Consolidated Financial Statements

PfPL (Holdings) Limited

For the year ended 31 March 2022

Company number: 04832063

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Registered number	04832063
Company secretary	C Martin
Directors	C D'Costa D Walker O Lee (appointed 28 July 2022) D Cowans (resigned 1 December 2021) P McPartlan (resigned 28 July 2022)
Registered office	305 Gray's Inn Road London WC1X 8QR
Independent auditor	KPMG LLP Gateway House Tollgate Chandlers Ford SO53 3TG
Banker	Barclays Bank Plc Leicester Leicestershire United Kingdom LE87 2BB
Solicitor	CMS LLP 1-3 Charter Square Sheffield S1 4HS

PfPL (Holdings) Limited ("the Company") and its subsidiary undertakings (together, "the Group") continues to contribute to the Places for People Group's ("the PfP Group") aim of establishing thriving and successful places through the attainment of its social objective to 'create active places and healthy people'.

The consolidated results of the Group show a profit on ordinary activities before taxation of £1.1m for the year (loss of £2.3m for the year ended 31 March 2021) on a turnover of £120.4m (£87.7m for the year ended 31 March 2021).

COVID-19 continues to have an enormous impact upon public sector leisure. Like all leisure operators, the Group faced a challenging period as it focused on supporting its communities back into activity and its leisure centres. Our focus has been, and continues to be, to keep colleagues and customers safe, safeguard jobs and secure the best possible terms with our Local Authority partners to ensure the long-term sustainability of local services. In Quarter 4, we saw the added challenge of a global energy crisis, with gas and electricity prices rising by as much as 150%. We are very grateful for the support of the PfP Group as we look to navigate the best possible outcome for our centres across the country.

We remain committed to improving opportunities for communities to adopt healthier and more active lifestyles. However, there have been fewer opportunities this year as our communities continue to return to our centres with some degree of caution

We generated £106m in Social Value in the year, a considerable increase from the previous year, when the country was subject to lockdowns arising from the COVID-19 pandemic. Our core product is a key driver of Social Value, derived from an algorithm established by Sheffield Hallam University research and on profiling by Experian, and is based on the frequency of visits and the socio-economic status of the customers. In essence, getting more people more active drives Social Value and benefits the communities we serve: in improved health and subjective wellbeing; in increased educational attainment; and in reduced crime. Targeted activity for those more likely to be inactive drives a higher Social Value, so outreach programmes in areas of higher deprivation would score highly. While restrictions have eased since last year, there has still been some impact from the response to the pandemic and so we are pleased to have delivered a strong level of Social Value.

We strive to offer a wide range of activities and explore new innovations and technology to enhance our customer experience, improve our service offering and increase accessibility. As a result, we've made significant enhancements to our online booking systems to provide customers with a positive online experience, resulting in record online booking levels. Throughout the pandemic, we have continued communication with our customers and encouraged activity with the updated Places Locker Virtual Studio, offering free home workout options, live streaming and on-demand classes, as well as activity challenges.

We have emerged from COVID-19 with an enhanced reputation and our customers more likely to recommend us. Our key customer measures, based on actual visits, show that our Net Promoter Score (likelihood to recommend) increased from a pre-COVID score of 21.0 to 35.6 by the end of the year. This was based on the feedback from 27,300 customers. Our work with the National Leisure Recovery Fund, funded by Sport England, was an opportunity to benchmark ourselves around Net Promoter Score, and we were 14 points higher than the national sector average (formed from our public sector competitors, local trusts and 'in-house' council-operated facilities) in July 2021 and 16 points ahead in October 2021. These reveal clear communications to customers on what they would expect, and the teams over-delivering on our commitment for safe and clean centres. As restrictions eased throughout the year we were also able to deliver more in the way of activity and gym interactions, with more customers enjoying the centres and hitting their personal goals.

As we have navigated through the pandemic, we have reshaped our health intervention programmes, and adapted our GP referral model to better protect our customers and work in line with government guidelines, by offering face to face sessions with referred customers using video calling for those not yet ready to return to the 'physical space'.

The nationwide pandemic has starkly shown the importance of social prescribing, with leisure operators being in a unique position to help relieve the continued pressure on our health professionals and the NHS. Two years on from the start of the pandemic, over two million people in the United Kingdom are still struggling with the effects of COVID-19. For many, their experience has been transformative and far more profound than an acute cough, fever, and period of isolation.

We're responding to this situation and, with the support of The Places Foundation, an independent charity supported by the PfP Group, Travis Perkins funded the rollout of our new COVID-19 Recovery at over 50 sites, utilising the training modules at CAWS® called Rebuild™ and Fortitude™.

Our focus has remained on supporting the physical and mental health of our employees, raising awareness and ensuring they have access to support when they need it. Employees have access to a suite of services and facilities which are designed to support their wellbeing, whether physical, mental or financial, including an employee assistance programme, which includes a confidential support helpline and access to medical advice or services.

The Mental Health First Aid programme continues to raise mental health awareness and help teams talk more freely about mental health, reducing stigma and creating a more positive culture.

We remain focused on exploring new business opportunities, expanding our leisure portfolio and reinvesting in our centres to further our social mission of creating 'active places and healthy people'. Wokingham Borough Council's state of the art Wokingham Leisure Centre @ Carnival Hub was opened in July 2022.

The new Council-built venue will offer a range of fantastic facilities including a six-lane swimming pool with a viewing gallery, a teaching pool with a moveable depth floor to help accommodate a wide range of activities and sessions, a children's splash pad with water jets and fountains, a health suite featuring an aromatic citrus steam room and detoxifying salt room, a 120 station fitness suite, a specialist gym for those with long term health conditions, a four-court sports hall, an immersive group cycling studio, two studios for classes and a range of changing facilities.

The new £22m Places Leisure Camberley centre opened on time and on budget despite the nationwide pandemic in July 2021; winning pride of place in the heart of its community and having a priceless impact on preserving the mental and physical wellbeing of those in Camberley and the surrounding areas of Surrey. The brand-new modern facility, designed and built by the Group and its partners Roberts Limbricks and Pellikaan, on behalf of Surrey Heath Borough Council, welcomed almost 60,000 customers during its first month of opening, easing people back into activity and fostering the community spirit. In its first six months of operation, Places Leisure Camberley has delivered £2.0m in Social Value outcomes, more than double the previous facility.

This year, £1.7m was reinvested in our centres through a combination of Places Leisure and Council funding, including £0.4m for Parish Wharf, part of the North Somerset Council Contract, £0.5m for Rotherham lifecycle projects and £0.3m for Amber Valley lifecycle projects. Work has also begun on a new £20m scheme at Bakers Lane in our Epping Forest District Council Contract.

The PfP Group has evolved into a large-scale placemaker with over 20 specialist companies and the expertise and capability to create, as well as manage, entire places. We continue to explore new opportunities created by the joining together of housing and leisure expertise within the PfP Group that can deliver social outcomes and Social Value with a commercial approach. Our mutual and varying strengths, considerable economies of scale, along with shared Local Authority clients, mean that we are able to offer holistic and cross-service solutions.

Our people have a positive impact on our communities, helping to shape the service provision to local needs and creating vibrant places that inspire all members of the community to enjoy more active and healthier lifestyles.

I would like to give my thanks to all of our colleagues, Local Authority clients and customers for their continued support.

P McPartlan
Chief Executive
28 July 2022

The Directors have pleasure in submitting their Strategic Report for the year ended 31 March 2022.

Business Review and Principal Activities

The Group is one of the leading leisure management organisations in the UK. It is primarily engaged in the management of Local Authority-owned leisure facilities and currently operates management contracts gained through both negotiation and competitive tendering. This includes Private Finance Initiatives ("PFIs") and Public Private Partnerships ("PPPs") as well as 'Best Value' contracts. The Group also owns four Places Gyms, our independent community fitness proposition, offering affordable memberships to local communities.

The year ended 31 March 2022 was one of the most challenging periods we have faced due to the ongoing COVID-19 pandemic. The Group has maintained a focus on keeping our colleagues and customers safe, protecting jobs, and securing the best possible terms with Local Authority clients.

We have aimed to ensure that our community-based leisure services can continue to be provided in partnership with our Local Authority partners, in line with our social mission of creating 'active places and healthy people'.

We are delighted to report that the new Wokingham Leisure Centre, managed on behalf of Wokingham Borough Council, opened in July 2022.

Despite the pandemic, the new £22m Places Leisure Camberley site was opened on time and on budget on 1 July 2021. The venue was designed and built by the Group with its partners Roberts Limbricks and Pellikaan Construction as part of a Design, Build, Operate and Maintain contract with Surrey Heath Borough Council.

