

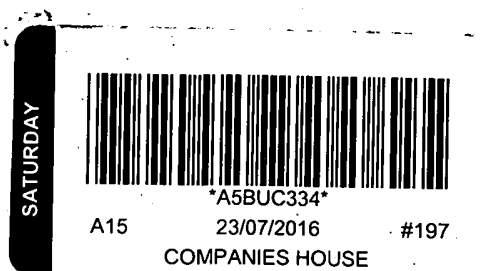
Sustainable Communities for Leeds Limited

Report and Financial Statements

Year Ended

31 March 2016

Company Number 08320624



Sustainable Communities for Leeds Limited

Report and financial statements for the year ended 31 March 2016

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Directors

D Taylor
C Rossiter
D Joyce
F D'Alonzo, resigned 27 July 2015
S L Jones
W J Haughey, resigned 22 October 2015
J Crouch, appointed 27 July 2015
K Brown, appointed 22 October 2015

Secretary and registered office

Pario Limited, Unit 18 Navigation Way, Ashton-on-Ribble, Preston, PR2 2YP

Company number

08320624

Bankers

BNY Mellon, London Branch, One Canada Square, London, E14 5AL

Auditors

BDO LLP, 3 Hardman Street, Manchester, M3 3AT

Sustainable Communities for Leeds Limited

Strategic report for the year ended 31 March 2016

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2016.

Business review and future developments

The principal activity of Sustainable Communities for Leeds Limited is the refurbishment of housing stock in the Beeston, Little London and Holbeck areas of Leeds, alongside demolition of properties and construction of new-build properties. The construction period will last for 44 months to September 2017. During this time the company will also provide facilities management services, which increase as each phase of construction is certified. The operational phase of the project is planned to continue until September 2033.

The forthcoming year is expected to bring the continued delivery of high quality services to the client of Sustainable Communities for Leeds Limited, with business performance meeting shareholder expectations.

Principal risks and uncertainties

The company has taken on the activity as detailed above and the group in which it sits is risk averse in its trading relationships with its customer, funders and sub-contractors as determined by the terms of their respective detailed PFI contracts. In extreme circumstances, the group could be exposed to subcontractor failure to perform their obligations. The financial risks and the measures taken to mitigate them are as detailed in the following section.

Financial risk management

The company has exposures to a variety of financial risks which are managed with the purpose of minimising any potential adverse effect on the company's performance. The board has policies for managing each of these risks and they are summarised below:

Interest rate risk

The Bond and subordinated debt interest in Sustainable Communities for Leeds (Finance) Plc have been fixed. All intercompany balances have a fixed rate of interest.

Liquidity risk

The funds raised from the issue of Bonds and Equity by Sustainable Communities for Leeds (Finance) Plc are passed through to Sustainable Communities for Leeds Limited. When payments are made to Bond holders these are passed from Sustainable Communities for Leeds Limited through the company.

Credit risk

The Fixed Rate Guarantee Bonds held by Sustainable Communities for Leeds (Finance) Plc are listed on the Irish Stock Exchange. The Bonds are guaranteed by an institution of a suitable credit quality. Each year an annual review is carried out by Moody's and Standard & Poor's to assess the performance of the company.

Sustainable Communities for Leeds Limited

Strategic report
for the year ended 31 March 2016 (*continued*)

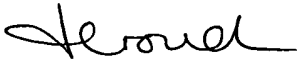
Key performance indicators

The company's operations are managed under the supervision of its shareholders and funders and are largely determined by the detailed terms of the PFI contract which stipulates key performance criteria on operational activities performed by Sustainable Communities for Leeds Limited. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the performance or position of the business.

The company's performance during the year and financial position at 31 March 2016 is shown on pages 7 to 8.

Approval

This strategic report was approved on behalf of the Board on 20th July 2016



J Crouch
Director

Sustainable Communities for Leeds Limited

Report of the directors for the year ended 31 March 2016

The directors present their report together with the audited financial statements for the year ended 31 March 2016.

