Touchstone Corporate Property Services Limited

Annual report and financial statements

*For the year ending 31 March 2023*

Registered number 04695692

## CONTENTS

**Strategic report**

The directors present their strategic report on the company for the year ending 31 March 2023.

**Principal activity**

Touchstone Corporate Property Services Limited (the Company) has continued to provide residential property management services during the year. There are no plans to change the nature of trade in the foreseeable future.

**Results for the year and Dividends**

The Company generated a profit before tax for the year of £950,106 (2022: £571,080).

During the year, the directors declared and paid a dividend of £700,000 (2022: £500,000).

**Review of the business**

We deliver management services to the Private Rented Sector (PRS) and, increasingly to the institutional backed For-profit Registered Provider (FPRP) sector. We manage over 18,000 homes across the length and breadth of the UK. We operate across a wide range of services and subsectors within the PRS, from Build to Rent (BTR) to LPA Receivership, Shared Ownership and Retirement, with a growing focus on mixed-tenure management to compliment our BTR and Market-let rentals operations.

After the brief post-pandemic period of calm, our sector is now undergoing pressures linked to the rise in interest rates and fuel costs and the general challenges linked to the cost of living. However, this has not had the effect of dampening demand in the sector as institutional money continues to see the sector as very much at the safer end of the real estate investment spectrum. This is particularly true for those looking to invest in affordable homes, with interest driven by a combination of the perception of stable long-term returns and the delivery of social value, the latter being very much a part of wider ESG strategies. Post pandemic work patterns are being entrenched and this also continues to fuel interest in the Single-family Homes sector, an area of activity where we have operated for over 30 years. Future challenges to the sector will come from some nervousness around an eventual Rental Reform Bill and an ongoing difficult financial climate, but both of these factors are likely to ultimately prove a support for the institutionally-backed PRS as demand remains high and available stock fails to match needs.

Growth areas over the last 12 months have been in Affordable Rent and Shared Ownership work for FPRPs, BTR (notably for a south eastern local authority) and in support of other operators who require back office support or specific project advice and help.

Our technology and processes continue to focus on the customer journey, and the fully on-line customer sign-up process supported by Residently is now deployed on a growing proportion of our managed stock and we have moved the majority of homes we manage onto the Residently App from MRI's portal, providing greater connectivity for our customers. This is supporting our work to also bring greater control and efficiencies to our customer find activities and reduce our reliance on and financial exposure to letting agents. Our performance dashboards have been well received by clients and are providing a powerful tool within our new business presentations, providing a level of transparency and real-time access unmatched by competitors.

**Strategic report *(continued)***

**Key Performance Indicators**

The business reports monthly against a number of Key Performance Indicators (KPIs), which are designed to monitor, among other things, the effectiveness of our property management operations, our management of colleagues, and our impact on the environment.

The table set out below highlights some of our most important KPIs

| | **2023** | 2022 |
|---|---|---|
| Rent Collection | | |
| Rent received as a percentage of rent due | **100.00%** | 98.00% |
| Occupancy | | |
| Let days as a percentage of lettable days | **97.00%** | 96.00% |
| People | | |
| Stability rate | **81.22%** | 69.31% |

The metrics for occupancy and rent collection are self-explanatory and broadly consistent year on year.

Our stability rate has increased from that of 2022. The metric is the percent of staff working in the business that have been employed for more than one year.

Touchstone is accredited under ISO14001 (Environmental Management System) and ISO50001 (Energy Management System). The Company continues to manage energy consumption through a number of initiatives - reducing the amount of printing we do, increased management of heating systems and passive infrared sensor (PIR) lighting.

By order of the board

**Simon Barton**
*Director*

305 Grays Inn Road
London
WC1X 8QR
27 September 2023

## Directors' report

The directors present their report and the audited financial statements of the company for the year ending 31 March 2023.