Improving existing leisure facilities is core to the success of the Group, and was again a main feature in the year, with a total of £1.7m invested. This included a £70k Soft Play installation at Romsey Rapids, which the Group managed on behalf of Test Valley Borough Council. The Group is currently involved in seven capital development schemes including a combination of PPPs and facility enhancements, with a total investment in excess of £45.3m.

Significant financial pressure continues to be placed upon the public sector and the pandemic has understandably curtailed new opportunities for Local Authority-outsourced services such as leisure. Additionally, ageing leisure stock is also providing some opportunities for the Group as clients explore major refurbishment or new build solutions.

With physical inactivity acknowledged as a significant contributory factor to major chronic disease, Local Authority Public Health Teams are increasingly commissioning physical activity-based, health-intervention projects. The Group, with its pioneering initiatives in Sheffield and Rotherham as notable test cases, is well placed to support these interventions.

Our Local Authority Partners

Whilst winning new business is vital, extending contracts is equally important. The Group was delighted to successfully extend our partnership with Wandsworth Borough Council until October 2023, Dorset District Council until March 2024, Birmingham City Council until January 2027 and Elmbridge Borough Council until March 2023.

Amber Valley Borough Council
Birmingham City Council
Buckinghamshire Council
Dartford Borough Council
Dorset Council
Dover District Council
Eastleigh Borough Council
East Suffolk Council
Elmbridge Borough Council
Epping Forest District Council
Gosport Borough Council
Hinckley and Bosworth Borough Council
Horsham District Council
Kingston Council
Maldon District Council
Mid Sussex District Council
Mole Valley District Council
Newport Pagnell Town Council
North Northants Council
North Somerset District Council
Norwich City Council
Rotherham Metropolitan Borough Council
Rushmoor Borough Council
Sandwell Metropolitan Borough Council
Sheffield City Council
Southampton City Council
Surrey Heath Borough Council
Test Valley Borough Council
Tewkesbury Borough Council
Wandsworth Borough Council
Waverley Borough Council
Wokingham Borough Council
Wolverhampton City Council
Wycombe District Council
Wyre Forest District Council

Carbon Emission Policy

The Group is always looking to find new ways to reduce our energy consumption, such as promoting energy saving behaviour among our teams or introducing more efficient technology. To meet the demands of the ever-increasing environmental agenda, and to play our part in achieving the Government's 2050 carbon targets, the Group has set objectives to:

- Develop and establish the Group as a market leader in sustainable leisure management;
- Deliver and implement a positive carbon reduction programme;
- Develop and promote sustainable packages to our client base; and
- Deliver sustainable facilities through refurbishment or replacement of building services and building fabric.

Results and Dividends

The consolidated results show a profit on ordinary activities before taxation of £1.1m for the year (loss of £2.3m for year ended 31 March 2021) on a turnover of £120.4m (£87.7m for year ended 31 March 2021).

The Group ended the year with net cash (cash, amounts owed to parent undertaking and finance leases) of £0.5m (net debt of £4.8m for year ended 31 March 2021).

No dividends have been declared, proposed or paid by the Directors in respect of the year ended 31 March 2022. (2021: £nil).

Key Performance Indicators

Key Performance Indicator	**2022**	2021
Annualised Sales Growth (1)	**37.2%**	-42.8%
Operating Margin (2)	**1.0%**	-2.4%

1) Annualised Sales Growth – the annual increase in revenue as a percentage compared with the prior year for all sites.

The forced closure of all our leisure centres during the nationwide lockdowns, as well as ensuing restrictions, has had a significant effect on the Group's revenue. Operating expenditure has been tightly controlled to mitigate the reduction in revenue, and various government support packages have been utilised. During the year, the contract with Wiltshire City Council expired on 30 September 2021.

2) Operating Margin – the operating profit expressed as a percentage of turnover for the Group.

Operating Margin was 1.0% for the year. As we emerge from the pandemic we will continue to focus on income generation and to grow the margin and profitability of the business. The Group aims to maximise profit available for reinvestment in the business as measured by Operating Margin.

Principal Risks

The Group has identified the following key risk areas.

<u>Macroeconomic and Political Risks</u>
The COVID-19 pandemic, long-term consequences arising from Brexit, recent surges in energy prices and the political and economic uncertainty surrounding the war in Ukraine has severely restricted economic activity, causing unprecedented levels of uncertainty in global and national markets. The general performance of the country's economy, including the impact of high inflation rates and surging energy prices, could impact on consumer spending, which poses a risk to revenue generation.

Revenue received from users of the facilities we operate can also be put at risk from local competition from private sector health clubs and particularly the risk presented by new low-cost budget gyms and the emergence of boutique fitness clubs.

<u>Running Costs Risk</u>
The volatility of energy prices remains an ongoing risk for the business as wholesale costs, fixed charges and carbon tax have all fluctutated significantly, and will likely continue to do so.

<u>Business Continuity Risk</u>
A lack of available workforce, contractors, or essential components could lead to an inability to deliver key services across the Group. The challenging recruitment landscape we have encountered in the last year has been one shared across the leisure industry.

Principal Risks (continued)

Liquidity Risk
The risks highlighted above could put pressure on the Group's ability to meet its obligations.

Mitigation

The Senior Leadership Team ("SLT") meets regularly to review all areas of the business including those of health, safety and safeguarding. Agility to respond has been a clear focus for the SLT who ensure we are reacting positively to changes as they arise, whilst providing regular, clear communications to our customers and colleagues.

Consumer spending trends are monitored closely by the SLT and revenue risk is managed by applying specific and competitive budget pricing strategies where the competition is particularly intense. We have around 40% of our gyms operating to a budget formula.

The Group's Business Plan continues to assume tight cost control to protect against any unexpected future downturn.

We continue to seek ways to reduce utility consumption and have targeted further reductions this year working with our Local Authority partners to install energy and water saving initiatives. Around 50% of our contracts are now structured so that we do not carry the risk on energy price increases.

The risks identified and mitigating actions in place in respect of the pandemic are considered to apply in the event of any subsequent waves of COVID-19, or to any similar pandemics threatening health and economic activity in the future. These risks have been managed working with partners such as the Department for Digital, Culture, Media and Sport, via ukactive.

A recruitment working party was established to address the challenging recruitment landscape. This party have used alternative online job boards and produced local marketing materials for our centres. We reviewed our benefits package for our workforce and extended the facilities which our employees can utilise, making these benefits more inclusive and offering larger discounts to enhance staff retention. A new role of Head of Learning and Development was created and plans are being formulated to expand the Learning and Development team over the next few years to improve the skills, knowledge and behaviours of our people.

As part of our liquidity risk mitigation, the Group has undertaken challenging stress testing to provide confidence in our ability to withstand significant reductions in income. This testing has shown that we are able to meet all obligations as they fall due even in severe but plausible scenarios.

Health and Safety Risks
Keeping our workforce and customers safe during the pandemic has been a key focus, as well as looking after the mental wellbeing of our colleagues as we navigate life out of the pandemic. If this is not achieved in the future, there could be considerable social and economic costs resulting from staff becoming ill with COVID-19 or suffering from mental health difficulties, risking staff shortages and the inability of the Group to deliver services as required.

The Group could suffer an incident resulting in legally enforceable action from an Environmental Health Officer or the Health and Safety Executive impacting upon the health, safety and wellbeing of its customers, colleagues or contractors where harm is suffered and sanctions faced are severe.

Since the COVID-19 pandemic, safeguarding both children and vulnerable adults has risen in profile. The cause of this appears to be linked to a combination of issues surrounding mental health, violence, abuse, debt, poverty and isolation. In the coming year this is likely to be one of the most challenging areas within the safety landscape of the Group.

Principal Risks (continued)

Mitigation

Colleagues have access to information and support using our employee assistance programme, covering not only COVID-19 concerns but also providing mental health and wellbeing support throughout this period of uncertainty. We have trained a group of Mental Health First Aiders together with Trainers so that we can offer a sustainable programme to our colleagues offering support for their mental wellbeing.

Our Business Continuity Plan has been reviewed in line with the PfP Group Standard, which is supported by the Serious Incident Management Pack. When serious incidents occur these guidance documents help support and protect customers, colleagues and contractors to deliver key services across the Group.

Health and safety standards are embedded within the Group including formal reporting to the SLT on a regular basis. The Group maintains and regularly reviews clear health and safety frameworks, standards and response plans. Health and safety monitoring incorporates a wide range of activities alongside staff training and regular independent business assurance reviews.

