 Tangible assets

	Fixtures and fittings £'000	Plant and equipment £'000	Total £'000
Cost			
At 1 April 2014	457	40	497
Additions	183	-	183
Transfers from group undertakings	68	-	68
Disposals	-	(22)	(22)
At 31 March 2015	708	18	726
Accumulated depreciation			
At 1 April 2014	312	39	351
Charge for the year	146	1	147
Disposals	-	(22)	(22)
At 31 March 2015	458	18	476
Net book amount			
At 31 March 2015	250	-	250
At 31 March 2014	145	1	146

9 Stocks

	2015 £'000	2014 £'000
Consumables	127	160

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2015

10 Debtors

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Trade debtors	5,825	1,631
Amounts recoverable on contracts	2,783	1,775
Amounts owed by Group undertakings	6,330	2,685
Other debtors	176	115
Prepayments and accrued income	23	56
	15,137	6,262
Amounts falling due after more than one year:		
Deferred tax (note 13)	58	46

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

11 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	6,630	1,639
Amounts owed to Group undertakings	6,677	1,669
Taxation and social security	561	1,141
Other creditors	117	160
Accruals and deferred income	329	185
	14,314	4,794

Amounts owed to Group undertakings are unsecured, interest free and payable on demand.

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2015

12 Provisions for liabilities

	Dilapidations £'000
At 1 April 2014	20
Credited to the profit and loss account	(15)
At 31 March 2015	5

Dilapidations

The dilapidations provision covers all of the Company's leased estate. A full provision up to the end of each lease was established by an independent external valuer, with the element up to the date of the financial statements being recognised in the accounts on a pro-rated straight line basis.

13 Deferred tax

Deferred tax asset	2015 £'000	2014 £'000
Tax effect of timing differences:		
Accelerated capital allowances	44	46
Short term timing differences	14	-
Deferred tax asset (note 10)	58	46
Pension deferred tax (note 17)	13	7
Total deferred tax	71	53
At 1 April	53	48
Credited/(debited to the profit and loss account in the year (note 7)	12	(2)
Credited to reserves	6	7
At 31 March (note 10 and note 17)	71	53

14 Called up share capital

	2015 £'000	2014 £'000
Authorised, allotted and fully paid		
3,000,101 (2014: 101) Ordinary shares of £1 each	3,000	-

During the year the company issued 3,000,000 £1 ordinary shares at par.

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2015

15 Reserves

	Share Premium account £'000	Profit and loss account £'000
At 1 April 2014	125	2,055
Loss for the financial year	-	(3,365)
Actuarial loss on pension scheme	-	(32)
Movement on deferred tax on net pension liability	-	6
At 31 March 2015	125	(1,336)

16 Other financial commitments

At 31 March 2015 the Group had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings		Other	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Within one year	-	12	25	-
Within two to five years	-	-	138	46
Expiring over five years	78	-	-	-
	78	12	163	46

17 Pension commitments

Defined contribution schemes

The Company participates in a Keepmoat Group defined contribution pension scheme for its directors and senior employees which is funded by the payment of contributions to a separately administered fund. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost for the year represents contributions payable by the Company to the scheme and amounts to £116,000 (2014: £102,000). Contributions outstanding at the year end are £nil (2014: £nil).

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2015

17 Pension commitments (continued)

Defined benefit scheme

During the year, the Company achieved admitted body status to the West Yorkshire Local Government Pension Scheme ("West Yorkshire LGPS"), a multi-employer scheme. The assets of the scheme are held in independently administered funds and have been accounted for as defined benefit obligations. The Company is responsible for funding the pension benefits for its employees only.