### Directors

The directors who held office during the year and to the date of this report were as follows:

| | |
|---|---|
| S Barton | |
| J Clark | |
| T King | |
| J Perrett | |
| W Loughnane | |
| S Phillips | |
| H Kings | Resigned 27 March 2023 |

### Results for the year and Dividends

The Company generated a profit before tax for the year of £950,106 (2022: £571,080). A more detailed analysis of the results for the year is set out in the Strategic Report on pages 2 to 3.

During the year, the directors declared and paid a dividend of £700,000 (2022: £500,000).

### Employment Policy

The Company is an equal opportunities employer and its policy is to ensure that all employees and job applicants will be given an equal opportunity. The Company has maintained its commitment to employee involvement throughout the business.

Employees are kept well informed of the performance and objectives of the Company through personal briefings, regular meetings, and the intranet. Directors and senior management regularly visit the Company's offices and discuss matters of current interest and concern to the business with employees.

The Company's policy is to apply best practice in the employment and training of disabled persons. Full and fair consideration is given to every application from disabled persons whose aptitude and skills can be utilised in the business and to their training and career development, including, wherever practical, the retraining and retention of staff who become disabled during their employment.

The Company is responsive to the needs of its employees, customers, and the community at large and endeavours to use everyone's talents and abilities to the full.

### Political contributions

The Company made no political donations nor incurred any political expenditure during the year (2022: nil).

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

## Directors' report *(continued)*

### Going concern

The Company produces a strategic business plan each year. This process includes review and challenge by the Group Board, alongside consideration of principal risks and uncertainties. When the business plan is approved it is then used as the basis for monitoring business performance.

The Company robustly assesses both its risks and mitigating actions through the use of a comprehensive risk mapping process. The principal risks and uncertainties facing the Company are integrated into the Group's risk profile, further information on which is set out in the consolidated financial statements of Places for People Group Limited. A copy of these financial statements can be obtained from the Company Secretary at 305 Grays Inn Road, London, WC1X 8QR.

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. The Company has reviewed its business forecast and projections and has produced a business plan for the 3 years ending March 2026. The Company has produced its forecasts on the latest information and experience in the markets in which it operates.

At 31 March 2023 the Company had a cash balance of £3.1m. The directors have prepared a cashflow forecast out to March 2026 and, based on this forecast, are confident that the Company can continue to meet its liabilities as they fall due.

The directors have considered the impact that a severe but plausible downside case, such as the loss of a major client contract, would have on the company's business plan and forecast. The directors are confident that any impact from the loss of a client contract could be mitigated by a reduction in employee numbers and variable overhead. Furthermore the directors are confident that the breadth of different clients for whom the company provides services and the spread of income and costs in respect of those clients would mean the business could continue to meet its liabilities as they fall due. The directors have also considered the impact of the increased cost of living and rising inflation on the company's customers ability to pay their rent and the subsequent effect it would have on the company's income. The directors are confident that the company would still be able to meet its liabilities as they fall due.

At this stage and to the best of our current knowledge, the going concern principle is appropriate for at least the next 12 months from the date of approval of the financial statements. Taking the above into consideration, along with the company's forecast profitability, cashflow from existing and anticipated future growth and the company's current cash balance, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

By order of the board

**Simon Barton**
*Director*

305 Grays Inn Road
London
WC1X 8QR
27 September 2023

## Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 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 estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOUCHSTONE CORPORATE PROPERTY SERVICES LIMITED**

**Opinion**

We have audited the financial statements of Touchstone Corporate Property Services Limited (the 'Company') for the period ended 31 March 2023, which comprise the Statement of Total Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

*In our opinion the financial statements:*

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the period
- *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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

*In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting* in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOUCHSTONE CORPORATE PROPERTY SERVICES LIMITED (continued)**

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion 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 period 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.

**Matters on which we are required to report by exception**

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 Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 Company 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.

**Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOUCHSTONE CORPORATE PROPERTY SERVICES LIMITED (continued)**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks in which the Company operates;
- Enquiry of management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted and approved by the same user, and those posted to unusual accounts; and
- Assessing significant accounting estimates for bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

**Use of our report**

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.

