

Sustainable Communities for Leeds Limited

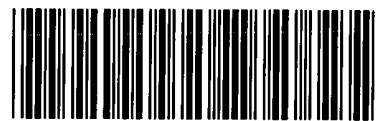
Report and Financial Statements

Year Ended

31 March 2017

Company Number 08320624

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Sustainable Communities for Leeds Limited

Report and financial statements for the year ended 31 March 2017

Contents

Page:

1	Strategic report
3	Report of the directors
5	Independent auditor's report
7	Statement of comprehensive income and income statement
8	Statement of financial position
9	Statement of changes in equity
10	Notes forming part of the financial statements

Directors

D A Valks, appointed 25 January 2017
C Rossiter
D Joyce
S L Jones
J Crouch
K Simpson, appointed 26 April 2017

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 2017

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2017.

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 is expected to be completed in July 2017, short of the planned date of 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.

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 company to meet its liabilities as they fall due for payment. The project is continuing in line with the expected business model. The company continues in line with the forecast to generate profits in future years through the maintenance phase of the project once the build phase is completed. 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.

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.

Sustainable Communities for Leeds Limited

Strategic report for the year ended 31 March 2017 (*continued*)

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. Moody's published a review on 23 March 2017 stating the underlying rate was changed from Baa3 to A3 due to construction of the dwellings being completed on 27 January 2017. Standard & Poor's published a review on 28 June 2017 raising the underlying rate from BBB- to A-.

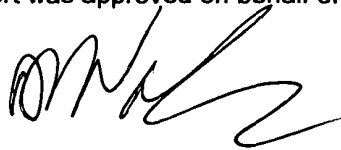
Key performance indicators

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. The performance of the group against the contract is progressing satisfactorily, including the schedule for completing the main capital works. As the group enters the operational phase of the contract the KPIs will be kept under review.

The company's performance during the year and financial position at 31 March 2017 is shown on pages 7 to 8.

Approval

This strategic report was approved on behalf of the Board on 26/7/17.



**D A Valks
Director**

Sustainable Communities for Leeds Limited

Report of the directors for the year ended 31 March 2017

The directors present their report together with the audited financial statements for the year ended 31 March 2017.

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 is expected to be completed in July 2017, short of the planned date of 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 2017 and up to the date of signing of the financial statements were:

D Taylor, resigned 23 December 2016
D A Valks, appointed 25 January 2017
C Rossiter
D Joyce
S L Jones
J Crouch
K Brown, resigned 26 April 2017
K Simpson, appointed 26 April 2017

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 2017 (2016 - £Nil).

Sustainable Communities for Leeds Limited

Report of the directors for the year ended 31 March 2017 (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

D A Valks



Director

Date 26 July 2017

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 2017 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 2017 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 *27/07/2017*

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 2017

	Note	2017 £	2016 £
Turnover		3,367,638	3,165,851
Cost of sales		(2,399,818)	(2,207,058)
Operating profit	3	967,820	958,793
Interest receivable and similar income	4	6,318,458	3,842,275
Interest payable and similar charges	5	(7,844,524)	(7,593,714)
Loss on ordinary activities before taxation		(558,246)	(2,792,646)
Taxation on loss from ordinary activities	6	(30,568)	316,862
Loss on ordinary activities after taxation and total comprehensive income		(588,814)	(2,475,784)

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 10 to 19 form part of these financial statements.

Sustainable Communities for Leeds Limited

Statement of Financial Position at 31 March 2017

Company number 08320624	Note	2017 £	2016 £
Current assets			
Debtors (including £97,308,271 (2016: £90,527,595) due after one year)	7	102,865,097	101,705,978
Cash at bank and in hand		13,791,650	16,020,316
		116,656,747	117,726,294
Creditors: amounts falling due within one year	9	(14,091,106)	(10,549,123)
Net current assets		102,565,641	107,177,171
Creditors: amounts falling due after more than one year	10	(113,061,765)	(117,084,481)
Net liabilities		(10,496,124)	(9,907,310)
Capital and reserves			
Called up share capital	12	1,000	1,000
Profit and loss account		(10,497,124)	(9,908,310)
Shareholder's deficit		(10,496,124)	(9,907,310)

The financial statements were approved by the Board of Directors and authorised for issue on 26 July 2017.

D A Valks
Director



The notes on pages 10 to 19 form part of these financial statements.

Sustainable Communities for Leeds Limited

Statement of Changes in Equity For the year ended 31 March 2017

	Share capital	Profit and loss	Total
	£	£	£
1 April 2016	1,000	(9,908,310)	(9,907,310)
Loss for the year	-	(588,814)	(588,814)
	<hr/>	<hr/>	<hr/>
31 March 2017	1,000	(10,497,124)	(10,496,124)
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Sustainable Communities for Leeds Limited

Notes forming part of the financial statements for the year ended 31 March 2017

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 company 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.

