

**Annual report and financial
statements for the year ended
31 March 2017**

Aster Treasury Plc

Aster Treasury Plc

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Aster Treasury Plc

Legal and administrative details

Registered office	Sarsen Court, Horton Avenue, Cannings Hill, Devizes, Wiltshire, SN10 2AZ
Legal status:	<p>Aster Treasury Plc ("the company") is incorporated in England, United Kingdom under the Companies Act 2006 as a public limited company, limited by shares.</p> <p>Company registration number 8749672.</p> <p>Aster Treasury Plc is a subsidiary of Aster Group Limited and a member of the Aster Group ("the group").</p>
Members of the board:	<p>The directors of the company who were in office during the year and up to the date of signing the financial statements, unless otherwise indicated, are set out below:</p> <p>John Brace Chairman Bjorn Howard Chris Benn Paul Morgan</p>
Company Secretary:	Andrew Palmer
Independent Auditors:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 3 Forbury Place 23 Forbury Road Reading RG1 3JH
Principal Bankers:	Bank of New York Mellon, London Branch One Canada Square London E14 5AL
Principal Solicitors	Trowers and Hamblins Sceptre Court 40 Tower Hill London EC3N 4DX
Financial Advisers:	J.C. Rathbone Associates Limited 12 St. James Square London SW1Y 4LB

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Strategic Report

Activities and performance

The company's principal activity is to raise external debt to finance the growth and development activities of the group and its subsidiaries. For the year ended 31 March 2017 no additional debt was raised and the company's only activities were the payment of interest on its current debt and the receipt of interest on its on-lending to Aster Communities and Synergy Housing Limited.

Aster Treasury Plc is a subsidiary of the Aster Group Limited and has authorised and issued share capital of 50,000 ordinary £1 shares.

On 18 December 2013, the company successfully issued £200 million guaranteed fixed rate secured bonds, secured on charged properties. The bonds are denominated in Sterling and mature on 18 December 2043 at a fixed coupon rate at 4.5% payable half-yearly in arrears. The bonds are listed on the London Stock Exchange. Also on 18 December 2013, the company deferred the issue of a further £50 million 4.5% guaranteed fixed rate secure bonds. The deferred bonds were later issued in the year ended 31 March 2015. In summary the bonds were issued as follows:

Issue date	Nominal value £000	Fixed rate £000	Effective rate* £000
18 December 2013	200,000	4.5%	4.7%
31 October 2014	17,000	4.5%	4.3%
11 March 2015	33,000	4.5%	3.8%
	<u>250,000</u>	<u>4.5%</u>	<u>4.6%</u>

* The effective interest rate includes the issue costs incurred.

The proceeds were loaned to Aster Communities and Synergy Housing Limited, subsidiaries of Aster Group Limited. Aster Group Limited guarantees the timely payment of principal and interest by the company.

Under the terms of the bond loan agreements, Aster Communities and Synergy Housing Limited are required to reimburse the company for all expenditure incurred in respect of the bond.

The main risk to the company is the non-timely payment of interest and principal to investors under the bond documentation. Interest and principal received is mainly derived from interest, commitment fee and principal payments from Aster Communities and Synergy Housing Limited. The group monitors Aster Communities and Synergy Housing Limited to ensure they have sufficient cash to meet the timely payment of interest and principal.

Given the nature of the company, the directors are of the opinion that no additional key performance indicators are necessary to understand the development, performance and position of the company. As the company provides lending to other members of the group, its performance is dependent on that of the group. The group's key performance indicators are outlined in the group's consolidated financial statements.

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Strategic Report (continued)

Activities and performance (continued)

The principal assets and liabilities of the company represent the proceeds of bonds of £250.4 million, matched by the on-lending to Aster Communities and Synergy Housing Limited. Accrued interest payable of £3.2 million (2016: £3.2 million) is matched by accrued interest receivable from those subsidiaries.

The company does not have any business or activities other than those incidental to the financing of the group.

The directors do not anticipate any significant changes in the company's activities in the foreseeable future.

