Company Registration Number: 09102394

Cambridgeshire Housing Capital plc

Report and Financial Statements

For the year ended 31 March 2017

Contents

Statutory information

Company registration number	09102394
Directors	Claire Higgins Michael Heekin David Keeling (resigned 19 October 2016) Donald Bell Edmund Smy Gerard Wright (appointed 13 February 2017)
Secretary	Claire Higgins
Registered Office	c/o Cross Keys Homes Shrewsbury Avenue Peterborough Cambridgeshire PE2 7BZ
Independent Auditor	Grant Thornton UK LLP 101 Cambridge Science Park Milton Road Cambridge CB4 0FY
Bankers	Royal Bank of Scotland plc 1st Floor Conqueror House Vision Park Histon Cambridge CB24 9NL
Solicitors	Trowers & Hamlins LLP 3 Bunhill Row London EC1Y 8YZ

Strategic report

Business review and key performance indicators

The Company was incorporated during 2014 as a subsidiary of Cross Keys Homes Limited. The major purpose of the Company is to support the parent company's objectives. The parent company was established in 2004 and offers social and affordable housing in and around Peterborough together with other tenant related services.

In September 2014 the Company issued a 31 year £150 million bond. The initial issue sold £105 million of the bond. During the year the remaining £45 million retained bond was sold at a premium of £4.3 million. The bond carries an interest rate of 4.25% and is repayable in 2045. On the same day the net proceeds of the bond (less issue costs and the premium on issue) were on lent to Cross Keys Homes Limited.

Given the Company's major objective and strategy is to support the parent company's operation we assess the Company's success by reference to the parent company's performance. In addition to the bond, the remaining debt of the parent company comprised of a mix of fixed, variable, cancellable and interest linked loans totalling £139.4 million. This is in compliance with established treasury management limits, which have been designed to manage the group's exposure to interest rate fluctuations.

The group treasury policy and associated procedures were updated to reflect the new environment as surplus proceeds from the bond were invested with a range of counterparties, including AAA rated Money Market Funds and banks/building societies, for periods ranging from instant access to 12 months, ensuring sufficient liquidity is maintained to meet operational cash flow requirements.

The parent company ended the year with a loan/bond and overdraft arrangements totaling £289.4 million and external cash investments of £51 million. Further details of the loan balances can be found in the group financial statements.

The gearing ratio, calculated as net debt divided by the historic cost of housing properties decreased to 55.2% (2016 – 59.6%). The parent company expects this ratio to increase to a peak of 60% during this next financial year. The group's borrowing arrangements require compliance with a number of financial and non-financial covenants. The group's position is monitored on an on-going basis and reported to the board regularly. Recent reports confirm that the group was in compliance with its loan covenants at the reporting date and throughout the year and that the board expects the parent company and the group to remain compliant in the foreseeable future.

Principal risks and uncertainties

The principal risks facing the Company are:

- the inability to meet its obligations in respect of the Bond Trust Deed; and
- counterparty risk from the parent company.

The risks facing the parent company could also have a material effect on the performance of Cambridgeshire Housing Capital plc. These include:

- welfare reform;
- risk that the operating surplus of the parent company does not perform in line with its business plan; and
- the risk that the loan covenants are breached.

Strategic report (continued)

Management of these risks is controlled by:

- monitoring the operating surplus of the parent company and how it has performed against the business plan;
- review of factors that may impact operating surpluses including Welfare Reform; such factors increase the risk that the cash flow obligations may not be met;
- monitoring the covenants for both actual and anticipated performance.

Financial risk management policies and objectives

The group uses various financial instruments, including loans and cash to raise finance for the group's operations. There are no non-basic financial instruments nor any exposure to exchange rates. The existence of these financial instruments does expose the group to some other financial risks. The risks arising from the group's financial instruments are considered by the directors to be interest rate risk, liquidity risk and credit risk. The parent company board review and agree policies for managing each of these risks and they are summarised below:

Interest rate and inflation risks

The group finances its operations through a mixture of retained surpluses, bank borrowings and capital market bonds. The group's exposure to interest fluctuations on its borrowings is managed by the use of both fixed and variable rate facilities, including interest rate swap instruments. The treasury policy permits fixed rate loans to be within a range of 50%-90% of total loans. The reason for such a large range is to provide flexibility in managing both interest rate and inflation risk together.