Principal activities

The principal activity of Sustainable Communities for Leeds Limited is the refurbishment of housing stock in the Beeston, Little London and Holbeck areas of Leeds, alongside demolition of properties and construction of new-build properties. The construction period will last for 44 months to September 2017. During this time the company will also provide facilities management services, which increase as each phase of construction is certified. The operational phase of the project is planned to continue until September 2033.

Directors

The directors of the company during the year ended 31 March 2016 and up to the date of signing of the financial statements were:

C Rossiter
D Taylor
D Joyce
W J Haughey, resigned 22 October 2015
S L Jones
F D'Alonzo, resigned 27 July 2015
J Crouch, appointed 27 July 2015
K Brown, appointed 22 October 2015

Going concern

The financial statements are prepared on a going concern basis. Further details are given in note 1 to the financial statements.

Dividends

No dividends were proposed or paid during the year to 31 March 2016 (2015 - £Nil).

Sustainable Communities for Leeds Limited

Report of the directors for the year ended 31 March 2016 (*continued*)

Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

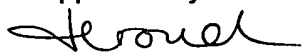
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Statement of disclosure of information to the auditor

In the case of each of the persons who are directors at the time when the report is approved under Section 418 of the Companies Act 2006, the following applies:

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Directors and signed on its behalf by



J Crouch

Director

Date 20th July 2016

Sustainable Communities for Leeds Limited

Independent auditor's report

TO THE MEMBERS OF SUSTAINABLE COMMUNITIES FOR LEEDS LIMITED

We have audited the financial statements of Sustainable Communities for Leeds Limited for the year ended 31 March 2016 which comprise the statement of comprehensive income and income statement, the statement of changes in equity, the statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Sustainable Communities for Leeds Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

*Timothy Entwistle (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester
United Kingdom*

Date *22nd July 2016*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Sustainable Communities for Leeds Limited

Statement of comprehensive income and income statement for the year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	1	3,165,851	2,959,232
Cost of sales		(2,207,058)	(2,191,458)
Operating profit	2	958,793	767,774
Interest receivable and similar income	3	3,842,275	1,424,264
Interest payable and similar charges	4	(7,593,714)	(7,356,222)
Loss on ordinary activities before taxation		(2,792,646)	(5,164,184)
Taxation on loss from ordinary activities	5	316,862	1,009,360
Loss on ordinary activities after taxation and total comprehensive income	14	(2,475,784)	(4,154,824)

The company has been engaged solely in continuing activities in a single class of business within the United Kingdom.

There is no difference between the loss for the financial period as shown in the statement of comprehensive income and income statement and its historical cost equivalent.

The company has no other recognised gains and losses, other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 9 to 19 form part of these financial statements.

Sustainable Communities for Leeds Limited

Statement of Financial Position at 31 March 2016

Company number 08320624	Note	2016 £	2015 £
Current assets			
Debtors (including £90,735,181 due after one year)	6	101,705,978	70,479,158
Cash at bank and in hand		16,020,316	49,879,278
		<u>117,726,294</u>	<u>120,358,436</u>
Creditors: amounts falling due within one year	8	(10,549,123)	(12,830,763)
		<u>107,177,171</u>	<u>107,527,673</u>
Net current assets			
Creditors: amounts falling due after more than one year	9	(117,084,481)	(114,959,199)
		<u>(9,907,310)</u>	<u>(7,431,526)</u>
Net liabilities			
Capital and reserves			
Called up share capital	12	1	1
Share premium	13	999	999
Profit and loss account	14	(9,908,310)	(7,432,526)
		<u>(9,907,310)</u>	<u>(7,431,526)</u>
Shareholders' deficit			
		<u>(9,907,310)</u>	<u>(7,431,526)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20th July 2016.



J Crouch
Director

The notes on pages 9 to 19 form part of these financial statements.

