Places Leisure
Part of Places for People

Financial Statements

Places for People Leisure Limited

For the year ended 31 March 2022

Company number: 08363432

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Registered number	08363432
Company secretary	C Martin
Directors	C Martin A Winstanley (appointed 1 December 2021) D Cowans (resigned 1 December 2021)
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

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

Business Review and Principal Activities

Places for People Leisure Limited (the "Company") manages Local Authority-owned leisure facilities on behalf of its parent company, Places for People Leisure Management Limited ("PfPLM"). PfPLM subcontracts the management of its contracts gained through both negotiation and competitive tendering to the Company.

The year ended 31 March 2022 was one of the most challenging periods we have faced due to the ongoing COVID-19 pandemic. The Company 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 Company with its partners Roberts Limbricks and Pellikaan Construction as part of a Design, Build, Operate and Maintain contract with Surrey Heath Borough Council.

Whilst winning new business is vital, extending contracts is equally important. The Company 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.

Improving existing leisure facilities is core to the success of the Company, 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 Company managed on behalf of Test Valley Borough Council. The Company 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 Company 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 Company, with its pioneering initiatives in Sheffield and Rotherham as notable test cases, is well placed to support these interventions.

Carbon Emission Policy

The Company 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 Company has set objectives to:

- Develop and establish the Company 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 results show a profit before tax of £19,000 for the year (2021: loss of £2,269,000).

No dividends have been declared 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)	**32.4%**	0.1%
Operating Margin (2)	**0.1%**	-2.7%

1) Annualised Sales Growth – the annual increase/(decrease) 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 Company'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 ended on 30 September 2021.

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

Operating Margin was 0.1% 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 Company aims to maximise profit available for reinvestment in the business as measured by Operating Margin.

Principal Risks

The Company has identified the following key risk areas.

Macroeconomic and Political Risks

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.

Running Costs Risk

The volatility of energy prices remains an ongoing risk for the business as wholesale costs, fixed charges and carbon tax have all fluctuated significantly, and will likely continue to do so.

Business Continuity Risk

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

Liquidity Risk

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

Principal Risks (continued)

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 Company'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 Company 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 Company to deliver services as required.

The Company 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 organisation.

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 Places for People Group ("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 Company.

Health and safety standards are embedded within the Company including formal reporting to the SLT on a regular basis. The Company 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.

Approval

The Strategic Report was approved by the Board on 9 September 2022 and signed on its behalf by:

C Martin
Secretary
305 Gray's Inn Road, London, England, WC1X 8QR

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

Financial Instruments

The Company'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 Company's financial instruments can be analysed as follows:

<u>Credit Risk</u>

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

<u>Liquidity Risk</u>

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.

<u>Cash Flow Interest Rate Risk</u>

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

<u>Commodity Price Risk</u>

The Company 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 Company is acutely conscious of its interaction with the local and national environment. It is the Company'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 Company's Environmental Policy, endorsed and monitored by the Company Board of Directors ("the Board"). During the financial year covered by this report, the Company has not incurred any fines or penalties for any breach of environmental regulations.

The Company reviews all opportunities to reduce energy and carbon consumption. We have embraced a range of technologies such as combined heat and power, photovoltaic panels, variable speed drives, biomass boilers, LED lighting and green walls and roofs to further reduce our carbon emissions and save natural resources.

We comply with all the current Building Regulations Part L in relation to new build projects and major refurbishment works, and take mandatory and voluntary actions that recognise the importance of implementing sustainable building standards such as BREEAM and reducing utility consumption on all new major projects.

Employees

We care passionately about making a difference to our communities and everyone within the Company 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 the Company 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 Company 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 Company'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 Company is required to publish an annual statement for the purposes of the Modern Slavery Act 2015. The Company 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 Company can exert influence, in its supply chain.

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

Streamlined Energy and Carbon Report

The Company's Streamlined Energy and Carbon Report has been included within the 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 Company 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 arrangements for delegating authority in respect of the Company exist within the context of a framework of delegated authority that consists of:

(a) Matters reserved to the PfP Group Board;

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

(c) Matters affecting the Company, and PfPL (Holdings) Limited and its subsidiary undertakings (together, "the Group"), specifically reserved to the PfP Group Executive; and

(d) Authority delegated to the Group's 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 Group's operating companies and divisions.

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 Company'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 Board"), has a controlling interest in a number of subsidiaries within the PfP 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 attends the Ventures Board to deliver the quarterly performance report which gives both 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 knowledge with colleagues within the wider PfP Gro

Corporate Governance (continued)

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 Company 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 Company 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 Group Board approves, and refreshes annually, a three-year business plan reflecting its strategic ambitions.

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

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. We 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 Company with the benefit of insight gained though those relationships.