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and invest cash assets safely and profitably. At year end the group held cash balances totaling £59m with a current ratio of 4.0 (2016 – 2.2).

Credit risk

The group's principal credit risk relates to tenant arrears. This risk is managed by providing support to eligible tenants with their application for Housing Benefit and closely monitors the arrears of self-funding tenants. Welfare Reform and resulting changes to the benefits system has been identified as a key risk to the group, and a project team assesses the impact of emerging changes.

The Company's exposure to the above risks is considered to be mitigated by the terms of the bond agreement.

Future developments

The Directors do not anticipate any change in the Company's principal activity. No further bond issues are planned in the next twelve months.

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Donald Bell
Chair
19 June 2017

Directors' report

The Directors submit their Report and the audited Financial Statements for the year ended 31 March 2017.

Directors

The directors who served the Company during the year were as follows:

- Claire Higgins
- Michael Heekin
- Donald Bell
- Edmund Smy
- Gerard Wright (appointed 13 February 2017)
- David Keeling (resigned 19 October 2016)

In accordance with the Company's Articles of Association, none of its Directors are required to retire. None of the Directors who held office at the beginning or end of the year had any interest in the shares of the Company.

Distribution of profits

The Directors recommend that a gift aid donation to the parent company will be made following approval of the financial statements. The amount to be paid will be determined at a Board meeting.

Statement of 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

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

Directors' report (continued)

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the parent company's web-site related to this Company. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

To the best of our knowledge:

- the Financial Statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Strategic Report and the Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

Going concern

The Company's business activities, its principal risks and uncertainties and factors likely to affect its future position are set out within the Strategic Report. We consider that there are no events since the financial year-end that have had an important effect on the financial position of the group.

The financial support available to the Company from the parent company gives reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.

Disclosure of information in the strategic report

Information concerning the business review, key performance indicators, principal risks and uncertainties, financial risk management policies and objectives and future developments is included within the Strategic Report.

Auditors

Grant Thornton UK LLP have expressed their willingness to continue in office. Accordingly a resolution in accordance with section 489(4) of the Companies Act 2006 is to be proposed for the re-appointment of Grant Thornton UK LLP.

Signed on behalf of the Board of Directors

claire higgins
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Claire Higgins
Secretary
19 June 2017

Registered in England – No. 9102394

c/o Cross Keys Homes
Shrewsbury Avenue
Peterborough
Cambridgeshire
PE2 7BZ

Corporate governance statement

The Company has a listed security in issue and is required to comply with the applicable sections DTR 7.1 and DTR 7.2 of the Financial Services Authority ("FSA") handbook.

The Company does not comply with the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing on best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the Company and best practice.

The Board and its Directors

The Company is led by a Board of Directors ("Board"). The appointment of the Directors is pursuant to the Articles of Association dated 25 June 2014.

Each Director is of equal standing. Owing to the size and nature of the Company, there is no appointed Chief Executive. There is also no distinction drawn between executive and non-executive Directors.

As the Board all have considerable experience within the Social Housing sector, and also act in various capacities for the Cross Keys Homes Group, the Company does not arrange any formal induction or training for new Directors. This arrangement is reviewed on an on-going basis to consider its appropriateness.

The Directors are covered by the Cross Keys Homes Group's directors' and officers' indemnity insurance policy.

The Board acknowledges that it is collectively responsible for the success of the Company by providing leadership, setting the Company's strategic aims, ensuring that the necessary financial and human resources are in place and reviewing management performance.

In order to discharge these responsibilities, the Directors have met three times during the year covered by these financial statements. The table below indicates the number of meetings held and the number of meetings attended by each Director.

Number of meetings held in year	3
Claire Higgins	3
Donald Bell	2
Michael Heekin	3
Edmund Smy	3
Gerard Wright (from 13 February 2017)	1
David Keeling (to 19 October 2016)	2

All Directors receive appropriate and timely information and briefing papers in advance of the Board Meetings. Day to day management of the Company is delegated to the Cross Keys Homes Limited's directors' team under Group Standing Orders arrangements.