We have support from an external Safeguarding Consultant as well as working with the Child Protection of Sport Unit, part of the NSPCC. In addition, we have had training for colleagues from the National Working Group for Child Exploitation. Internally we have a support structure with a Safeguarding Support Team, plus each contract has a Safeguarding Co-Ordinator. All staff complete an annual Safeguarding e-learning course, and senior staff complete the training from the Institute of Sport accredited by CIMSPA.

Climate Change Risks

The Group takes a long-term view of its activities and responsibilities, and environmental considerations are an important factor. The sustainability landscape is constantly evolving and whilst we consider the impacts of climate change on our business, we recognise that ongoing analysis is required to help inform long-term decision making. The Group has identified climate change risks under two headings: transition risks - those relating to the transition to a lower carbon economy, specifically the costs in meeting decarbonisation targets; and physical risks - those relating to the physical impacts of climate change, specifically the incidence and cost of stranded assets as a result of climate change.

Mitigation

We have processes in place for assessing and managing climate-related risks, which are integrated into our overall risk management framework. The Group has developed a robust Environmental Sustainability Strategy with challenging targets and appropriate KPIs to measure performance against this strategy. This has supported us in embedding climate-related risks and opportunities within business, strategy and financial planning processes.

Approval

The Strategic Report was approved by the Board on 28 July 2022 and signed on its behalf by:

C D'Costa
Director
Date:

The Directors have pleasure in submitting their Directors' Report and audited financial statements for the year ended 31 March 2022.

Financial Instruments

The Group's principal financial instruments comprise sterling cash and bank deposits, obligations under finance leases, and trade debtors and creditors arising from operations.

The risks arising from the Group's financial instruments can be analysed as follows:

Credit Risk

Credit risk is minimal to the Group as major debtors mainly comprise of Local Authorities who pay management fees in line with contractual terms.

Liquidity Risk

Liquidity risk, including the impact of COVID-19 referred to in the Principal Risks section above, is managed closely by the Directors through a monthly review process. Capital investment projects are funded through cash and lease finance.

Cash Flow Interest Rate Risk

Price risk and foreign exchange risk is minimal to the Group.

Commodity Price Risk

The Group uses forward contracts to mitigate the risk of fluctuating gas and electricity prices. The wholesale value of gas and electricity is monitored daily and trigger points dictate our decision-making process. Additionally, we take advice from our Energy Broker's market intelligence department. We can purchase 95% of our electricity volume at any time (by months, quarters or seasons) but our policy is to only purchase up to 80% of our gas, with the remainder to stay on "Day Ahead" pricing to avoid the risk of over-purchasing and having to sell back to the market. Our current gas and half-hourly metered electricity contracts terminate in September 2022.

Environment

The Group is acutely conscious of its interaction with the local and national environment. It is the Group's policy that in carrying out all its activities it will monitor and maintain a high awareness of its own environmental responsibilities. These are expressed in the Group's Environmental Policy, endorsed and monitored by the Directors. During the financial year covered by this report, the Group has not incurred any fines or penalties for any breach of environmental regulations.

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Employees

We care passionately about making a difference to our communities and everyone within the Group plays an essential role in contributing to our mission of 'creating active places and healthy people'. We achieve this by aligning personal work objectives to our mission, by living our SPIRIT values and by providing learning and development opportunities that allow our people to flourish. We believe that if our people flourish, then so will our places.

SPIRIT stands for Support (always there to help customers and colleagues), Positive (a can-do attitude and encouraging others to achieve), Integrity (always delivering on promises and being open and honest), Respect (treating people fairly and with understanding), Innovative (open to new ideas and not afraid of the future) and Together (achieving more can be achieved by working well with others).

Our centres re-opened following the COVID-19 pandemic on 12 April 2021 with reduced services and some employees remained furloughed until the end of September 2021. During this time, we continued to support those furloughed employees with regular contact regarding their wellbeing and their return to work.

59% of our colleagues took part in the Big Colleague Survey in June 2021. Our colleague engagement score was 67%, which is 3% higher than when we last surveyed colleagues in 2019. Our trust index score was 69%, which was 4% higher than 2019, and 72% of our colleagues say this is a great place to work.

Our highest scoring areas were Fair treatment at 87%, Customer focus at 84% and Work environment at 80%. Our employees said we were unique due to our friendliness, our management (actions matching words, delivering on promises) and the support they received during COVID-19. We have made it into both the UK's Best Workplaces Overall list and the UK's Best Workplaces for Employee Wellbeing.

Sourcing talent has been a national issue and Group has been impacted with many of our roles receiving no or few applicants over the course of the year. A recruitment working party was established and have used alternative online job boards and produced local marketing materials for our centres. We also secured funding for 41 roles through the Kickstart scheme to support people in the community to transition out of long-term unemployment.

The CIPD reports that 1 in 4 in the country are considering quitting their job, with many people re-evaluating what they want in life following the pandemic. We have created a new role of Head of Learning and Development and have plans to expand the Learning and Development team over the next few years to improve the skills, knowledge and career opportunities of our people.

We also enhanced the facilities which our employees can utilise, making these benefits more inclusive and offering larger discounts, not only to support staff retention but also encouraging them and their friends and family to be more active.

Wellbeing

We provide access to a suite of services and facilities designed to support our employees' wellbeing, whether physical, mental or financial, including an employee assistance programme, which includes a confidential support helpline and access to medical advice or services.

Our Wellbeing Strategy aims to create a supportive, inclusive workplace where employees feel they can talk to their manager, colleagues or the people team to prevent new mental health problems and support people struggling with their mental health, major life changes or juggling caring responsibilities without fear of stigma. The Mental Health First Aid ("MHFA") programme is the most recent investment for the Group and reflects our desire to further support our employees.

Our MHFA training delivered by Mental Health First Aid England, is designed to teach people how to spot the signs and symptoms of mental health and provide help on a first aid basis as well as guiding someone to appropriate support. We aim to raise mental health awareness and help teams talk more freely about mental health, reducing stigma and create a more open culture.

We trained fifteen Mental Health First Aiders with Mental Health First Aid England during March 2021. We have course dates for a further 14 colleagues to be trained in May and June 2022. Our first MHFA instructors will be fully qualified in July 2022, our aim being to have one Mental Health First Aider per site by the end of the year.

The introduction of our new Learning platform 'Places Academy' has provided a wider suite of digital learning and resources to upskill our workforce, including 23 wellbeing eLearning courses that complement the resources on our Wellbeing Hub.

Learning and Development

Working collaboratively with the Organisational Development Digital team we successfully migrated to PfP Group's Learning platform 'Places Academy' in July 2021.

We have set up a Learning Champion network of over 70 colleagues and our first initiative is cleansing data and driving up eLearning compliance figures. Our overall compliance figure is 77%.

We aim to maximise the use of the Apprenticeship Levy and provide valuable and job-relevant skills through our apprenticeship programmes.

During National Apprenticeship Week in February 2022, we took part in a social media campaign to promote our apprenticeship programmes with our partner, Lifetime Training, shining the spotlight on our talented apprentices and sharing their career progression. Some matters to highlight include:

- We have added a new apprenticeship page on Places Academy with resources;
- We currently have 116 apprentices;
- We have created an external web page promoting our programmes and sharing colleagues' successes;
- In partnership with Lifetime, we started an engagement campaign in March 2022 across all our sites. Each site has a designated Learning Coach who will offer roadshows, will attend meetings and arrange 1-2-1s to share information on the apprenticeships we offer; and
- A focus for 2022 is our digital skills capability. We aim to upskill and future-proof our workforce and can now offer a full range of digital apprenticeships to support this.

We introduced Lead with SPIRIT, a four-month, cross-functional, management development programme that focuses on giving managers the skills, knowledge, and behaviours to Lead with SPIRIT. The programme has been designed so that individuals can immediately implement the learning into their job role by completing leadership tasks on what they have learned. Eighteen of our managers graduated from the programme in March 2022.

This was a pilot programme and, due to its success, two further cohorts of Lead with SPIRIT started in January and February 2022, with 35 colleagues enrolled. There will be further cohorts starting in June and October 2022.

Disabled Persons

It is the Group's policy to give full and fair consideration to applications for suitable employment by disabled persons having regard to their individual aptitudes and abilities.

Modern Slavery Act

The Group is required to publish an annual statement for the purposes of the Modern Slavery Act 2015. The Group is completely opposed to modern slavery practices, and it is committed to ensuring that those practices are neither taking place in any part of the business nor, as far as the Group can exert influence, in its supply chain.

The Group has adopted the PfP Group statement which is published on our website.

Streamlined Energy and Carbon Report

The Group's Streamlined Energy and Carbon Report has been included within the ultimate parent company's consolidated SECR Return and can be found within the PfP Group Annual Report.