Sustainable Communities for Leeds Limited

Notes forming part of the financial statements for the year ended 31 March 2016

1 Accounting policies

Sustainable Communities for Leeds Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The date of transition is 1 April 2014.

FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015 but may be applied early to periods ending on or after 31 December 2012. Sustainable Communities for Leeds Limited has taken the option to apply the standard early in the preparation of these financial statements. Information on the impact of first-time adoption of FRS 102 is given in note 20.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

Going concern

The financial statements have been prepared on a going concern basis. The directors have prepared projected cash flow information for at least twelve months from the date of their approval of these financial statements. On the basis of this cash flow information, the directors consider that the group will continue to operate within the long term facility currently agreed. In addition, during the operational phase of the project, sufficient cash flow has been, and is, projected to continue to be generated to allow the group to meet its liabilities as they fall due for payment. Accordingly, despite the context of an uncertain economic climate the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore adopt the going concern basis in preparing the annual report and financial statements.

Turnover

Turnover represents the value of work done and services rendered during the period, excluding value added tax. All turnover originates in the United Kingdom.

The company recognises income when it has fully fulfilled its contractual obligations. In accordance with Financial Reporting Standard (FRS) 102, the company includes sales and purchase transactions related to variations under the original contract where the benefits and risks are retained by the company, within the financial statements as turnover and operating costs.

Transactions to which the company does not have access to all the significant benefits and risks are excluded from the financial statements.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where an event or transaction has occurred at the balance sheet date that results in an obligation to pay more or less tax in future.

Deferred tax is measured at the average tax rates that are expected to reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

Sustainable Communities for Leeds Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

1 Accounting policies (*continued*)

Finance costs

In accordance with FRS 102 all finance costs, which are directly attributable to the issuing of the debt, are offset against the related borrowings within creditors and amortised over the life of those borrowings.

Financial asset - contract debtor

The financial asset created under the project is accounted for under FRS 102.

Attributable finance costs incurred on debt borrowings during the construction phase were capitalised on a gross basis before the deduction of any tax relief, in line with related construction activity.

The amounts receivable are treated as a long term contract debtor with a constant amount of the planned net revenue arising from the project being allocated to remunerate the contract debtor. Imputed interest receivable is allocated to the contract debtor using a property specific rate to generate a constant rate of return over the life of the contract. Over the course of the contract term the contract debtor is expected to be fully repaid. The remainder of the PFI unitary charge income is included in turnover in accordance with FRS 102. The company recognises income in respect of services it provides as it fulfils its contractual obligations in respect of those services.

Major maintenance replacement

Income is deferred to future periods, as described above in Financial asset - contract debtor accounting policy, to cover the future major maintenance expenditure, in order to match the element of income with the costs to which it relates. The turnover and costs of sale are recorded, in the profit and loss account, in the period in which the costs of major maintenance replacement are incurred.

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102, as a result of being a wholly owned subsidiary of Sustainable Communities for Leeds (Holdings) Limited, which itself is incorporated and registered in England and Wales and produces group financial statements in accordance with the Companies Act 2006 which include a consolidated group cash flow statement.

2 Operating profit

The company had no employees during the year other than the directors. No remuneration was paid directly by the company to the directors in respect of their services to the company.

The amounts paid by the company relating to the services of C Rossiter, D Taylor, S L Jones, F D'Alonzo, W J Haughey, J Crouch, K Brown and D Joyce totalled £45,000 (2015 - £45,000) and reflect the secondment costs recharged to the company by each shareholder. None of the directors received any defined benefit or defined contribution pension scheme contributions from the company.

The auditor's remuneration in respect of the audit of the company's financial statements was £24,000 (2015 - £24,000) and £4,000 (2015 - £4,000) in respect of tax compliance services during the year. In addition, the company bore £1,550 (2015 - £1,550) in respect of the audit fee and £520 (2015 - £520) in respect of tax compliance services for its parent company during the year, which was not recharged. Interest receivable and similar income.