Corporate governance statement (continued)

The Board and its Directors (continued)

Appointments to the Board are made in line with the Articles of Association. The parent company, Cross Keys Homes Limited has a Performance and Governance committee that provides oversight for the entire Cross Keys Homes Group of companies which includes Cambridgeshire Housing Capital plc. The Company does not have a separate and dedicated Nominations and Remuneration committee as the size and nature of the Company does not warrant a dedicated committee but relies on the Group Performance & Governance committee for this function.

The Board does not undertake a formal annual evaluation of its performance and that of its Directors and there is no formal policy on re-election of Directors. The Directors, however, ensure that the Board is structured in such a way that each member of the Board is able to bring different experiences and skills to the operation of the Company and encourages and supports each Director to regularly update and refresh their skills and knowledge.

Internal control and risk management systems

The Board has established processes for identifying, evaluating and managing the significant risks the Company faces. The Board regularly reviews these processes, which have been in place from the commencement of trading to the date of approval of this report. The risks are also reviewed quarterly during the Cross Keys Homes Group Audit and Risk Committee meetings.

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board's monitoring covers all controls, including financial, operational and compliance controls and risk management to ensure it meets the minimum requirements of DTR 7.1.3. It is based principally on reviewing financial and operational reports from management to consider whether significant risks are identified, evaluated, managed and controlled and whether any significant weaknesses are promptly remedied or indicate a need for more extensive monitoring.

As part of the requirements of DTR 7.1.3 the Board specifically monitors the financial reporting process and the statutory audit of the annual accounts through reports provided by management. Furthermore, the Board reviews and monitors the independence of the statutory auditor and considers the relationship with Cross Keys Homes Limited as part of its assessment. This is monitored as part the Cross Keys Homes Group Board meetings which consider the relationship with the statutory auditor and all group subsidiaries.

The Board members regularly review whether the existing internal controls to monitor the requirements of DTR 7.1.3 are sufficient and take appropriate action as necessary.

The Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant during the course of its review of the systems of internal control.

The Board considers the existing internal controls to be sufficient and in view of the small number of transactions does not consider there to be a requirement for a specific Cambridgeshire Housing Capital plc internal audit function. The requirement for a dedicated internal audit function is considered annually.

Independent auditor's report to the members of Cambridgeshire Housing Capital plc

We have audited the financial statements of Cambridgeshire Housing Capital plc for the year ended 31 March 2017 which comprises the statement of income and retained earnings, 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 5-6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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 profit 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on pages 7 to 8 with respect to internal control and risk management systems in relation to financial reporting processes is consistent with the financial statements.

Independent auditor's report to the members of Cambridgeshire Housing Capital plc
(continued)

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in:

- the strategic report and the directors' report; or
- the information given in the Corporate Governance Statement about internal control and risk management systems in relation to financial reporting processes

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.

David Newstead
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David Newstead
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge

Date: 4 July 2017

Statement of income and retained earnings for the year ended 31 March 2017

	Notes	2017	2016
		£000	£000
Turnover		-	-
Operating profit		-	-
Interest receivable and similar income	6	6,137	4,547
Interest payable and similar charges	7	(6,013)	(4,547)
Profit on ordinary activities before taxation		124	-
Taxation	8	(25)	-
Profit after taxation		99	-
Retained earnings at the beginning of the year		-	-
Profit for the year		99	-
Retained earnings at the end of the year		99	-

The above relates wholly to continuing operations.

There is no difference between the result on ordinary activities before taxation and the result for the year stated above and their historic cost equivalent.

There were no items of other comprehensive income in either the current or previous year.

The notes on pages 13 to 18 form part of these financial statements.

Statement of financial position as at 31 March 2017

	Notes	2017	2016
		£000	£000
Fixed asset investment	9	148,289	103,229
Current assets			
Debtors – amount falling due within one year	10	297	208
Cash at bank		4,306	12
		4,603	220
Creditors – amounts falling due within one year	11	(322)	(208)
Net current assets		4,281	12
Total assets less current liabilities		152,570	103,241
Creditors – amounts falling due after more than one year	12	(152,459)	(103,229)
Net assets		111	12
Capital and reserves			
Called-up share capital	13	12	12
Retained earnings	15	99	-
Shareholders' funds		111	12

These financial statements were approved and authorised by the Directors for issue on 19 June 2017.