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 company 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. The project is continuing in line with the expected business model. The company continues in line with the forecast to generate profits in future years through the maintenance phase of the project once the build phase is completed. 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. Revenue is earned based upon the number of dwellings which are certified as completed throughout each period.

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 2017 (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

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.

Contract retentions

Contract retentions represent amounts due once certain criteria on projects are fulfilled, and are provided at agreed contract rates.

2 Judgement in applying accounting plans and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. Management are also required to exercise judgment in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes judgements on the recoverability of the amounts recoverable on long term contracts, based on the receipt of the unitary fee, in accordance with the contractual payment mechanisms contained in the project agreement with its client, Leeds City Council.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Sustainable Communities for Leeds Limited

Notes forming part of the financial statements for the year ended 31 March 2017 (continued)

Judgement in applying accounting plans and key sources of estimation uncertainty (continued)

Certain critical accounting judgements in applying the subsidiary company's accounting policies are described below:

- Accounting for the service concession contract and finance debtors requires an estimation of service margins, finance debtors interest rates and associated amortisation profile which is based on forecasted results of the PFI contract.

3 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, D A Valks, S L Jones, J Crouch, K Brown and D Joyce totalled £45,000 (2016 - £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 (2016 - £24,000) and £4,000 (2016 - £4,000) in respect of tax compliance services during the year. In addition, the company bore £1,550 (2016 - £1,550) in respect of the audit fee and £520 (2016 - £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 2017 (*continued*)

4 Interest receivable and similar income

	2017 £	2016 £
Finance debtor imputed interest	6,309,285	3,706,375
Interest receivable	9,173	135,900
	<u>6,318,458</u>	<u>3,842,275</u>

5 Interest payable and similar income

	2017 £	2016 £
Interest payable on bond to group undertakings	5,160,394	5,162,933
Interest on amounts due to group undertakings	2,175,028	1,932,855
Amortisation of fees	203,603	192,427
Finance guarantor ongoing fee	305,499	305,499
	<u>7,844,524</u>	<u>7,593,714</u>

Sustainable Communities for Leeds Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (continued)

6 Taxation on profit from ordinary activities

a) Analysis of tax charge for the year

	2017 £	2016 £
<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	(90,265)	(502,676)
Effect of tax rate change on opening deferred tax balance	120,833	185,814
	<u>30,568</u>	<u>(316,862)</u>
Tax on loss on ordinary activities	<u>30,568</u>	<u>(316,862)</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:

	2017 £	2016 £
Loss on ordinary activities before tax	(558,246)	(2,792,584)
Loss on ordinary activities multiplied by effective rate of corporation tax in the UK of 20% (2016 - 20%)	(111,649)	(502,676)
Effect of:		
Adjustment in respect of previous years	-	-
Adjustment in relation to rate changes on deferred tax	136,762	185,814
Group relief surrendered	5,455	-
	<u>30,568</u>	<u>(316,862)</u>
Tax for the year (note 5(a))	<u>30,568</u>	<u>(316,862)</u>

The group has losses of £12,614,276 (2016 - £12,083,302) available to carry forward against future taxable profits.

Sustainable Communities for Leeds Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (continued)

7 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Amounts recoverable on contract	5,287,091	10,483,650
Trade debtors	-	572,952
VAT debtor	-	70,190
Prepayments and accrued income	269,735	51,591
	<u>5,556,826</u>	<u>11,178,383</u>
Amounts falling due after more than one year:		
Amounts recoverable on contract	95,163,844	88,352,600
Deferred tax asset (note 8)	2,144,427	2,174,995
	<u>97,308,271</u>	<u>90,527,595</u>

8 Deferred tax asset

	2017 £	2016 £
Deferred tax asset	<u>2,174,995</u>	<u>2,174,995</u>
The movements in deferred tax during the year are as follows:		
At 1 April	2,174,995	1,858,132
Charge to the profit and loss account (note 6(a))	(30,568)	316,863
	<u>2,144,427</u>	<u>2,174,995</u>
At 31 March		
The deferred tax asset consists of:		
Tax losses available	<u>2,144,427</u>	<u>2,174,995</u>

Sustainable Communities for Leeds Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (continued)

9 Creditors: amounts falling due within one year

	2017 £	2016 £
Amounts falling due within one year:		
Bond interest (note 10)	4,627,859	-
Subordinated loan (note 10)	1,770,887	-
Trade creditors	293,337	308,672
Retention provision	7,179,790	6,479,413
VAT creditor	141,878	-
Accruals and deferred income	77,355	3,761,038
	14,091,106	10,549,123