Corporate Governance

The PfP Group Board recognises the importance of maintaining high standards of corporate governance. PfP Group subsidiaries have governance arrangements appropriate to their size and field of activity. Whilst the Group operates a distinct business, its relationships with other parts of the PfP Group and the services it provides are integral to maintaining the cohesive nature of the PfP Group's overall offering. All of those governance arrangements feed into the PfP Group's governance structure.

The senior management of the Group has its own schedule of delegations to empower relevant line management at different levels. The purpose of the schedule of delegations is to promote easy but consistent action in each of the PfP Group's operating companies and divisions.

(a) Matters reserved to the PfP Group Board;

(b) General authority delegated to the PfP Group Executive;

(c) Matters affecting the Company, the Group (including Places for People Leisure Limited and Places for People Leisure Management Limited)that are specifically reserved to the PfP Group Executive; and

(d) Authority delegated to Group operating management.

The framework of delegated authority operates as follows:

(a) Matters that are reserved for the PfP Group Board may only be authorised by the PfP Group Board. Authorisation by the PfP Group Board can be obtained at a scheduled meeting of the PfP Group Board or, in urgent circumstances, between such meetings. In order to draw a need for authorisation to the attention of the PfP Group Board, it should be referred to the Group Company Secretary.

(b) The PfP Group Board has authorised the PfP Group Executive to take action in connection with any matter that is not expressly reserved for the PfP Group Board up to specified limits. Those matters up to those limits may be the subject of decision by the PfP Group Executive. The PfP Group Executive may sub-delegate that authority, within agreed parameters, to management of any operating entity within the Group.

(c) The senior management of the Group has its own schedule of delegations to empower relevant line management at different levels. The purpose of the schedule of delegations is to promote easy but consistent action in each of the PfP Group's operating companies and divisions.

Corporate Governance (continued)

The PfP Group has an Audit & Risk Committee, a Remuneration & Nominations Committee, a Development Committee and a Treasury Committee. The remit of those committees extends to the Group's business. The committees draw members from, and report to, the PfP Group Board. The PfP Group's subsidiary, Places for People Ventures Limited ("Ventures"), has a controlling interest in a number of subsidiaries within the Group's non-regulated businesses. To ensure that the non-regulated businesses receive similar levels of scrutiny to that of the regulated businesses, the Ventures Board comprises the same membership as that of the PfP Group Board. The Chief Executive of the Group is a member of the PfP Group Executive and attends the Ventures Board to deliver the quarterly performance report which gives both PfP Group executive and non-executive directors the opportunity to hear about and discuss the business. Monthly meetings of the wider PfP Group Executive also enable the Chief Executive to collaborate and share knowledheir personal goals.

For the year ended 31 March 2022, the PfP Group adopted the UK Corporate Governance Code (version 2018). Details of how the principles of the UK Corporate Governance Code have been applied throughout the overall PfP Group, bearing in mind the interdependency of each of its operating subsidiaries, can be found in its consolidated financial statements published at www.placesforpeople.co.uk.

In accordance with The Companies (Miscellaneous Reporting) Regulations 2018 the Group has not applied its own corporate governance code for the year ended 31 March 2022 as the Directors consider that the governance arrangements described above demonstrate that a robust governance framework already exists.

Statement by the Directors in performance of their statutory duties in accordance with s172(1)Companies Act 2006

The Group is a leading provider of fitness and wellbeing. Understanding the specific needs of the communities within which we work allows us to truly make a difference and help people reach their potential.

This is a long-term business with immediate service delivery requirements. The Company Board approves, and refreshes annually, a three-year business plan reflecting its strategic ambitions. The plan forms part of the wider PfP Group business plan.

There are no external shareholders in the PfP Group – the ultimate parent company is limited by guarantee – and so the PfP Group Board considers a range of other stakeholders when assessing what direction to take in the short and long term.

The key stakeholders are individual customers, the communities in which we operate, our colleagues, corporate clients, our suppliers, regulators and local government, including our Local Authority partners. The PfP Group seek to maintain strong relationships with these stakeholders and to understand what matters to each of them. The Company Board sets the direction of the Group with the benefit of insight gained though those relationships.

Reference to stakeholder engagement for the Group can be found in the Chief Executive's Statement and the following sections of the Strategic Report and the Directors' Report: Business Review and Principal Activities, Our Local Authority Partners, Principal Risks, Employees, and Corporate Governance.

The Board promotes the Group's SPIRIT values which sets the tone for the culture of the Group. This informs us how we do what we do. More information on our SPIRIT values can be found on page 12.

The Company Board promotes the PfP Group's SPIRIT values which sets the tone for the culture of the Group as well as of the PfP Group. This informs us how we do what we do. More information on our SPIRIT values can be found on page 12.

The Board supports the emphasis given by the Group to generating social impact through the places we serve. This is captured in the work of individuals, contributions to communities and decisions taken for the long-term benefit of the environment.

Health and Safety

A commitment to the health and safety of colleagues and customers has been established over the years and is co-ordinated by the Head of Safety who reports to the Chief Executive.

Political Contributions

Neither the Group nor any of its subsidiaries made any political donations (2021: nil) or incurred any political expenditure during the year.

Going Concern

The Group produce a consolidated strategic business plan each year for the next three-year cycle. This process includes review and challenge by the Directors, 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 risks and mitigating actions are robustly assessed through the use of a comprehensive risk mapping process. Principal risks and uncertainties are set out in the Strategic Report.

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. The recent increase in energy costs and the cost-of-living crisis have introduced significant levels of uncertainty into most businesses. Going concern has been assessed with both these in mind.

The Directors have reviewed the projected cash flows arising from the strategic business plan for the period up to 31 March 2024 ("the going concern period") and have undertaken stress testing on two scenarios. The first scenario is based on the strategic business plan. The severe but plausible scenario ("the second scenario") contains assumptions including an increase in energy prices, a downturn in income due to the cost-of-living crisis and the failure to secure new contracts or extensions to existing contract terms which have been captured in the first scenario.

In light of these risks, the Group has secured an extension to the loan facility with its parent company to ensure that it can continue to operate with adequate liquidity. The £25m loan facility has no covenants attached and covers the going concern period. As at the date of approval of these financial statements there has been no drawdown on these funds.

The results of the stress testing showed that even in the second scenario the Group continued to have sufficient liquidity for the going concern period.

Consequently, the Directors are confident that the Group 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.

Directors

The Directors who served the Company during the year are set out on page 2.

Auditor

KPMG LLP tendered their resignation as auditor at the end of their contract and a process has commenced to appoint a new auditor.

Disclosure of Information to Auditor

Insofar as each of the Directors are aware:

- there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

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 Group and parent company 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 consolidated and parent company 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 Group and parent company and of the Group's profit or loss for that period. In preparing each of the Group and parent company 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent 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 Group or the parent 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Summary

The Company Board would like to thank the staff for their enthusiasm and determination to improve customer service and control costs in another year of considerable change.

The Directors' thanks also go to the Local Authorities who have worked so closely and so effectively with us during this challenging period.

Approval

The report of the Directors was approved by the Board on 28 July 2022 and signed on its behalf by:

C D'Costa
Director
305 Gray's Inn Road, London, England, WC1X 8QR

Opinion

We have audited the financial statements of PfPL (Holdings) Limited ("the company") for the year ended 31 March 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Financial Position, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

• give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's profit for the year then ended;

• have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

• we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and

• we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

• Enquiring of directors as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.

• Reading Board, audit committee and other committee minutes.

• Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

• the risk that Group management may be in a position to make inappropriate accounting entries.

• the risk that Activities income, Shop, bar and catering income and Management fee income is overstated through recording of fraudulent transactions in period 12 or 13.

We did not identify any additional fraud risks.

We performed procedures including:

• Identifying journal entries to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations.

• Testing a sample of revenue transactions to supporting documentation from period 12 and 13 to assess whether revenue had been correctly recorded.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), pensions legislation, distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law and GDPR laws, recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 17, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PfPL (HOLDINGS) LIMITED

The purpose of our audit work and to whom we owe our responsibilities

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.

C. J. Griffiths

Caroline Griffiths (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Gateway House
Tollgate
Chandlers Ford
SO53 3TG
Date: 13 September 2022

PfPL (Holdings) Limited
Consolidated Statement of Comprehensive Income
For the year ended 31 March 2022

	Note	2022 £000	2021 £000
Turnover	4	**120,376**	87,733
Cost of sales		**(99,193)**	(77,590)
Gross profit		**21,183**	10,143
Administrative expenses		**(20,029)**	(12,256)
Operating profit/(loss)	5	**1,154**	(2,113)
Interest receivable and similar income	7	**12**	-
Interest payable and similar charges	8	**(61)**	(207)
Profit/(loss) on ordinary activities before taxation		**1,105**	(2,320)
Tax on profit/(loss) on ordinary activities	9	**(68)**	(97)
Profit/(loss) on ordinary activities after taxation		**1,037**	(2,417)
Other comprehensive income for the year		**692**	482
Total comprehensive profit/(loss) for the year		**1,729**	(1,935)

All amounts relate to continuing operations.