Sustainable Communities for Leeds Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (*continued*)

3 Interest receivable and similar income

	2016 £	2015 £
Finance debtor imputed interest	3,706,375	1,034,393
Interest receivable on Guaranteed Investment Contract	135,900	389,871
	<u>3,842,275</u>	<u>1,424,264</u>

4 Interest payable and similar income

	2016 £	2015 £
Interest payable on bond to group undertakings	5,162,933	5,162,935
Interest on amounts due to group undertakings	1,932,855	1,718,091
Amortisation of fees	192,427	169,697
Finance guarantor ongoing fee	305,499	305,499
	<u>7,593,714</u>	<u>7,356,222</u>

Sustainable Communities for Leeds Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (*continued*)

5 Taxation on profit from ordinary activities

a) Analysis of tax charge for the year

	2016 £	2015 £
<i>Current tax:</i>		
UK corporation tax on the profits for the year	-	-
Adjustments in respect of previous years	-	-
	<u>-</u>	<u>-</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	502,676	1,032,837
Prior year adjustment	(185,814)	(23,477)
	<u>-</u>	<u>-</u>
Tax on loss on ordinary activities	<u>316,862</u>	<u>1,009,360</u>

b) Factors affecting current tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 20%. The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	(2,792,584)	(5,164,184)
Loss on ordinary activities multiplied by effective rate of corporation tax in the UK of 18% (2015 - 20%)	(502,676)	(1,032,837)
Effect of:		
Adjustment in respect of previous years	-	(87,232)
Adjustment in relation to rate change on losses carried back	185,814	110,709
Unrelieved tax losses	-	-
	<u>-</u>	<u>-</u>
Current tax for the year (note 5(a))	<u>(316,862)</u>	<u>1,009,360</u>

Sustainable Communities for Leeds Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (*continued*)

6 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Amounts recoverable on contract	10,483,650	27,271,063
Trade debtors	572,952	1,374,459
VAT debtor	70,190	263,993
Prepayments and accrued income	51,591	32,245
	<u>11,178,383</u>	<u>28,941,760</u>
Amounts falling due after more than one year:		
Amounts recoverable on contract	88,352,600	39,679,266
Deferred tax asset (note 7)	2,174,995	1,858,132
	<u>90,527,595</u>	<u>41,537,398</u>

7 Deferred tax asset

	2016 £	2015 £
Deferred tax asset	<u>2,174,995</u>	<u>1,858,132</u>
The movements in deferred tax during the year are as follows:		
At 1 April	1,858,132	848,772
Charge to the profit and loss account (note 5(a))	<u>316,863</u>	<u>1,009,360</u>
At 31 March	<u>2,174,995</u>	<u>1,858,132</u>

The deferred tax has been arrived at by taking the modelled losses for the period to 31 March 2016 of £2,792,646 (2015 - £5,164,184) and applying a corporation tax rate of 20% (2015 - 20%).

Sustainable Communities for Leeds Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (*continued*)

8 Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts falling due within one year:		
Trade creditors	308,672	277,680
Retention provision	6,479,413	7,001,576
Accruals and deferred income	3,761,038	5,551,507
	<u>10,549,123</u>	<u>12,830,763</u>

9 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Amounts falling due after more than one year:		
Bond from group company (note 10)	99,582,321	99,389,894
Subordinated loan from group company (note 10)	17,502,160	15,569,305
	<u>117,084,481</u>	<u>114,959,199</u>