Analysis of employees

There are no direct employees of the company. The board directors are listed on page 1.

Directors' remuneration

None of the directors received remuneration from the company. Full details for the Aster Group's directors and executive management team are disclosed in the directors' remuneration report included in the Aster Group's consolidated financial statements.

The Strategic Report was approved by the board and signed by on its behalf by:

Chris Benn

Director

Date: 8 August 2017

Aster Treasury Plc

Directors' Report

The directors submit their Report and audited financial statements for the year ended 31 March 2017.

Aster Treasury Plc's company number is 8749672.

Directors

The directors, who served during the year and up to the date of signing the financial statements are listed on page 1. None of the directors held, at any time during the year, any beneficial interest in the shares of the company.

Directors' indemnities

Aster Treasury Plc is a member of the Aster Group which has made qualifying third party indemnity provisions for the benefits of its directors and officers (which extend to the performance of any duties as a director or officer of an associated company or subsidiary). The provisions have been in place throughout the year and remain in force at the date of this report.

Results and dividends

The result for the financial year to 31 March 2017 was £nil (2016: profit of £4,000). The directors do not recommend the payment of a dividend.

Brexit

The British Government has triggered Article 50 which starts the process of Britain leaving the EU. The exact outcome and consequences of this decision remain unknown. The company's principal risks are explained below and Brexit could potentially trigger some or all of these risks.

Financial risk management

The group's treasury function is responsible for the management of funds and the control of the associated risks. Its activities are governed by the group's Treasury Committee which is responsible for the treasury issues of all group legal entities and reports to the group Board. The following financial risks have been identified:

a) Interest rate risk

The company has no exposure to interest rate risk as all amounts owed to external bond holders are at a fixed rate of interest; as is the interest receivable due from fellow group companies on amounts on-lent to them.

b) Liquidity risk

Liquidity risk is the risk that the company might be unable to meet its interest payment obligations to bond holders. The company is dependent on the receipt of interest from the fellow group companies who were on-lent the bond proceeds. The directors consider the liquidity risk to be very low given the fellow group companies are Registered Providers of housing, have a good cash generative ability and a strong asset base. Liquidity risk is mitigated by the monitoring of the cash held by Aster Communities and Synergy Housing Limited to ensure they sufficient cash to meet the timely payments of interest and principal.

c) Credit risk

In December 2043 the company is dependent on the repayment of the original principal amount of funds on-lent to fellow group undertakings in order to meet its contractual obligations under the bond agreement. The funds on-lent are secured by fixed charges over the assets of the relevant subsidiary. In addition, and as explained above, the fellow group companies are Registered Providers of housing, have a good cash generative ability and a strong asset base.

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Directors' Report (continued)

Risk Management and Internal Control

The board is ultimately responsible for maintaining sound risk management and internal control systems (including financial controls, controls in respect of the financial reporting process and controls of an operational and compliance nature).

Aster Group's internal control systems are on a group-wide basis and the review of their effectiveness (including of the application of the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the FRC in September 2014 – FRC Guidance) is implemented and reported from a group-wide perspective, covering the group and its subsidiaries. The risk management systems and internal control systems are designed to meet the group's needs and to manage the risks to which it is exposed, including the risks of failure to achieve business objectives and of material misstatement or loss. However, such risks cannot be eliminated. Systems can only provide reasonable, but not absolute, assurance. They can never completely protect against such factors as unforeseeable events, human fallibility or fraud.

The board confirms that there is an on-going process in place (established in accordance with the FRC Guidance) for identifying, evaluating and managing the principal risks faced by the group. This process is regularly reviewed by the group's executive board, the group's Risk and Compliance Committee and the group's Audit Committee as appropriate and has been in place during the year and up to the date of approval of this annual report.

Future plans of the business

The directors are considering expanding the original warranties to include Aster Group Limited, but have not come yet to a final decision. There are no firm plans to change or expand the business activities.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future given its expected cash flows. For this reason, it continues to adopt the going concern basis in the financial statements.