The accompanying notes form part of these financial statements.

Company registration number: 04832063

PfPL (Holdings) Limited
Consolidated Statement of Financial Position
As at 31 March 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	11	1,087	1,258
Tangible assets	12	19,497	23,885
		20,584	25,143
Current assets			
Stocks	14	608	685
Debtors: falling due after more than one year	15	1,215	97
Debtors: falling due within one year	15	19,178	16,089
Cash at bank and in hand		732	1,041
		21,733	17,912
Creditors: amounts falling due within one year	16	(7,397)	(8,382)
Net current assets		14,336	9,530
Total assets less current liabilities		34,920	34,673
Creditors: amounts falling due after more than one year	17	(58)	(5,436)
Provisions for liabilities and charges	19	(676)	(1,125)
Accruals and deferred income	20	(17,532)	(13,187)
Net assets		16,654	14,925
Capital and reserves			
Called up share capital	21	250	250
Share premium account		247	247
Profit and loss account		16,157	14,428
Shareholders' funds		16,654	14,925

The accompanying notes form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 September 2022.

C D'Costa
Director

PfPL (Holdings) Limited
Consolidated Statement of Changes in Equity
For the year ended 31 March 2022

	Called up Share Capital £000	Share Premium Account £000	Profit and Loss Account £000	Total £000
At 1 April 2020	250	247	16,363	**16,860**
Loss for the year	-	-	(2,417)	**(2,417)**
Other comprehensive income				
- Actuarial gain on pension scheme	-	-	601	**601**
- Deferred tax attributable to actuarial gain	-	-	(119)	**(119)**
At 31 March 2021	250	247	14,428	**14,925**
Profit for the year	-	-	1,037	**1,037**
Other comprehensive income				
- Actuarial gain on pension scheme	-	-	978	**978**
- Deferred tax attributable to actuarial gain	-	-	(286)	**(286)**
At 31 March 2022	**250**	**247**	**16,157**	**16,654**

The accompanying notes form part of these financial statements.

Company registration number: 04832063

PfPL (Holdings) Limited
Company Statement of Financial Position
As at 31 March 2022

	Note	2022 £000	2021 £000
Fixed assets			
Investments	13	14,216	14,216
Current assets			
Debtors: falling due after more than one year	15	1,215	97
Debtors: falling due within one year	15	417	295
Cash at bank		3	6
		1,635	398
Creditors: amounts falling due within one year	16	(302)	(16)
Net current assets		1,333	382
Total assets less current liabilities		15,549	14,598
Creditors: amounts falling due after more than one year	17	(17,876)	(17,270)
Accruals and deferred income	20	(44)	(28)
Net liabilities		(2,371)	(2,700)
Capital and reserves			
Called up share capital	21	250	250
Share premium account		247	247
Profit and loss account		(2,869)	(3,197)
Shareholders' funds		(2,372)	(2,700)

The accompanying notes form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 September 2022.

C D'Costa
Director

PfPL (Holdings) Limited
Company Statement of Changes in Equity
For the year ended 31 March 2022

	Called up Share Capital £000	Share Premium Account £000	Profit and Loss Account £000	Total £000
At 1 April 2020	250	247	(3,196)	**(2,699)**
Loss for the year	-	-	(483)	**(483)**
Other comprehensive income				
- Actuarial gain on pension scheme	-	-	601	**601**
- Deferred tax attributable to actuarial gain	-	-	(119)	**(119)**
At 31 March 2021	250	247	(3,197)	**(2,700)**
Loss for the year	-	-	(365)	**(365)**
Other comprehensive income				
- Actuarial gain on pension scheme	-	-	978	**978**
- Deferred tax attributable to actuarial gain	-	-	(286)	**(286)**
At 31 March 2022	**250**	**247**	**(2,869)**	**(2,372)**

The accompanying notes form part of these financial statements.

PfPL (Holdings) Limited
Consolidated Statement of Cash Flows
For the year ended 31 March 2022

	2022	2021
	£000	£000
Cash flow from operating activities		
Profit/(loss) for the year	**1,037**	(2,417)
Taxation on loss	**68**	97
Net interest expense	**49**	207
Operating profit/(loss)	**1,154**	(2,113)
Adjustments for:		
Depreciation of tangible fixed assets	**5,468**	6,477
Loss on disposal of tangible fixed assets	**45**	60
Amortisation of intangible fixed assets	**171**	183
(Increase)/decrease in stock	**77**	231
(Increase)/decrease in debtors	**(3,382)**	(6,381)
Increase/(decrease) in creditors	**(667)**	(1,014)
Increase/(decrease) in accruals and deferred income	**4,285**	(244)
Increase/(decrease) in provisions	**(449)**	(316)
Increase/(decrease) in net pension liabilities	**(141)**	(129)
Net cash flow from/(used in) operating activities	**6,561**	(3,246)
Cash flow from investing activities		
Purchase of tangible fixed assets	**(1,547)**	(1,553)
Proceeds from disposals of tangible fixed assets	**423**	248
Net cash flow from/(used in) investing activities	**(1,124)**	(1,305)
Cash flow from financing activities		
Interest received	**12**	-
Interest paid	**(15)**	(140)
Interest element of obligations under finance leases	**(46)**	(56)
Capital element of obligations under finance leases	**(532)**	(793)
Issue/(repayment) of loan from parent undertaking	**(5,165)**	3,501
Receipt of other loan	**-**	75
Net cash flow (used in)/from financing activities	**(5,746)**	2,587
Net increase/(decrease) in cash	**(309)**	(1,964)

The accompanying notes form part of these financial statements.

Analysis of changes in net debt

	Borrowings due after one year	Obligations under finance lease liabilites	Subtotal	Cash	Net debt
	£000	£000	£000	£000	£000
At 1 April 2021	(5,165)	(727)	**(5,892)**	1,041	**(4,851)**
Cash flows	5,165	531	**5,696**	(309)	**5,387**
At 31 March 2022	**-**	**(196)**	**(196)**	**732**	**536**

The accompanying notes form part of these financial statements.

1 General information

PfPL (Holdings) Limited (the "Company") is a private company registered in England and Wales. The registered number is 04832063 and the registered address is 305 Gray's Inn Road, London, England, WC1X 8QR.

2 Accounting policies

2.1 Basis of preparation and consolidation

These financial statements consolidate the financial statements of PfPL (Holdings) Limited and all of its subsidiary undertakings for the year ended 31 March 2022 ("together, the Group").

The consolidated and individual company financial statements were prepared in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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 available to the public and may be obtained from 305 Gray's Inn Road, London, England, WC1X 8QR.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 not to present its own Statement of Comprehensive Income.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates significant to the financial statements, are disclosed in note 3.

2.2 Exemptions for qualifying entities under FRS 102

The Company is considered to be a qualifying entity [1.8] and has applied the exemptions available under FRS 102 [1.12] in respect of the following disclosures:

• Requirement to prepare a Statement of Cash Flows [section 7, 3.17(d)];

• Certain disclosure requirements in section 11 Basic Financial Instruments and section 12 Other Financial Instrument Issues in respect of financial instruments;

• Certain disclosure requirements in respect of share based payments [section 36]; and,

• Key management personnel compensation [33.7];

The Company has taken advantage of these exemptions on the basis that it is a qualifying entity and its ultimate parent undertaking, Places for People Group Limited, includes these disclosures in its consolidated financial statements.

2 Accounting policies (continued)

2.3 Going concern

The Group produce a consolidated strategic business plan each year for the next three-year cycle. This process includes review and challenge by the Directors, 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 risks and mitigating actions are robustly assessed through the use of a comprehensive risk mapping process. Principal risks and uncertainties are set out in the Strategic Report.

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. The recent increase in energy costs and the cost-of-living crisis have introduced significant levels of uncertainty into most businesses. Going concern has been assessed with both these in mind.

The Directors have reviewed the projected cash flows arising from the strategic business plan for the period up to 31 March 2024 ("the going concern period") and have undertaken stress testing on two scenarios. The first scenario is based on the strategic business plan. The severe but plausible scenario ("the second scenario") contains assumptions including an increase in energy prices, a downturn in income due to the cost-of-living crisis and the failure to secure new contracts or extensions to existing contract terms which have been captured in the first scenario.