Signed on behalf of the Board of Directors

ClaireHiggins
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Claire Higgins
Director

Company Registration Number: 09102394

The notes on pages 13 to 18 form part of these financial statements.

Notes to the Financial Statements

1. Statutory information

Cambridgeshire Housing Capital plc is a public company, limited by shares and registered in England and Wales (no. 09102394). The Company's registered office is c/o Cross Keys Homes, Shrewsbury Avenue, Peterborough, PE2 7BZ.

2. Statement of compliance

The financial statements have been prepared in accordance with the provisions of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

3. Accounting policies

3.1 Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006.

The financial statements are presented in Sterling, the functional currency of the entity, rounded to the nearest thousand.

3.2 Going concern

The directors have assessed the ability of the Company to continue to operate as a going concern based on the Company being a non-trading holding Company, which has the continuing support of its parent undertaking.

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

3.3 Disclosure exemptions

The Company is a qualifying entity for the purposes of FRS 102 as it is a member of a group that prepares publically-available consolidated financial statements, and this Company's results are included in the consolidation.

The following disclosure exemptions have been adopted in accordance with the exemptions detailed in paragraph 1.12 of FRS 102:

a) The requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the year
b) The requirement to present a statement of cash flows
c) Financial instruments disclosures, including categories of financial instruments and exposure to and management of financial risks

In addition, details of transactions between wholly-owned subsidiaries are not included, as per the disclosure exemption provided by paragraph 33.1A.

Notes to the financial statements (continued)

3. Accounting policies (continued)

3.4 Interest receivable and similar income

Interest receivable is recognised as interest accrues, using the effective interest method (that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

3.5 Taxation

The current tax charge is based on the results for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantially enacted by the reporting date. Current tax is recognised in the Statement of income and retained earnings for the year.

3.6 Investments

Investments are measured at cost less accumulated impairment.

3.7 Financial instruments – initial recognition

Loans and other financial instruments are recorded in the Statement of financial position at the amount of the gross proceeds, less the initial cost of raising the finance which is amortised over the period of the loan using the effective interest rate.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

Issue costs and discounts/premiums on the issue of the bond are recognised in profit or loss over the life of the bond.

3.8 Financial assets

Financial assets classed by the Company as loans and receivables include fixed asset investments and cash.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured subsequent to initial recognition at amortised cost, discounted at a rate equal to the original effective rate, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the statement of income and retained earnings.

Provision against financial assets is made when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective rate. An assessment for impairment is undertaken at least at each reporting date.

Notes to the financial statements (continued)

3. Accounting policies (continued)

3.9 Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are measured subsequent to initial recognition at amortised cost using discount of the original effective rate, with interest-related charges recognised as an expense in finance cost in the Statement of income and retained earnings. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to the Statement of income and retained earnings on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

Financial liabilities are de-recognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

4. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- The ability of Cross Keys Homes Limited to make interest payments or principal payments when they fall due. This is mitigated through a secure loan agreement backed by assets owned by Cross Keys Homes Limited. This is also backed by a long term business plan with a positive trajectory.
- The bond and the intercompany debtor are classified as basic financial instruments. This is following a review of the details and terms of the bond issue and the on-lending agreement. No terms have been identified which would cause the bond and intercompany debtor to fail the basic classification criteria according to section 11 of FRS 102.

5. Operating profit

None of the Directors received any remuneration as Directors from the Company during the year. The Company has no directly employed personnel.

Audit fees of £10,000 (plus VAT) and other administrative expenses are borne by Cross Keys Homes Limited, the ultimate parent undertaking.

6. Interest receivable and similar income

	2017 £000	2016 £000
Interest on fixed asset investments	6,059	4,487
Unwinding of discounts on NPV	60	60
Bank deposit interest receivable	18	-
	6,137	4,547

Notes to the financial statements (continued)

6. Interest receivable and similar income (continued)

Under the terms of the Bond Loan Agreement the parent company is required to reimburse the Company all expenditure incurred in the respect of the Bond issue. Immediately after the issuance of the Bond the Company immediately on-lent the proceeds to the parent company which gave rise to interest receivable during the year; the terms of the on-lending agreement mirror the bond terms.