10 Loans and borrowings

	2016 £	2015 £
Bond	101,833,000	101,833,000
Subordinated loan	12,730,000	12,730,000
Subordinated loan accrued interest	4,772,160	2,839,305
	<u>119,335,160</u>	<u>117,402,305</u>
Less: unamortised issue costs	(2,250,679)	(2,443,106)
	<u>117,084,481</u>	<u>114,959,199</u>
Maturity of debt:		
Between one and two years	6,398,746	-
Between two and five years	19,084,681	21,508,106
In more than five years	93,851,733	95,894,199
	<u>119,335,160</u>	<u>117,402,305</u>
Less: unamortised debt issue costs	(2,250,679)	(2,443,106)
	<u>117,084,481</u>	<u>114,959,199</u>

Sustainable Communities for Leeds Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

10 Loans and borrowings (continued)

Bond at 31 March 2016 totalled £101,833,000 (excluding issue costs) (2015 - £101,833,000) and is repayable over 19 years on fixed dates commencing 30 September 2017.

There is an intercompany (subordinated) loan made from Sustainable Communities for Leeds (Holdings) Limited to Sustainable Communities for Leeds Limited of £12,730,000 (2015 - £12,730,000) excluding issue costs. This is repayable over the remaining life of the project. Interest is payable at a rate of 11.75%, and the loan is unsecured.

The total issue costs of the Bond amounts to £2,817,518 (2015 - £2,817,518) with £2,250,679 remaining unamortised at 31 March 2016 (2015 - £2,443,106).

11 Financial Instruments

	2016 £	2015 £
Financial Assets		
Financial assets that are measured at amortised cost	117,726,294	120,458,436
Financial Liabilities		
Financial liabilities that are measured at amortised cost	(127,633,604)	(127,789,962)
Interest receivable on financial assets measured at amortised cost	3,842,275	1,424,264
Interest payable on financial liabilities measured at amortised cost	(7,593,714)	(7,356,222)

Financial assets measured at amortised cost comprise amounts owed by group companies and cash.

Financial liabilities measured at amortised cost comprise intergroup loans.

Information regarding the group's exposure to and management of credit risk, liquidity risk, and interest rate risk is included in the Directors' report.

12 Share capital

	2016 Number	2015 Number	Allotted, called up and fully paid 2016 £	2015 £
Ordinary shares of £1 each	1	1	1	1

13 Share premium account

	2016 £	2015 £
Share premium	999	999

Sustainable Communities for Leeds Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (*continued*)

14 Profit and loss account

	2016 £	2015 £
At 1 April 2015	(7,432,526)	(3,277,702)
Loss for the financial year	(2,475,784)	(4,154,824)
	<hr/>	<hr/>
At 31 March 2016	(9,908,310)	(7,432,526)
	<hr/>	<hr/>

15 Reconciliation of Shareholders' funds

	2016 £	2015 £
Opening shareholder's deficit	(7,431,526)	(3,276,702)
Loss for the financial year	(2,475,784)	(4,154,824)
	<hr/>	<hr/>
Closing shareholder's deficit	(9,907,310)	(7,431,526)
	<hr/>	<hr/>

16 Statement of changes in equity

	Share capital £	Share premium £	Profit and loss £	Total £
1 April 2015	1	999	(7,432,526)	(7,431,526)
Profit for the year	-	-	(2,475,784)	(2,475,784)
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2016	1	999	(9,908,310)	(9,907,310)
	<hr/>	<hr/>	<hr/>	<hr/>

Sustainable Communities for Leeds Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

17 Commitments under operating leases

Under the terms of a contract dated 11 July 2013 between Sustainable Communities for Leeds Limited and Frank Haslam Milan & Company Limited (renamed Keepmoat Regeneration (FHM) Limited) Sustainable Communities for Leeds Limited is committed to payments totalling £145,187,363 in respect of a design and construction services contract. Payments are made as the design and construction works progress. Works invoiced in the year to 31 March 2016 were £60,094,696 (2015 - £49,521,929). The outstanding commitment at 31 March 2016 is £21,157,475 (2015 - £82,173,207).