**Stephen Poleykett BA(Hons) FCA (Senior Statutory Auditor)**

**for and on behalf of MHA, Statutory Auditors**

**London, United Kingdom**

Date: 27 September 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

## Statement of Total Comprehensive Income

***for the year ended 31 March 2023***

| | Note | 2023 £ | 2022 £ |
|---|---|---|---|
| Turnover | 4 | **9,875,768** | 8,860,548 |
| Cost of sales | | **(552,199)** | (592,692) |
| **Gross Profit** | | **9,323,569** | 8,267,856 |
| Administrative expenses | | **(8,373,177)** | (7,696,773) |
| **Operating profit** | | **950,392** | 571,083 |
| Interest receivable and similar income | | **-** | - |
| Interest payable and similar expenses | 8 | **(286)** | (3) |
| **Profit before taxation** | | **950,106** | 571,080 |
| Tax on profit | 9 | **(195,654)** | (88,941) |
| **Profit for the financial year** | | **754,452** | 482,139 |
| **Total comprehensive income for the year** | | **754,452** | 482,139 |

The Notes on pages 13 to 23 form part of these financial statements.

## Statement of Financial Position

***at 31 March 2023***

| | Notes | 2023 £ | 2022 £ |
|---|---|---|---|
| **Fixed assets** | | | |
| Property, plant and equipment | 10 | **305,012** | 391,660 |
| **Total fixed assets** | | **305,012** | 391,660 |
| **Current assets** | | | |
| Debtors | 11 | **1,798,033** | 1,647,554 |
| Cash at bank and in hand | | **3,134,679** | 2,840,770 |
| | | **4,932,712** | 4,488,324 |
| **Creditors** - amounts falling due within one year | 12 | **(2,320,343)** | (2,017,055) |
| **Net current assets** | | **2,612,369** | 2,471,269 |
| **Net assets** | | **2,917,381** | 2,862,929 |
| **Capital and reserves** | | | |
| Called up share capital | 14 | **35,002** | 35,002 |
| Share premium account | | **3,998** | 3,998 |
| Profit and loss account | | **2,878,381** | 2,823,929 |
| **Shareholders' funds** | | **2,917,381** | 2,862,929 |

The Notes on pages 13 to 23 form part of these financial statements.

These financial statements were approved by the Board of directors on 27 September and were signed on its behalf by:

**Simon Barton**
*Director*
Company registered number: 04695692

## Statement of Changes in Equity
*For the year ending 31 March 2023*

| | Called up Share Capital £ | Share Premium Account £ | Profit and loss account £ | Total equity £ |
|---|---|---|---|---|
| Balance at 1 April 2021 | 35,002 | 3,998 | 2,841,790 | 2,880,790 |
| Total Comprehensive Income for the year | | | | |
| Profit for the year | - | - | 482,139 | 482,139 |
| Dividends | - | - | (500,000) | (500,000) |
| Balance at 31 March 2022 | 35,002 | 3,998 | 2,823,929 | 2,862,929 |
| | | | | |
| Balance at 1 April 2022 | 35,002 | 3,998 | 2,823,929 | 2,862,929 |
| Total Comprehensive income for the year | | | | |
| Profit for the year | - | - | 754,452 | 754,452 |
| Dividends | - | - | (700,000) | (700,000) |
| **Balance at 31 March 2023** | **35,002** | **3,998** | **2,878,381** | **2,917,381** |

The Notes on pages 13 to 23 form part of these financial statements.

## Notes to the financial statements

### 1. Company Information

Touchstone Corporate Property Services Limited (the company) has continued to provide residential property management services during the year.

The company is a private company limited by shares and is incorporated, registered and domiciled in England and Wales. The address of its registered office is 305 Grays Inn Road, London, WC1X 8QR.

### 2. Basis of Preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling, and rounded to the nearest £.

The company's ultimate parent undertaking, Places for People Group Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Places for People Group Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Places for People Group Limited, 305 Grays Inn Road, London, WC1X 8QR. In these financial statements, the company is considered to be a qualifying entity (for the purposes of FRS 102 section 1.12) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Statement of cashflows and related notes; and
- Key Management Personnel compensation; and
- Transactions with other Group members

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### Going concern

The financial statements have been prepared on a going concern basis.