9 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Amounts falling due after more than one year:		
Bond from group company (note 10)	95,158,065	99,582,321
Subordinated loan from group company (note 10)	17,903,700	17,502,160
	113,061,765	117,084,481

10 Loans and borrowings

	2017 £	2016 £
Bond	101,833,000	101,833,000
Subordinated loan	19,674,587	17,502,160
	121,507,587	119,335,160
Less: amortised issue costs	(2,047,076)	(2,250,679)
	119,460,511	117,084,481
Maturity of debt:		
Within one year	6,398,746	0
Between one and two years	5,799,079	6,398,746
Between two and five years	20,380,391	19,084,681
In more than five years	88,929,371	93,851,733
	121,507,587	119,335,160
Less: amortised debt issue costs	(2,047,076)	(2,250,679)
	119,460,511	117,084,481

Sustainable Communities for Leeds Limited

Notes forming part of the financial statements for the year ended 31 March 2017 (continued)

10 Loans and borrowings (continued)

Bond at 31 March 2017 totalled £101,833,000 (excluding issue costs) (2016 - £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 (Finance) Plc to Sustainable Communities for Leeds Limited of £12,730,000 (2016 - £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 (2016 - £2,817,518) with £2,047,076 remaining unamortised at 31 March 2017 (2016 - £2,250,679).

11 Financial Instruments

	2017 £	2016 £
Financial Assets		
Financial assets that are measured at amortised cost	116,514,534	117,726,294
Financial Liabilities		
Financial liabilities that are measured at amortised cost	(127,152,871)	(127,633,604)
Interest receivable on financial assets measured at amortised cost	6,318,458	3,842,275
Interest payable on financial liabilities measured at amortised cost	(7,844,524)	(7,593,714)

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 Strategic report.

12 Share capital

	2017 Number	2016 Number	Allotted, called up and fully paid 2017 £	2016 £
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

Sustainable Communities for Leeds Limited

Notes forming part of the financial statements for the year ended 31 March 2017 (continued)

13 Commitments

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 2017 were £13,307,155 (2016 - £60,094,696). The outstanding commitment at 31 March 2017 is £8,771,354 of which £7,179,790 is retention. (2016 - £21,157,475).

	2017 £	2016 £
Within one year	5,166,590	-
Between one and two years	3,604,764	19,379,379
Between two and five years	-	1,778,096
	8,771,354	21,157,475

Under the terms of a Facilities Management 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 2017 were £Nil (2016 - £Nil). The outstanding commitment at 31 March 2017 is £15,579,071 (2016 - £15,579,071).

	2017 £	2016 £
Within one year	69,533	-
Between one and two years	51,283	69,533
Between two and five years	204,468	172,533
In more than five years	15,253,787	15,337,005
	15,579,071	15,579,071

Sustainable Communities for Leeds Limited

Notes forming part of the financial statements for the year ended 31 March 2017 (continued)

14 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 £11,250 (2016 - £15,000). At 31 March 2017 outstanding payment due was £3,750 (2016 - £Nil).

Equitix Housing 2 Limited – of common directorship

During the period, Sustainable Communities for Leeds Limited has:

- Paid Director's fees of £11,250 (2016 - £15,000). At 31 March 2017 outstanding payment due was £3,750 (2016 - £Nil).

Aberdeen Infrastructure Investments (No5) Limited – of common directorship

During the period, Sustainable Communities for Leeds Limited:

- Paid Director's fees of £11,250 (2016 - £15,000). At 31 March 2017 outstanding payment due was £3,750 (2016 - £Nil).

Keepmoat Regeneration (FHM) Limited – of common directorship

During the period, Sustainable Communities for Leeds Limited has:

- Paid Facilities Management costs of £2,145,146 (2016 - £2,083,463). At 31 March 2017 outstanding payment due was £184,608 (2016 - £177,996).
- Paid Building Contract costs of £13,307,155 (2016 - £60,094,696). At 31 March 2017 outstanding payment due was £Nil (2016 - £3,664,607).
- Paid Management Services costs of £294,318 (2016 - £290,104). At 31 March 2017 outstanding payment due was £24,526 (2016 - £24,196).
- Paid office rental costs of £6,253 (2016 - £6,164). At 31 March 2017 outstanding payment due was £521 (2016 - £514).

15 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.

Keepmoat PFI Leeds Limited was sold to Engie Services Holding (UK) Limited on 30 April 2017. This is not expected to have any impact on the performance of the service provider or shareholder.