In light of these risks, the Group has secured an extension to the loan facility with its parent company to ensure that it can continue to operate with adequate liquidity. The £25m loan facility has no covenants attached and covers the going concern period. As at the date of approval of these financial statements there has been no drawdown on these funds.

The results of the stress testing showed that even in the second scenario the Group continued to have sufficient liquidity for the going concern period.

Consequently, the Directors are confident that the Group 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.

2 Accounting policies (continued)

2.4 Turnover

Turnover represents the invoiced value, net of value added tax, of goods sold and services provided to customers in the period.

Turnover is mainly comprised of activities income, shop, bar & catering income, management fee income received from Local Authorities, Coronavirus Job Retention Scheme income, Local Restrictions Support Grant income and Restart Grant income. Management fee income includes financial support provided by the Local Authorities during the year.

Activities income incorporates courses and membership subscriptions. Activities income is recognised in the month to which it relates. Where income for membership subscriptions and courses are received in advance, income is deferred over the period of service provided, with the exception of income from dry courses which is recognised on receipt.

Shop, bar and catering income is recognised on the sale of goods.

Management fee income from Local Authorities is recognised over the period to which the service relates, in line with the requirements of each Local Authority contract.

Coronavirus Job Retention Scheme income, Local Restriction Support Grant income and Restart Grant income are recognised as grant income based on the accruals model.

The Company recognises revenue associated with certain transactions, such as loss of income claims, by reference to the stage of completion of the transaction at the end of the reporting period. Income is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

2.5 Finance and operating leases

i. Finance leases

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. Finance leases are capitalised as tangible fixed assets and depreciated over the estimated useful life. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective rate method, to produce a constant charge on the balance of the capital repayments outstanding.

ii. Operating leases

Where the Company enters into a lease which do not entail transferring substantially all the risks and rewards of ownership of an asset, the lease is treated as an operating lease. Payments under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.6 Interest payable and similar charges

Interest payable and similar charges is recognised as interest accrues using the effective interest rate.

2 Accounting policies (continued)

2.7 Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the Statement of Financial Position date, except as otherwise required by FRS 102.

2.8 Intangible fixed assets

Goodwill

Goodwill represents the difference between the amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the share of the identifiable assets and liabilities of the acquiree. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

2.9 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Building development	- the remaining duration of the management contract or the lease of
Office and major equipment	- 3-10 years or the remaining duration of the management contract

2.10 Investments

Investments held as fixed assets are stated at cost less provision for impairment.

2.11 Stocks

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Costs include all costs incurred in bringing each product to its present location and condition, and is measured using the weighted average cost method. At the end of each reporting period, inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the Statement of Comprehensive Income. Where a reversal of the impairment is recognised, the impairment charged is reversed up to the original impairment loss, and is recognised as a credit in the Statement of Comprehensive Income.

2 Accounting policies (continued)

2.12 Impairment

At each balance sheet date, non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. The Company defines cash generating units as leisure centres except where it is not sufficiently large enough in size and it is more appropriate to consider individual assets. This approach supports effective appraisal of contracts as it aligns with the management and operation of the business.

If there is an indication of impairment, the recoverable amount of the asset is compared to the carrying amount of the asset. The recoverable amount is the higher of the fair value less costs to sell and value in use. The value in use is normally assessed using discounted cash flow techniques for all future cash flows to generate the net present value.
If the recoverable amount is estimated to be lower than the carrying amount, the carrying is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income.

2.13 Financial instruments

The Company has elected to apply the provisions of sections 11 and 12 of FRS 102. Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

i. Short term debtors and creditors
Debtors and creditors with no stated rate and receivable or payable within one year are recorded at the transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income.

ii. Cash at bank
Cash at bank include all cash at bank and in hand balances, net of outstanding bank overdrafts.

iii. Long-term creditors
Any arrangements such as loans owed to group undertakings, which constitute a financing transaction, are initially recognised at transaction price, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such financial liabilities are subsequently carried at amortised cost using the effective interest method.

iv. Derivatives
The fair value of forward contracts for gas and electricity contracts is recognised at the end of each accounting period, with movements taken through the Statement of Comprehensive Income.

2.14 Provisions

A provision is recognised where there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and that the economic benefit can be measured reliably.

2 Accounting policies (continued)

2.15 Pensions

i. Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid, the Grouphas no further obligations. The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

ii. Defined benefit pension plan

The Group operates a defined benefit pension scheme, called the Places for People Leisure Pension Scheme, for certain employees.

The pension costs in respect of the scheme that are charged to Operating Profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Comprehensive Income if the benefits have vested. If the benefits have not vested, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in Other Comprehensive Income.

The Places For People Leisure Pension Scheme is funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position date. The resulting defined benefit asset or liability, is presented separately after other net assets on the face of the Statement of Financial Position.

Where, at the reporting date, the present value of the defined benefit obligation is less than the fair value of the plan assets, the plan has a surplus. The Company recognises a surplus only to the extent that it is permitted under the Scheme Rules.

The Company also has admitted body status and contributes on behalf of its employees to local government pension schemes. The contributions are paid in accordance with the advice of the actuary but the group has no further liability to fund the scheme beyond its contributions paid in the year. Contributions are therefore charged to the Statement of Comprehensive Income in the year in which they are incurred.

2.16 Grants

Capital grants from Local Authorities are included within creditors in the Statement of Financial Position and credited to the Statement of Comprehensive Income over the expected useful lives of the assets to which they relate. No capital grants were received during the year.

Lottery funding and grants from sporting bodies are included within deferred income in the Statement of Financial Position and credited to the period in which the related costs are incurred in the Statement of Comprehensive Income.

3 Critical accounting judgements and estimates

In the application of the Company's accounting policies, which are described in Note 2, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Management base these on historical experience and on various factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements include:

i. Trade debtors

The Company regularly assesses the recoverability of its trade debtors. The Company monitors the collection of debtors and reviews the recoverability of debts taking into account factors such as breach of contract. Where collection is thought not to be realistic, the amount impaired is provided for in the Statement of Comprehensive Income.

ii. Defined benefit pension plan

The Company operates a defined benefit pension scheme. Note 25 sets out the details of the scheme and assumptions made to assess the net scheme benefit as at the reporting date. The Company engage qualified actuaries to advise on appropriate discount rates for the scheme.

iii. Onerous contracts

The Company operates long term contracts with Local Authorities. The performance of the contracts is monitored to assess if unavoidable costs of meeting the obligations under the contract exceed the economic benefit expected to be received under it. Where this is the case, the timing of its cash flows and the discount rate used to establish the net present value of the obligations under the contract requires management's judgement and is recognised as a provision. See the Provision note for further details.

iv. Going concern

In order to assess whether it is appropriate for the Company to be reported as a going concern, the management apply judgement, having undertaken appropriate enquiries and having considered the business activities and the Company's principal risks and uncertainties as set out on pages 8 to 10. In arriving at this judgement there are a large number of assumptions and estimates involved in calculating future cash flow projections. This includes management's expectations of customer demand, Local Authority support and timing and quantum of future capital expenditure. Sensitivity testing, involving challenging scenarios including reasonable worst case scenarios in respect of COVID-19, has been undertaken in respect of the assumptions used within the going concern assessment. As a result of these considerations the financial statements have been prepared on a going concern basis.

4 Turnover

All turnover arose within the United Kingdom.

Turnover can be broken down as follows:

	2022	2021
	£000	£000
Activities income	**98,391**	18,522
Shop, bar and catering income	**5,369**	318
Management fee income	**11,642**	35,321
Coronavirus Job Retention Scheme income	**1,306**	30,066
Local Restrictions Support Grant income and Restart Grant income	**269**	1,691
Other income	**3,399**	1,815
	120,376	87,733

5 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2022	2021
	£000	£000
Depreciation of tangible fixed assets:		
- owned by the Group	**4,897**	5,683
- held under finance leases	**571**	764
Amortisation of intangible fixed assets:	**171**	183
Operating lease rentals:		
- land and buildings	**596**	702
- other operating leases	**435**	473
Loss on disposal of fixed assets	**45**	60
Auditor's remuneration		
- Audit of the financial statements	**17**	16
- Audit of the subsidiary undertakings	**60**	52

6 Employees and directors

Employees

Staff costs were as follows:

	2022	2021
	£000	£000
Wages and salaries	**53,735**	51,262
Social security costs	**2,972**	2,756
Other pension costs	**1,175**	1,339
	57,882	55,357

The average monthly number of employees, including the Directors, during the year was as follows:

	2022	2021
	No.	No.
Management and administration	**2,157**	3,177
Supervisors, instructors and other staff	**3,698**	3,431
	5,855	6,608

Last year's employee numbers have been represented to make them comparable to this year's numbers on the basis of headcount rather than FTE.