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. The Company has reviewed its business forecast and projections and has produced a business plan for the 3 years ending March 2026. The Company has produced its forecasts on the latest information and experience in the markets in which it operates.

At 31 March 2023 the Company had a cash balance of £3.1m. The directors have prepared a cashflow forecast out to March 2026 and, based on this forecast, are confident that the Company can continue to meet its liabilities as they fall due.

The directors have considered the impact that a severe but plausible downside case, such as the loss of a major client contract, would have on the company's business plan and forecast. The directors are confident that any impact from the loss of a client contract could be mitigated by a reduction in colleague numbers and variable overhead. Furthermore the directors are confident that the breadth of different clients for whom the company provides services and the spread of income and costs in respect of those clients would mean the business could continue to meet its liabilities as they fall due. The directors have also considered the impact of the increased cost of living and rising inflation on the company's customers ability to pay their rent and the subsequent effect it would have on the company's income. The directors are confident that the company would still be able to meet its liabilities as they fall

At this stage and to the best of our current knowledge, the going concern principle is appropriate for at least the next 12 months from the date of approval of the financial statements. Taking the above into consideration, along with the company's forecast profitability, cashflow from existing and anticipated future growth and the company's current cash balance, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## Notes to the financial statements *(continued)*

### 3. Principal accounting policies

### 3.1 Property, plant and equipment

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight line method. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

- Leasehold improvements - over the period of the lease
- Computer hardware - 4 years
- Furniture and equipment - 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

### 3.2 Basic Financial Instruments

Cash in the statement of financial position comprises cash at bank and in hand.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

Investment in non-puttable ordinary shares are initially recorded at transaction price. The carrying value of these investments are reviewed on an annual basis and any losses arising from impairment are recognised in the income statement.

### 3.3 Employee benefits

*Defined contribution plans and other long term employee benefits*

The company operates a defined contribution pension scheme. A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

### 3.4 Turnover

The company provides residential property management services.

The company's turnover represents the value, excluding value added tax, of services supplied to customers during the year. Revenue from services is recognised when the services are rendered and the outcome of the transaction can be estimated reliably. Revenue from property management is recognised in the period the service is provided.

**Notes to the financial statements** *(continued)*

**3. Principal accounting policies *(continued)***

**3.5 Expenses**

*Operating lease*

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

The aggregate benefit of lease incentives are recognised as a reduction to the expenses recognised over the lease term on a straight line basis.

**3.6 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the statement of financial position date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**3.7 Key estimates and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The directors do not consider any judgements, estimates or assumptions to have a significant effect on the financial statements.

## Notes to the financial statements *(continued)*

### 4. Turnover

The Company's turnover was derived from its principle activity wholly undertaken in the United Kingdom

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Rendering of services | **9,752,209** | 8,836,060 |
| Interest earned on client deposits | **129,170** | 7,560 |
| Kickstart government grant | **(5,611)** | 16,928 |
| | **9,875,768** | 8,860,548 |

### 5. Expenses and auditor's remuneration

*Included in profit are the following:*

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Depreciation of owned assets | **104,513** | 109,938 |
| Loss on the disposal of fixed assets | **-** | - |
| Operating lease charges - land and buildings | **278,856** | 277,962 |
| Operating lease charges - other assets | **100,067** | 94,069 |

*Auditor's remuneration:*

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Fees payable to the company's auditor for the audit of the company's annual accounts | **39,705** | 28,325 |

## Notes to the financial statements *(continued)*

### 6. Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

| | 2023 No. | 2022 No. |
|---|---|---|
| Property management and administration | **196** | 193 |

The aggregate payroll costs of these persons were as follows:

| | 2023 £ | 2022 £ |
|---|---|---|
| Wages and salaries | **5,708,515** | 5,399,367 |
| Severance pay | **39,338** | 4,300 |
| Social security costs | **537,272** | 473,662 |
| Other pension costs | **282,493** | 247,654 |
| | **6,567,618** | 6,124,983 |