7. Interest payable and similar charges

	2017 £000	2016 £000
Bond interest payable	6,059	4,481
Unwinding of discounts on NPV	(62)	60
Interest payable to group undertakings	16	-
Bank fees	-	6
	6,013	4,547

8. Taxation

	2017 £000	2016 £000
Current tax		
UK current tax expense	25	-

The tax assessed for the year is based on the standard rate of corporation tax in the UK of 20% (2016 - 20%):

	2017 £000	2016 £000
Profit on ordinary activities before tax	124	-
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 20% (2016 – 20%)	25	-
Total tax charge for the year	25	-

Whilst a corporation tax charge has been included in these financial statements, the Company will make a gift aid distribution from its available profits to the parent company within nine months of the year end. This will have the effect of reducing the corporation tax payable to nil.

Notes to the financial statements (continued)

9. Fixed asset investments

	2017 £000	2016 £000
As at 1 April 2016	103,229	103,169
Additions	45,000	-
Unwinding of discount	60	60
As at 31 March 2017	148,289	103,229

On June 1, 2016, the Company issued the second tranche of a fixed rate secured bond, denominated in Sterling and maturing 14 September 2045, paying a fixed coupon bi-annually of 4.25%. The proceeds of this bond were immediately re-lent to the parent company.

The loan to the parent company is considered to be a fixed asset investment as it is intended for use on a continuing basis in the Company's activities. The Directors consider such loans to be held for the long term over the life of the related debt.

The brought forward investment is discounted to take account of transaction costs and discount on issue relating to an earlier bond issue that were passed on to the parent company; there is no discounting in relation to the new bond as the costs of the issue and the premium received remained vested in the Company.

The amounts stated above are all due in more than one year. The total amount repayable on maturity is £150,000,000.

10. Debtors – amount falling due within one year

	2017 £000	2016 £000
Prepayments and accrued income	297	208

11. Creditors – amount falling due within one year

	2017 £000	2016 £000
Corporation tax	25	-
Accrued expenses	297	208
	322	208

12. Creditors – amounts falling due after more than one year

	2017 £000	2016 £000
Fixed rate bonds	152,459	103,229

During the year the Company issued the second tranche of a fixed rate secured bond denominated in Sterling and maturing 14 September 2045, paying a fixed coupon bi-annually of 4.25%. A premium of £4.3m was received in addition to the £45m bonds issued.

Security has been given on amounts due to the Bond investors amounting to £150,000,000. The nature of this security is Cross Keys Homes Limited's housing stock.

Notes to the financial statements (continued)

12. Creditors – amounts falling due after more than one year (continued)

The repayment profile of the bonds is as follows:

	On demand £000	Less than 12 months £000	1 to 5 years £000	More than 5 years £000	2017 Total £000
Amounts due to the Bond investors	-	6,375	25,500	299,813	**331,688**

Amounts due to the Bond Investors reflects the gross payments (including interest) due on the £150,000,000 bonds that have been issued to external investors.

13. Called up share capital

	2017 £000	2016 £000
Authorised		
50,000 shares of £1 each	50	50
Allocated issued and partly paid		
50,000 shares of £1 each 25p paid	12	12

Upon incorporation the Company issued 50,000 shares of which 25p was paid to provide working capital to establish the business.

All shares rank pari passu in all regards.

14. Reserves

Retained earnings - includes all current and prior period retained profit and losses.

15. Reconciliation of movement in shareholders' funds

	2017 £000	2016 £000
Opening shareholders' funds	12	12
Results for the year	99	-
Closing shareholders' funds	111	12

16. Related party transactions

In accordance with paragraph 33.1A of FRS 102, no related party transactions are disclosed as all such transactions were between wholly-owned subsidiaries of the Group.

17. Ultimate parent undertaking

Cambridgeshire Housing Capital plc is a wholly-owned subsidiary of Cross Keys Homes Limited, which is the ultimate parent and ultimate controlling entity. Cross Keys Homes Limited is the smallest and largest entity in the group that produces consolidated financial statements. Consolidated financial statements of Cross Keys Homes Limited can be obtained from the Company Secretary at Cross Keys Homes, Shrewsbury Avenue, Peterborough, PE2 7BZ.