Reduced reporting disclosures

Section 1.12 of FRS 102 allows subsidiaries to opt out of making some disclosures in its financial statements and not to report the following:

- a) A reconciliation between the opening and closing shares in issue as described in paragraph 4.12(a)(iv) of FRS 102;
- b) A Statement of Cash Flows as outlined in section 7 of FRS 102;
- c) The detailed disclosures of financial instruments, carrying values, terms and conditions and hedging relationships outlined in paragraph 11.41, 11.42, 11.44, 11.45, 11.48, 12.27, 12.29 and 12.29A of FRS 102;
- d) The requirement to disclose key management personnel compensation outlined in paragraph 33.7 of FRS 102.

Aster Treasury Plc has taken advantage of some of these exemptions this year as set out in note 2. A full set of disclosures are included in the group's consolidated financial statements.

Independent Auditors

PricewaterhouseCoopers LLP (PwC) have been the group's external auditors since December 2005. The external audit was most recently tendered in September 2012 where PwC were successful in retaining the external audit for a further five years. PwC have now reached the end of this contracted period and as such, and in line with best practice, the Audit Committee and Directors plan to tender the external audit in the autumn with the successful firm's first audit being for the group's 31 March 2018 year end.

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Directors' Report (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- 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.

Attendance at board meetings

Set out below is a table of attendance at board meetings:

Aster Treasury Plc	Total	Possible	%
John Brace	1	1	100%
Bjorn Howard	1	1	100%
Chris Benn	1	1	100%
Paul Morgan	1	1	100%

This report complies with the relevant Financial Conduct Authority and Disclosure guidance and Transparency Rules requirements.

The Report of the Directors was approved by the board and signed on its behalf by:

Chris Benn

Director

Date: 8 August 2017

Aster Treasury Plc

Independent Auditors' report to the members of Aster Treasury Plc

Report on the financial statements

Our opinion

In our opinion, Aster Treasury Plc's financial statements (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 result for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 March 2017;
- the Statement of Income and Retained Earnings for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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 Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

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Independent Auditors' report to the members of Aster Treasury Plc (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement Of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

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

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

John Maitland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
August 2017

Aster Treasury Plc

Statement of Income and Retained Earnings

for the year ended 31 March 2017

	Note	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Turnover		-	-
Other operating expenses		-	-
Operating result	4	-	-
Interest receivable and similar income	5	11,230	11,230
Interest payable and similar expenses	6	(11,230)	(11,230)
Result before tax		-	-
Tax on result	8	-	4
Result/profit for the financial year		-	4
Profit and loss account as at 1 April		-	15
Total result/profit for the financial year		-	4
Gift aid paid relating to previous year	9	-	(19)
Profit and loss account as at 31 March		-	-

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Statement of Financial Position

as at 31 March 2017

	Note	2017 £000	2016 £000
Current assets			
Debtors: amounts falling due after more than one year	10	250,365	250,384
Debtors: amounts falling due within one year	10	3,183	3,183
Cash at bank and in hand	11	24	24
		<u>253,572</u>	<u>253,591</u>
Creditors amounts falling due within one year	12	(3,183)	(3,183)
		<u>250,389</u>	<u>250,408</u>
Net current assets			
		250,389	250,408
Creditors: amounts falling due after more than one year	12	(250,339)	(250,358)
		<u>50</u>	<u>50</u>
Net assets			
		50	50
Capital and reserves			
Called up share capital	15	50	50
Profit and loss account		-	-
		<u>50</u>	<u>50</u>
Total equity			
		<u>50</u>	<u>50</u>

The financial statements on pages 9 to 19 were approved for issue by the board of directors on 8 August 2017 and signed on its behalf by:

Chris Benn
Director

Date: 8 August 2017

Company number 8749672

Notes to the Financial Statements for the year ended 31 March 2017

1 Statement of compliance

The company is incorporated under the Companies Act 2006 as a public limited company. The financial statements have been prepared in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102).