	2016 £	2015 £
Between one and two years	19,379,379	-
Between two and five years	1,778,096	-
	<hr/> 21,157,475	<hr/> -

Under the terms of an operating agreement between Sustainable Communities for Leeds Limited and Frank Haslam Milan & Company Limited (renamed Keepmoat Regeneration (FHM) Limited), Sustainable Communities for Leeds Limited is committed to pay £15,579,071 in Lifecycle costs net of any deductions that are for the account of Keepmoat in the period to 31 March 2033. Payments in the year to 31 March 2016 were £Nil (2015 - £Nil). The outstanding commitment at 31 March 2016 is £15,579,071 (2015 - £15,579,071).

	2016 £	2015 £
Between one and two years	69,533	-
Between two and five years	172,533	-
In more than five years	15,337,005	-
	<hr/> 15,579,071	<hr/> -

Sustainable Communities for Leeds Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

18 Related party transactions

The company has taken advantage of the exemption available in FRS 102 whereby it has not disclosed transactions with its parent undertaking on the basis that it is a wholly owned subsidiary where consolidated accounts are publicly available.

Related party transactions during the year consisted of long-term loan facilities and general operating costs with Keepmoat Limited, Equitix Housing 2 Limited, Aberdeen Infrastructure Investments (No5) Limited and Keepmoat PFI Leeds Limited and are disclosed below stated net of value added tax (where applicable).

Keepmoat PFI Leeds Limited – of common directorship

During the year, Sustainable Communities for Leeds Limited has:

- Paid Director's fees of £15,000 (2015 - £7,500). At 31 March 2016 outstanding payment due was £Nil (2015 - £7,500).

Equitix Housing 2 Limited – of common directorship

During the period, Sustainable Communities for Leeds Limited has:

- Paid Director's fees of £15,000 (2015 - £7,500). At 31 March 2016 outstanding payment due was £Nil (2015 - £7,500).

Aberdeen Infrastructure Investments (No5) Limited – of common directorship

During the period, Sustainable Communities for Leeds Limited:

- Paid Director's fees of £15,000 (2015 - £7,500). At 31 March 2016 outstanding payment due was £Nil (2015 - £7,500).

Keepmoat Regeneration (FHM) Limited – of common directorship

During the period, Sustainable Communities for Leeds Limited has:

- Paid Facilities Management costs of £2,083,463 (2015 - £2,202,200). At 31 March 2016 outstanding payment due was £177,996 (2015 - £194,194).
- Paid Building Contract costs of £61,892,739 (2015 - £44,569,241). At 31 March 2016 outstanding payment due was £3,664,607 (2015 - £5,462,469).
- Paid Management Services costs of £290,104 (2015 - £286,770). At 31 March 2016 outstanding payment due was £24,196 (2015 - £23,950).
- Paid office rental costs of £6,164 (2015 - £6,092). At 31 March 2016 outstanding payment due was £514 (2015 - £509).

19 Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary of Sustainable Communities for Leeds (Holdings) Limited. The consolidated financial statements of Sustainable Communities for Leeds (Holdings) Limited can be obtained from Sustainable Communities for Leeds (Holdings) Limited, Unit 18, Riversway Business Village, Navigation Road, Preston, Lancashire, PR2 2YP. These are the largest and smallest group of undertakings for which group accounts are drawn up.

The share capital of Sustainable Communities for Leeds (Holdings) Limited is held 10% by Keepmoat PFI Leeds Limited, 40% by Equitix Housing 2 Limited and 50% Aberdeen Infrastructure Investments (No 5) Limited. In the opinion of the directors there is no ultimate parent undertaking or controlling party.

Sustainable Communities for Leeds Limited

**Notes forming part of the financial statements
for the year ended 31 March 2016 (*continued*)**

20 First time adoption of FRS 102

These financial statements for the year ended 31 March 2016 are the first financial statements of Sustainable Communities for Leeds Limited that comply with FRS 102. The date of transition to FRS 102 is 1 April 2014.

The transition to FRS 102 has resulted in no changes in accounting policies compared to those used previously.