Directors

	2022	2021
	£000	£000
Emoluments	**509**	628

Retirement benefits were accruing for 3 directors in respect of defined contribution pension schemes (2021 - 4).

The highest paid director received emoluments of £228,462 (2021: £160,827). There was no accrued pension provision for the highest paid director at 31 March 2022 (2021: £nil).

There was no amount payable for compensation for loss of office (2021: £79,700).

7 Interest receivable and similar income

	2022	2021
	£000	£000
Interest receivable on loans from group undertakings	**7**	-
Unwinding of discount on defined benefit pension asset	**5**	-
	12	-

8 Interest payable and similar charges

	2022	2021
	£000	£000
Interest payable on finance leases	**46**	56
Interest payable on loans from group undertakings	**15**	140
Unwinding of discount on defined benefit pension liability	**-**	11
	61	207

9 Taxation

a) Analysis of tax charge in the period

	2022 £000	2021 £000
Current tax		
UK corporation tax charge on profit/(loss) for the year	**228**	75
Adjustments in respect of prior periods	**(166)**	(261)
Group relief (receivable)/payable	**-**	(47)
Total current tax charge/(credit)	**62**	(233)
Deferred tax		
Origination and reversal of timing differences	**133**	(79)
Effect of tax rate change on opening balance	**(209)**	-
Adjustments in respect of prior periods	**82**	409
Total deferred tax charge/(credit)	**6**	330
Tax charge on profit/(loss) on ordinary activities (note c)	**68**	97

b) Tax expense/(income) included in other comprehensive income

	2022 £000	2021 £000
Deferred tax		
Origination and reversal of timing differences (note 10)	**286**	119

c) Factors affecting tax charge for the period

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit/(loss) on ordinary activities before tax	**1,105**	(2,320)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**210**	(441)
Effects of:		
Expenses not deductible for tax purposes	**2**	5
Fixed asset differences	**144**	266
Remeasurement of deferred tax for changes in tax rates	**(177)**	-
Amounts charged directly to other comprehensive income	**-**	119
Adjustments in respect of prior periods - current tax	**(166)**	(261)
Adjustments in respect of prior periods - deferred tax	**82**	409
Income not taxable	**(27)**	
Tax charge on profit/(loss) on ordinary activities (note a)	**68**	97

9 Taxation (continued)

d) Factors that may affect future charges

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 current 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/liability.

10 Deferred taxation

	Group	
	2022	2021
	£000	£000
At beginning of year	**723**	1,182
(Charged)/credited to profit or loss	**(7)**	(340)
(Charged)/credited to other comprehensive income	**(286)**	(119)
At end of year	**430**	723

The deferred taxation asset balance is made up as follows:

	2022	2021
	£000	£000
Accelerated capital allowances	**670**	486
Short term timing differences	**(240)**	55
Losses and other deductions	**-**	182
	430	723

11 Intangible fixed assets

	Goodwill £000
Cost	
At 1 April 2021 and at 31 March 2022	**1,825**
Amortisation	
At 1 April 2021	567
Charge for the year	171
At 31 March 2022	**738**
Net book value	
At 31 March 2022	**1,087**
At 31 March 2021	1,258

12 Tangible fixed assets

	Building developments £000	Office and major equipment £000	Work in progress £000	Total £000
Cost				
At 1 April 2021	32,814	43,124	-	**75,938**
Additions	367	997	183	**1,547**
Disposals	(4,912)	(3,802)	-	**(8,714)**
At 31 March 2022	**28,269**	**40,319**	**183**	**68,771**
Depreciation				
At 1 April 2021	17,836	32,858	-	**50,694**
Charge for the year	2,289	3,179	-	**5,468**
Eliminated on disposal	(3,992)	(3,569)	-	**(7,561)**
At 31 March 2022	**16,133**	**32,468**	**-**	**48,601**
Impairment				
At 1 April 2021	1,183	176	-	**1,359**
Eliminated on disposal	(546)	(140)	-	**(686)**
At 31 March 2022	**637**	**36**	**-**	**673**
Net book value				
At 31 March 2022	**11,499**	**7,815**	**183**	**19,497**
At 31 March 2021	13,795	10,090	-	23,885

12 Tangible fixed assets (continued)

All building developments are in respect of short leasehold properties.

Included within the net book value of £18,096,000 (2021: £22,502,000) is £1,354,758 (2021: £1,863,443) relating to assets held under finance leases. The depreciation charged in the year in respect of such assets amounted to £571,216 (2021: £764,000).

13 Fixed asset investments

Company	Shares in subsidiary undertakings £000
At 1 April 2021 and 31 March 2022	**14,216**

The structure of the Group at 31 March 2022 is shown below. All companies listed are registered in England and Wales and the registered address of each is 305 Gray's Inn Road, London, England, WC1X 8QR.

Each parent holds 100% of the share capital of the following subsidiary undertakings.

Parent name	Subsidiary name	Registered number
PfPL (Holdings) Limited	Places for People Leisure Management Limited	2585598
Places for People Leisure Management Limited	PfPL Developments Limited	4330972
Places for People Leisure Management Limited	Sam Jones (Clubs) Limited*	3406979
PfPL Developments Limited	PfPL Projects (Surrey Heath) Limited	11898999
PfPL Developments Limited	PfPL Projects (Epping) Limited	10599175
PfPL Developments Limited	PfPL Projects (Gosport) Limited*	7782225
PfPL Developments Limited	PfPL Projects (Hinckley) Limited*	9042076
PfPL Developments Limited	PfPL Projects (Sandwell) Limited*	8181534
PfPL Developments Limited	PfPL Projects (Sparkhill) Limited*	9042068
PfPL Developments Limited	PfPL Projects (Wyre Forest) Limited*	9301347

PfPL (Holdings) Limited is also the ultimate controlling party of the following companies which are limited by guarantee.

Braintree District Leisure Community Association Limited*
Places for People Leisure Community Association Limited*
Leisure and Community Partnership Limited*
Places for People Leisure Limited

Principal activities of subsidiaries

Subsidiary name	Principal activity
Places for People Leisure Management Limited	Management of Local Authority-owned leisure facilities
PfPL Developments Limited	Delivery of developments for Public Private Partnerships
PfPL Projects (Surrey Heath) Limited	Overseeing the construction of a leisure centre
Places for People Leisure Limited	Manages Local Authority-owned leisure facilities on behalf of its parent, Places for People Leisure Management Limited
PfPL Projects (Epping) Limited	Non-trading

* These companies are entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies

14 Stock

	Group	
	2022	2021
	£000	£000
Goods for resale	**608**	685

There is no significant difference between the replacement cost of stock and the carrying amounts.

15 Debtors

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Trade debtors	**3,837**	6,083	**-**	-
Other debtors	**100**	155	**-**	-
Amounts due from parent undertakings	**11,220**	-	**-**	-
Amounts due from group undertakings	**-**		**417**	295
Defined benefit pension asset (note 25)	**1,215**	97	**1,215**	97
Prepayments and accrued income	**3,591**	9,128	**-**	-
Deferred tax asset (note 10)	**430**	723	**-**	-
	20,393	16,186	**1,632**	392

Other debtors for the group includes performance bonds and guarantees of £100,000 (2021: £155,000) in connection with work performed by the group with maturity date of June 2023 (2021: September 2019 to June 2023). Bonds with a maturity date greater than one year total £100,000 (2021: £100,000).

16 Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Obligations under finance leases	**168**	531	**-**	-
Trade creditors	**3,285**	2,801	**-**	-
Amounts owed to group undertakings	**-**	525	**-**	-
Corporation tax	**-**	1,239	**-**	-
Deferred tax liability	**-**	-	**302**	16
Social security and other taxes	**3,899**	3,286	**-**	-
Other creditors	**45**	-	**-**	-
	7,397	**8,382**	**302**	16

17 Creditors: amounts falling due after more than one year

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Amounts owed to parent undertaking	**-**	5,165	**-**	-
Amounts owed to group undertakings	**-**	-	**17,876**	17,270
Other creditors	**30**	75	**-**	-
Net obligations under finance leases	**28**	196	**-**	-
	58	5,436	**17,876**	17,270

Amounts owed to parent undertaking

Last year, the £5,165,000 loan from the parent undertaking was repayable after more than one year and attracted interest at 4.5% above Bank of England base rate. This was settled during the current year.

	Group	
	2022	2021
	£000	£000
In one year or more but less than two years	**-**	5,165

Amounts owed to group undertakings

There is no fixed date for the repayment of the amounts owed to group undertakings and they attract no interest. However the group undertakings have confirmed that the amounts would not be repayable for at least one year from the Statement of Financial Position date.