2 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention. The principal accounting policies, have been applied consistently throughout the periods presented.

Presentation

Aster Treasury Plc has elected not to produce a Statement of Cash Flows, disclosures relating to transactions with related parties and disclosure relating to key management compensation in line with exemptions available within FRS 102 and the Companies Act 2006.

These disclosures are included in the group's consolidated financial statements.

The company has not given a disclosure of segmental analysis of turnover as the directors believe this information is not very relevant and individual company level and would be more useful at a group level. A segmental analysis of group's turnover can be seen in the group's consolidated financial statements.

Interest receivable and payable

Interest is recognised on an accruals basis, using the effective interest rate method recognised in the Statement of Income and Retained Earnings over the life of the financial instrument.

Gift aid

The commercial companies within the group can donate any excess profits in the form of gift aid to charitable group members. These donations can only be made if the commercial company has distributable reserves for the financial year in question. Gift aid is recognised where irreversible board resolutions have been made or where cash has been paid.

Taxation

The company is liable to taxation on its profit on ordinary activities. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred taxation

Deferred taxation is provided in accordance with Section 29 of FRS 102 'Income Tax'. It is recognised in respect of all timing differences at the reporting date where transactions or events have occurred at that date that will result in an either an obligation to pay more tax in the future or a right to pay less tax in the future.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the reporting date.

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Notes to the Financial Statements for the year ended 31 March 2017 (continued)

2 Accounting policies continued

Non-utilisation fee

The bond loan agreement contains a provision for the company to recover a non-utilisation fee, from Aster Communities and Synergy Housing Limited, that reflects the difference on the coupon payable to bond investors less interest receivable from amounts on-lent to Aster Communities and Synergy Housing Limited and any investment income accrued.

Financial Instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument. The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and section 12 'Other Financial Instruments Issues' along with reduced disclosures under exemptions available.

Financial assets

- Loans advanced to other members of the group are classified as loans and receivables under section 11 of FRS 102 'Basic Financial Instruments' and are held at amortised cost using the effective interest rate method to allocate cost of issue (including the discount on issue). The loans advanced are included as long term debtors on the company's statement of financial position.
- Accrued interest receivable on loans advanced to the other members of the group is also classified as loans and receivables and held at amortised cost with debtors due within one year.

Financial liabilities

- Bonds are classified as other financial liabilities under section 11 of FRS 102 and held at amortised cost using

3 Critical accounting judgements and estimation uncertainty

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.

Critical judgements in applying the company's accounting policies

Recognition of a deferred tax asset

The recognition of deferred tax assets is based upon whether it is expected that sufficient taxable profits will be available in the future, to allow the reversal of temporary timing differences. Management must make judgements regarding the future financial performance of the company. Only if they judge the forecast financial performance to be suitable will a deferred tax asset be recognised.

Aster Treasury Plc

Notes to the Financial Statements for the year ended 31 March 2017 (continued)

4 Operating result

Fees in respect of services provided by the auditors for the statutory audit were paid on behalf of the company by Aster Group Limited, the parent company, and amounted to £9,652 (2016: £7,260). There were no fees payable to the auditors in respect of non-audit services.

5 Interest receivable and similar income

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Interest receivable and other income from fellow group companies	<u>11,230</u>	<u>11,230</u>

Under the terms of the bond loan agreements Aster Communities and Synergy Housing Limited are required to reimburse the company for all expenditure incurred in respect of the bond.

6 Interest payable and similar expenses

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Interest due on bond finance	11,196	11,196
Amortisation of issue costs	34	34
	<u>11,230</u>	<u>11,230</u>

7 Directors and employees

The company did not employ any staff during the year other than directors.

None of the directors received any remuneration during the financial year in respect of their services as directors of the company.

The headcount and the employee cost disclosure is included in the financial statements of the Companies that directly employ them. Refer to the consolidated group financial statements for the full head count and staff cost for the group as a whole.