## Notes to the financial statements *(continued)*

### 7. Directors' remuneration

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Directors' emoluments | **669,309** | 705,528 |
| Pension contributions to defined contribution schemes | **65,830** | 50,943 |
| | **735,139** | 756,471 |

The amounts set out above include remuneration in respect of the highest paid director as follows:

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Directors' emoluments | **153,395** | 165,025 |
| Pension contributions to defined contribution schemes | **9,733** | 13,036 |
| | **163,128** | 178,061 |

| | 2023 | 2022 |
|---|---|---|
| | No. | No. |
| Retirement benefits were paid during the year to the following number of directors under: | | |
| Defined contribution schemes | **6** | 6 |

### 8. Interest payable and similar expenses

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Bank loans and overdrafts | **286** | 3 |

**Notes to the financial statements** *(continued)*

## 9. Taxation

Total tax expenses recognised in the statement of comprehensive income

| | **2023** | 2022 |
|---|---|---|
| | **£** | £ |
| **Current Tax** | | |
| Current tax on income for the period | **185,935** | 110,646 |
| Adjustment in respect of prior periods | **-** | - |
| **Total current tax** | **185,935** | 110,646 |
| **Deferred tax (see note 14)** | | |
| Origination and reversal of timing differences | **9,719** | 12,828 |
| Adjustments in respect of prior periods | **-** | - |
| Effect of tax rate change on opening balance | **-** | (34,533) |
| **Total deferred tax charge / (credit)** | **9,719** | (21,705) |
| **Tax on profit on ordinary activities** | **195,654** | 88,941 |

**Notes to the financial statements** *(continued)*

**9. Taxation** *(continued)*

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | **Current tax** | **Deferred tax** | **Total tax** | Current tax | Deferred tax | Total tax |
| | **£** | **£** | **£** | £ | £ | £ |
| Recognised in Profit and loss account | **185,935** | **9,719** | **195,654** | 110,646 | (21,705) | 88,941 |
| **Total tax** | **185,935** | **9,719** | **195,654** | 110,646 | (21,705) | 88,941 |

**Reconciliation of tax charge**

The tax assessed is higher (2022 lower) than the standard rate of corporation tax in the UK of 19% (2022 19%). The differences are explained below:

| | 2023 | 2022 |
|---|---|---|
| | **£** | £ |
| Profit on ordinary activities before tax | **950,106** | 571,080 |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021 19%) | **180,520** | 108,505 |
| Effects of: | | |
| Fixed asset differences | **10,340** | 10,518 |
| Expenses not deductible | **2,462** | 1,373 |
| Adjustments to tax charge in respect of previous periods - deferred tax | **-** | - |
| Adjustment in respect of prior period | **-** | - |
| Remeasurement of deferred tax for changes in tax rates | **2,332** | (31,455) |
| **Tax on profit on ordinary activities** | **195,654** | 88,941 |

**Factors affecting current and future tax charge**
The main rate of corporation tax since 1st April 2017 has been 19%.

The main rate of corporation tax will be increased from 19% to 25% (effective 1 April 2023). This change will increase the company's future tax charge accordingly.

As this change in corporation tax rate has been substantively enacted at the Balance Sheet date, deferred tax has been calculated using the increased rate of 25% due to the expected reversal of the deferred tax asset.

**Notes to the financial statements** *(continued)*

**10. Property, plant and equipment**

| | Leasehold improvements £ | IT equipment £ | Fixtures, Fittings and equipment £ | Total £ |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 April 2022 | 655,387 | 343,715 | 186,090 | 1,185,192 |
| Additions | 2,340 | 13,700 | 1,825 | 17,865 |
| Disposals | - | - | - | - |
| At 31 March 2023 | 657,727 | 357,415 | 187,915 | 1,203,057 |
| **Depreciation and Impairment** | | | | |
| At 1 April 2022 | 364,572 | 264,070 | 164,890 | 793,532 |
| Depreciation charge for year | 59,070 | 37,337 | 8,106 | 104,513 |
| Eliminated on disposal | - | - | - | - |
| At 31 March 2023 | 423,642 | 301,407 | 172,996 | 898,045 |
| **Net book value at 31 March 2023** | **234,085** | **56,008** | **14,919** | **305,012** |
| Net book value at 31 March 2022 | 290,815 | 79,645 | 21,200 | 391,660 |