A full actuarial valuation of both the defined benefit schemes was last carried out at 30 September 2013 and this has been updated to 31 March 2015 by qualified independent actuaries. The scheme assets are stated at their market value at 31 March 2015. The major assumptions used by the actuaries to calculate the liabilities of the pension funds are:

	2015 %	2014 %
Discount rate	3.3	4.4
Salary increase rate	3.4	3.9
Increases for pension in payment	1.9	2.4

The ranges on mortality assumptions used on the different schemes were as follows:

	2015 Years	2014 Years
Pensioner age at 65:		
- Men	22.6	22.5
- Women	25.5	25.4
Current member age at 45:		
- Men	24.8	24.7
- Women	27.8	27.7

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2015

17 Pension commitments (continued)

The assets in the pension fund and the expected rates of return were:

	Long-term expected rate of return		Long-term expected rate of return	
	2015 %	2015 £'000	2014 %	2014 £'000
Equities	7.6	127	7.6	104
Bonds	3.7	25	3.7	22
Property	7.6	11	7.6	8
Cash	0.9	3	0.9	4
Total market value of assets		166		138
Present value of scheme liabilities		(230)		(171)
Pension scheme deficit		(64)		(33)
Related deferred tax asset (note 7)		13		7
Net pension liability		(51)		(26)

Reconciliation of fair value of scheme liabilities

	2015 £'000	2014 £'000
At 1 April	171	-
On inception	-	152
Current service cost	10	5
Interest cost	8	3
Actuarial losses recognised in the year	38	10
Member contributions	3	1
At 31 March	230	171

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2015

17 Pension commitments (continued)

Reconciliation of fair value of scheme assets

	2015 £'000	2014 £'000
At 1 April	138	-
On inception	-	129
Expected return on scheme assets	10	4
Actuarial gains recognised in the year	6	1
Employer contributions	9	3
Member contributions	3	1
At 31 March	166	138

Scheme assets do not include any of the Group's own financial instruments, or any property occupied by group.

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed asset interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long term real rate experienced in respective markets.

Analysis of amounts charged to the profit and loss account:

Operating profit	2015 £'000	2014 £'000
Current service cost	10	5
Other finance income	2015 £'000	2014 £'000
Expected return on pension scheme assets	10	4
Interest on pension scheme liabilities	(8)	(3)
Net return on pension scheme assets (note 5)	2	1

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2015

17 Pension commitments (continued)

History of experience gains and losses	2015 £'000	2014 £'000
Defined benefit obligation	(230)	(171)
Plan assets	166	138
Deficit	(64)	(33)
Experience adjustments on plan assets	6	1
Total actuarial losses recognised in the statement of recognised gains and losses	(32)	(32)

18 Contingent liabilities

The Company has given guarantees in respect of the bank borrowings of other Keystone JVco Limited Group companies in addition to performance and other guarantees. At 31 March 2015 borrowings covered by the guarantees amounted to £nil (2014: £310,924,000), whilst performance and other guarantees amounted to £19,888,000 (2014: £28,141,000). The guarantees are in the form of a fixed charge over certain freehold land and buildings and floating charges over the assets of certain Group companies.

The Company is party to the Keystone Midco Limited Group ("Midco Group") senior facility agreement whereby the Midco Group has a revolving credit facility with a maximum facility of £75,000,000 and an overdraft facility of up to £20,000,000. At 31 March 2015 the Midco Group was in a net cash position.

19 Ultimate controlling party

The Company's immediate parent undertaking is Keepmoat Regeneration Limited, a company registered in England and Wales.

The directors regard Keystone JVco Limited, a company registered in England and Wales, as the Company's ultimate UK based parent company.

Keystone JVco Limited is the parent of the largest group in which these results are consolidated, and Keepmoat Regeneration Limited is the parent of the smallest group in which these results are consolidated.

The Company's ultimate parent company is Cotton Holding S.à.r.l., a company incorporated in Luxembourg, whilst the Company's ultimate controlling party is TDR Capital LLP through investment funds that they manage.

The consolidated financial statements of Keystone JVco Limited and Keepmoat Regeneration Limited may be obtained from Keepmoat Limited, The Waterfront, Lakeside Boulevard, Doncaster, DN4 5PL.