Aster Treasury Plc

Notes to the Financial Statements for the year ended 31 March 2017 (continued)

8 Tax on result

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
(a) Tax income / expense included in profit or loss		
The tax credit on the result was as follows:		
Current tax		
UK corporation tax expense	-	-
Over provision in previous years	-	(4)
Total current tax	<u>-</u>	<u>(4)</u>

The tax assessed for the year is the same as (year ended 31 March 2016: differs from) the standard rate of corporation tax in the UK as explained below.

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
(b) Factors affecting tax credit for the year		
Result before taxation	<u>-</u>	<u>-</u>
Result before taxation multiplied by standard rate of Corporation Tax in the UK of 20% (2016: 20%)	-	-
Prior year adjustment relating to over provision	-	(4)
	<u>-</u>	<u>(4)</u>

(c) Tax rate changes

The Finance Act 2015 was substantively enacted on 26 October 2015 and reduced the main rate of corporation tax to 19% with effect from 1 April 2017. The Finance Act 2016 was substantively enacted on 15 September 2016 and reduced the main rate of corporation tax to 17% from 1 April 2020.

9 Gift aid relating to previous year

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Gift aid paid to parent:	<u>-</u>	<u>19</u>

Aster Treasury Plc

Notes to the Financial Statements for the year ended 31 March 2017 (continued)

10 Debtors

	2017 £000	2016 £000
Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>250,365</u>	<u>250,384</u>
Amounts falling due within one year		
Prepayments and accrued income owed by group undertakings	<u>3,183</u>	<u>3,183</u>

Amounts owed by group undertakings represent transactions with companies within the group, with which the company has a long term financing relationship. These financing relationships are expected to continue for the foreseeable future.

As the loans have been made to fellow group undertakings, which have sufficient net assets and facilities in place to meet their obligations to the company as they fall due, the directors consider the credit risk to be low and no provision is made against amounts due.

Amounts owed by group undertakings are carried at amortised cost and secured on certain housing property assets. The amounts are non-instalment debts.

11 Cash at bank and in hand

	2017 £000	2016 £000
Cash at bank and in hand	<u>24</u>	<u>24</u>

12 Creditors

	Note	2017 £000	2016 £000
Amounts falling due within one year			
Accruals and deferred income		<u>3,183</u>	<u>3,183</u>
Amounts falling due after more than one year			
External borrowings	13	<u>250,339</u>	<u>250,358</u>

Aster Treasury Plc

Notes to the Financial Statements for the year ended 31 March 2017 (continued)

13 External Borrowings

	2017 £000	2016 £000
Amounts falling due after more than one year:		
Amounts owed to bond holders	250,000	250,000
Less unamortised cost of issue	(1,858)	(1,892)
Less unamortised discount on issue	(2,930)	(2,986)
Plus unamortised premium on issue	5,127	5,236
	<u>250,339</u>	<u>250,358</u>

On 18 December 2013, the company issued £200 million 4.5% guaranteed fixed rate secure bonds due to mature on 18 December 2043. Also on 18 December 2013 the company deferred the issue of a further £50 million 4.5% guaranteed fixed rate secure bonds and issued these in two further tranches on 31 October 2014 and 11 March 2015. The amount raised from the issue of each tranche of bonds is as follows:

Issue date	Nominal value £000	Discount on issue £000	Premium on issue £000	Proceeds £000	Fixed rate	Effective rate*
18 December 2013	200,000	(3,108)	-	196,892	4.5%	4.7%
31 October 2014	17,000	-	855	17,855	4.5%	4.3%
11 March 2015	33,000	-	4,521	37,521	4.5%	3.8%
	<u>250,000</u>	<u>(3,108)</u>	<u>5,376</u>	<u>252,268</u>	<u>4.5%</u>	<u>4.6%</u>

* The effective interest rate includes the issue costs incurred.

The proceeds of £252.3 million, less costs of £2.0 million associated with the issue, were loaned to fellow group undertakings at an interest rate of 4.5%.

Amounts due to bond holders are secured on certain housing property assets owned by those group undertakings to which proceeds have been lent.