18 Finance lease commitments

Obligations under finance leases are payable as follows:

	Group	
	2022	2021
	£000	£000
In one year or less	**168**	531
In one year or more but less than two years	**28**	168
In two years or more but less than five years	**-**	28
	196	727

19 Provisions for liabilities and charges

	Group		
	Onerous contracts	**Onerous lease**	**Total**
	£000	**£000**	
At 1 April 2021	1,005	120	1,125
Incurred during the year	96	-	96
Utilised in the year	(425)	(120)	(545)
At 31 March 2022	**676**	**-**	**676**

20 Accruals and deferred income

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Accruals and deferred income	**17,532**	13,187	**44**	28
Amounts falling due within one year:	**17,256**	12,411	**44**	28
Amounts falling due after one year:	**276**	776	**-**	-
	17,532	13,187	**44**	28

21 Share capital

	Company	
	2022	2021
	£000	£000
Allotted, called up and fully paid		
999,999 ordinary shares of £0.25 each	**250**	250

22 Capital commitments

At 31 March 2022 the Group had contractual commitments to purchase tangible fixed assets as follows:

	2022	2021
	£000	£000
Contracted for but not provided in these financial statements	**1,719**	605

23 Operating lease commitments

At 31 March 2022 the Group had commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2022	2021	**2022**	2021
Group	**£000**	£000	**£000**	£000
Expiry date:				
Less than one year	**499**	600	**227**	211
Between one to five years	**1,336**	1,891	**543**	480
More than five years	**1,395**	1,914	**-**	-
	3,230	4,405	**770**	691

24 Contingent liabilities

The Company has entered into performance bonds and guarantees in connection with work performed by its subsidiaries to the value of £875,000 (2021: £875,000). This represents 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.

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 2022 for this bond was £65,000,000 (2021: £65,000,000). The total interest accrued at 31 March 2022 for this bond was £813,403 (2021: £813,403).

The Group is working with its advisers to resolve issues raised by HMRC relating to the Group's use of the VAT sporting exemption in its business. This could potentially result in a material liability to the Group. At this stage the value of potential payments cannot be quantified.

25 Pension commitments

The Company is the sponsoring employer of a funded defined benefit pension scheme in the UK, which provides retirement benefit based on members' salary when leaving employment. The assets of the scheme are held in a separately administered fund and the plan is administered by a trustee body who are responsible for ensuring that the scheme is sufficiently funded to meet current and future obligations.

The liabilities set out in this note have been calculated based on the results of the full Scheme Funding Assessment as of 30 April 2019, updated to 31 March 2022, allowing for additional benefit accrual and benefits paid. The present value of the defined benefit obligation, the related current service cost and past service costs were measured using the projected unit credit method.

The Company has agreed a funding plan with the trustees of the scheme, whereby ordinary contributions are made into the Scheme based on a percentage of active employees' salary. Additional contributions are agreed with the trustees to reduce the funding deficit where necessary.

The results of the Scheme Funding Assessment carried out at 30 April 2019 showed that the market value of the Scheme's assets was £5,709,000 and that the actuarial value of those assets represented 93% of the benefits that had accrued to members after allowing for expected future increases in earnings. As at 30 April 2019 there were 14 active members in the scheme.

The actuarial valuation as at 31 March 2022 for the purposes of FRS 102 showed that the market value of the scheme’s assets was £7,491,000 including total dividends and accrued interest as at 31 March 2022.

25 Pension commitments (continued)

The disclosures set out below are based on calculations carried out as at 31 March 2022 by an independent qualified actuary. The results of the calculations and assumptions adopted are shown below.

Principal assumptions

	2022	2021
Discount rate	**2.80%**	1.96%
RPI inflation	**3.69%**	3.39%
CPI inflation	**3.18%**	2.85%
Future increases in deferred pensions	**3.18%/2.50%**	2.85%/2.50%
Rate of increase in salaries	**3.68%**	3.35%
Rate of increase to pensions in payment: CPI max 5%	**3.08%**	2.80%
Mortality	**95% of S3PxA tables with future improvements in line with the CMI_2020 projection model with w2020 of 15%, IAMI of 0.50% pa and a long-term improvement rate of 1.20% pa.**	**95% of S3PxA tables with future improvements in line with the CMI_2019 projection model IAMI of 0.50% pa and a long-term improvement rate of 1.20% pa.**
Cash commutation	**Members are assumed to take 50% of the maximum tax free cash available at retirement on current terms in excess of cash lump sum available from the Scheme**	Members are assumed to take 50% of the maximum tax free cash available at retirement on current terms in excess of cash lump sum available from the Scheme
Life expectancy of a male aged 65 at balance sheet date	**22.5**	22.7
Life expectancy of a male aged 65 in 20 years at balance sheet date	**23.7**	24.0
Life expectancy of a female aged 65 at balance sheet date	**24.9**	25.0
Life expectancy of a female aged 65 in 20 years from balance sheet date	**26.2**	26.3

There have been some refinements to the methodology used to derive the assumptions as at 31 March 2022. The discount rate has changed from referencing the iBoxx corporate AA spot yield curve to using the actuary's in-house corporate bond yield curve, which has led to an increase of 0.15% per year, thereby reducing the liability by £165,000 as at 31 March 2022. In addition, an allowance for an inflation risk premium within RPI inflation has increased from 0.1% per year to 0.2%, which has resulted in reducing the liability by £93,000 as at 31 March 2022.

25 Pension commitments (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2022	2021
UK equities	**27.7%**	27.7%
Overseas equities	**33.2%**	41.7%
UK government	**5.4%**	3.6%
Corporate bonds	**6.2%**	4.9%
Structured and global bonds	**15.0%**	8.1%
Property	**2.5%**	2.4%
Hedge and structure funds	**7.1%**	9.1%
Commodities	**1.8%**	1.4%
Cash	**1.1%**	1.1%
Total	**100.0%**	100.0%

The amounts recognised in the Statement of Financial Position are as follows:

	2022	2021
	£000	£000
Fair value of scheme assets	**7,491**	6,917
Present value of defined benefit obligation	**(6,276)**	(6,820)
Defined benefit pension asset	**1,215**	97

Total expense recognised in the Statement of Comprehensive Income

	2022	2021
	£000	£000
Current service cost	**73**	89
Interest on the defined benefit (asset)/liability	**(5)**	11
Total recognised in the Statement of Comprehensive Income	**68**	100

Total amounts taken to Other Comprehensive Income

	2022	2021
	£000	£000
Actuarial return on scheme assets - gains/(losses)	**424**	1,518
Less: amounts included in net interest on the net defined benefit (asset)/liability	**(138)**	(120)
Remeasurement gains/(losses) - Return on scheme assets excluding interest income	**286**	1,398
Remeasurement gains/(losses) - Actuarial gains/(losses)	**692**	(797)
Remeasurement gains/(losses) recognised in Other Comprehensive Income	**978**	601

25 Pension commitments (continued)

Total amounts taken to Other Comprehensive Income (continued)

Changes in the fair value of scheme assets

	2022	2021
	£000	£000
Fair value of Scheme assets at beginning of period	**6,917**	5,246
Interest income	**138**	120
Remeasurement gains		
- Return on scheme assets excluding interest income	**286**	1,398
Contributions by employer	**209**	218
Employee contributuions	**14**	18
Benefits paid (including death-in-service premiums)	**(73)**	(83)
Fair value of scheme assets at end of period	**7,491**	6,917

Changes in the present value of the defined benefit obligations

	2022	2021
	£000	£000
Present value of defined benefit obligation at beginning of period	**6,820**	5,869
Benefits paid (including death-in-service premiums)	**(73)**	(83)
Current service cost (including death-in-service premiums)	**74**	89
Interest cost	**133**	131
Remeasurement (gains)/losses		
- Actuarial (gains)/losses	**(692)**	796
Employee contributions	**14**	18
Present value of defined benefit obligation at end of period	**6,276**	6,820

26 Related party transactions

PfPL (Holdings) Limited is a subsidiary of the Places for People Group, 305 Gray's Inn Road, London, England, WC1X 8QR. As the ultimate parent company publishes consolidated group accounts accordingly PfPL (Holdings) Limited has taken advantage of the exemption not to report transactions with other group members as permitted by FRS 102 section 33.1A.

27 Immediate parent undertaking and ultimate controlling party

The Company's immediate parent undertaking is Places for People Ventures Limited, a company registered in England and Wales. The ultimate parent company and controlling party is Places for People Group Limited, a company registered in England and Wales.