**11. Debtors: amounts falling due within one year**

| | **2023** £ | 2022 £ |
|---|---|---|
| Trade debtors | **758,326** | 597,920 |
| Other debtors | **(23,382)** | 2,944 |
| Deferred tax assets (see note 13) | **121,340** | 131,059 |
| Amounts owed from related undertakings | **293,628** | 277,867 |
| Prepayments and accrued income | **648,121** | 637,764 |
| | **1,798,033** | 1,647,554 |

**Notes to the financial statements** *(continued)*

## 12. Creditors: amounts falling due within one year

| | **2023** | 2022 |
|---|---|---|
| | **£** | £ |
| Trade creditors | **96,917** | 114,523 |
| Taxation and social security | **264,581** | 346,114 |
| Other creditors | **103,545** | 78,426 |
| Accruals and deferred income | **961,164** | 913,413 |
| Amounts due to related undertakings | **894,136** | 564,579 |
| | **2,320,343** | 2,017,055 |

Amounts due to related undertakings includes £520,127 (2022: £520,127) for corporation tax payments made on the Company's behalf.

## 13. Deferred tax asset

Deferred tax assets are attributable to the following:

| | **2023** | 2022 |
|---|---|---|
| | **£** | £ |
| Capital allowances | **95,465** | 107,268 |
| Short term timing differences | **25,875** | 23,791 |
| | **121,340** | 131,059 |

## 14. Share capital

| | **2023** | 2022 |
|---|---|---|
| | **£** | £ |
| ***Allotted, called up and fully paid*** | | |
| 35,000 ordinary shares of £1 each | **35,000** | 35,000 |
| 2,000 B ordinary shares of £0.001 | **2** | 2 |
| | **35,002** | 35,002 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The holders of B ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote at meetings of the Company.

## Notes to the financial statements *(continued)*

### 15. Operating leases

Non-cancellable operating lease rentals are payable as follows:

| | **2023** | 2022 |
|---|---|---|
| | **£** | £ |
| In one year or less | **363,299** | 360,489 |
| Between one and two years | **328,540** | 336,393 |
| Between two and five years | **603,358** | 906,319 |
| In more than five years | **-** | - |
| | **1,295,197** | 1,603,201 |

During the year £378,923 was recognised as an expenses in the profit and loss account in respect of operating leases (2022: £372,031).

### 16. Pension Obligations

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £282,493 (2022: £247,654).

Contributions totalling £104,227 (2022: £96,536) were payable to the fund at the year end and are included in creditors.

### 17. Contingent Liability

The Company, together with certain fellow subsidiaries of the Places for People Group, has guaranteed to holders of the Places for People Finance plc 4.25% 2023 bond, the principal amount and interest accrued in respect of this bond in the event of default by the issuer.

The total capital outstanding at 31 March 23 for this bond was £65,000,000 (2022: £65,000,000). The total interest accrued at 31 March 23 for this bond was £813,403 (2022: £813,403).

These represent the maximum exposure for the company.

The directors consider it extremely unlikely that the company would be required to make any payments in respect of this guarantee.

### 18. Ultimate parent company

Touchstone Corporate Property Services Limited is a subsidiary of Places for People Ventures Operations Limited. The ultimate controlling party is Places for People Group Limited.

Places for People Group Limited includes the company in its consolidated financial statements. This is the largest group in which the results of the Company are consolidated. The consolidated financial statements are prepared in accordance with FRS 102 and are available to the public and may be obtained from Places for People Group Limited, 305 Grays Inn Road, London, WC1X 8QR. No other group financial statements include the results of the Company.

As the ultimate parent company publishes consolidated group accounts, the company has accordingly used the exemption not to report transactions with other group members and permitted by FRS 102 section 33.1A.