Aster Treasury Plc

Notes to the Financial Statements for the year ended 31 March 2017 (continued)

14 Financial Instruments

The company's financial instruments comprise borrowings and loans receivable. The sole purpose of these financial instruments is to finance the growth and development activities of Aster Group Limited and its subsidiaries.

The company does not actively engage in the trading of financial assets for speculative purposes. The main risk to the company arising from its financial instruments is credit risk, which is addressed on page 4 and in note 10.

The financial assets and liabilities have fixed interest rates, which result in interest receivable matching interest payable. As such the company has managed its interest rate risk (see page 4). In addition, as the underlying instruments are denominated in sterling, they carry no foreign exchange risk. The company's finances are managed actively in conjunction with the activities of the group, to ensure that sufficient funds are available to meet liabilities as they fall due which, together with the credit facility and guarantees over certain assets of subsidiary undertakings, mitigate any liquidity risk that the company may face (see page 4).

Interest rate risk profile of financial assets and liabilities

The interest rate risk profile of the financial assets at 31 March 2017 was as follows:

	2017	2016
	£000	£000
Fixed rate financial assets (£250 million dated subordinate loans)	<u>250,000</u>	<u>250,000</u>

	2017		2016	
	Fixed interest rate	Period for which rate is fixed	Fixed interest rate	Period for which rate is fixed
	%	Years	%	Years
At 31 March				
£250 million dated subordinate loans	<u>4.50</u>	<u>26.7</u>	<u>4.50</u>	<u>27.7</u>

Aster Treasury Plc

Notes to the Financial Statements for the year ended 31 March 2017 (continued)

14 Financial Instruments (continued)

Interest rate risk profile of financial assets and liabilities (continued)

The interest rate risk profile of the financial liabilities at 31 March 2017 was as follows:

	2017	2016
	£000	£000
Fixed rate financial liabilities (£250 million 4.50% guaranteed fixed rate secure bonds)	<u>250,000</u>	<u>250,000</u>

	2017		2016	
	Fixed interest rate	Period for which rate is fixed	Fixed interest rate	Period for which rate is fixed
	%	Years	%	Years
At 31 March				
£250 million 4.50% guaranteed fixed rate secure bonds	<u>4.50</u>	<u>26.7</u>	<u>4.50</u>	<u>27.7</u>

Maturity analysis of financial liabilities

The maturity of funding is managed in conjunction with the profile of the entire group. The group's objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings. The company's external debt matures in 26.7 years (2016: 27.7 years).

The maturity profile of the financial liabilities, based on expected maturity date, at 31 March 2017 was as follows:

	2017	2016
	£000	£000
In less than one year	-	-
In one to five years	-	-
In more than five years	<u>250,000</u>	<u>250,000</u>
	<u>250,000</u>	<u>250,000</u>

Aster Treasury Plc

Notes to the Financial Statements for the year ended 31 March 2017 (continued)

15 Called up share capital

	2017	2016
	£000	£000
50,000 (2016: 50,000) ordinary shares allotted, issued and fully paid of £1 each		
1 April 2016 and 31 March 2017	<u>50</u>	<u>50</u>

The 50,000 ordinary shares issued to Aster Group Limited, the ultimate parent company, are fully paid. The shares provide a right to vote at general meetings.

16 Related party transactions

The company receives management and other services from its holding company, Aster Group Limited. The company has taken advantage of the exemptions allowed under FRS 102 section 33.1A 'Related Party Disclosures' not to disclose related party transactions within the group. This exemption is allowed to wholly owned subsidiaries (directly or indirectly) of parent companies where the financial statements of the parent company are publicly available.

17 Status

Aster Treasury Plc is a wholly owned subsidiary of Aster Group Limited, the immediate and ultimate parent company and controlling party, and whose consolidated financial statements may be obtained from the following address:

Sarsen Court, Horton Avenue, Cannings Hill, Devizes, Wiltshire, SN10 2AZ.

Aster Group Limited is the only group company to consolidate the company's financial statements.