Reference to stakeholder engagement can be found in the following sections of the Strategic Report and the Directors' Report: Business Review and Principal Activities, Principal Risks, Employees, and Corporate Governance.

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 8.

The Company 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.

The Company Board identifies and stress-tests strategic risks. More details on strategic risks can be found in the Principal Risks section in the Strategic Report.

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

The Company has not made any political donations (2021: nil) or incurred any political expenditure during the year.

Going Concern

The Company's intermediate parent undertaking, PfPL (Holdings) Limited, and its subsidiary undertakings ("together, the Group"), which include the Company, produce a consolidated strategic business plan each year for the next three-year cycle. This process includes review and challenge by the Directors of PfPL (Holdings) Limited, 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 of PfPL (Holdings) Limited 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 this testing showed that even in the second scenario those companies included within the consolidated business plan, can continue to have sufficient liquidity for a minimum of 12 months from the date of approval of these accounts.

In addition, the Company's intermediate parent undertaking has provided a letter of support to the Company which details how the benefits from this loan facility can be made available so as to enable the Company to meet its liabilities as they fall due. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Directors

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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 financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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 9 September 2022 and signed on its behalf by:

C Martin
Secretary
305 Gray's Inn Road, London, England, WC1X 8QR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLACES FOR PEOPLE LEISURE LIMITED

Opinion

We have audited the financial statements of Places for People Leisure Limited ("the company") for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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 Company's affairs as at 31 March 2022 and of its 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 Company 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 Company or to cease its operations, and as they have concluded that 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 its 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").

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources over this period were:
• The impact of a significant reduction in revenue due to high cost of living, no new contract wins or exisiting contract renewals.
• The impact of rising energy prices driving higher cost

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the directors' sensitivities over the level of available financial resources indicated by the PfPL (Holdings) Limited's ("the Group") financial forecasts taking account of downside, but plausible adverse effects that could arise from these risks individually and collectively.

Our procedures also included critically assessing assumptions in director's downside scenario relevant to liquidity in particular relation to revenue downturn and increasing energy costs by comparing the assumptions to economic forecasts of rising energy prices and rising cost of living and our knowledge of the entity and the sector in which it operates.

We also compared past budgets to actual results to assess the director's track record of budgeting accurately. Since the entity may need support from the Group in cases of severe downturn of turnover, we inspected letters received by the directors indicating the Group's intention to provide this support. We examined the Group's going concern assessment to assess its ability to provide this support over the period of the Company's going concern assessment and assessed the business reasons why the Group may or may not choose to provide this support. We assessed the completeness of the going concern disclosure.

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;
• 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 Company's ability to continue as a going concern for the going concern period; and
• we found the going concern disclosure in note 2.3 to be acceptable.

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 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 Company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board 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 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 performend 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 Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies 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 Company 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 or the loss of Company's license to operate. We identified the following areas as those most likely to have such an effect: Health and Safety, General Data Protection Laws and Employment Law. 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 13, 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 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 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 PLACES FOR PEOPLE LEISURE 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

	Note	2022 £000	2021 £000
Turnover	4	**108,526**	81,946
Cost of sales		**(89,481)**	(71,334)
Gross profit		**19,045**	10,612
Administrative expenses		**(18,979)**	(12,825)
Operating profit/(loss)	5	**66**	(2,213)
Interest payable and similar charges	7	**(47)**	(56)
Profit/(loss) on ordinary activities before taxation		**19**	(2,269)
Tax on profit/(loss) on ordinary activities	8	**(17)**	149
Profit/(loss) for the financial year		**2**	(2,120)

All amounts relate to continuing operations.

The Company has no recognised profits or losses other than the results for the year as set out above.

The accompanying notes form part of these financial statements.

Places for People Leisure Limited
Statement of Financial Position
As at 31 March 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	10	517	659
Tangible assets	11	18,096	22,502
		18,613	23,161
Current assets			
Stock	12	608	681
Debtors	13	7,555	9,003
Cash at bank and in hand		1,411	436
		9,574	10,120
Creditors: amounts falling due within one year	14	(14,984)	(13,759)
Net current liabilities		(5,410)	(3,639)
Total assets less current liabilities		13,203	19,522
Creditors: amounts falling due after more than one year	15	(5,439)	(15,724)
Accruals and deferred income	16	(9,834)	(5,870)
Net liabilities		(2,070)	(2,072)
Reserves			
Profit and loss account		(2,070)	(2,072)

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 Martin
Director

	Profit and Loss Account £000
At 1 April 2020	48
Loss for the year	(2,120)
At 31 March 2021	(2,072)
Profit for the year	2
At 31 March 2022	**(2,070)**

The accompanying notes form part of these financial statements.

1 General information

Places for People Leisure Limited ("the Company") is a private company limited by guarantee registered in England and Wales. The registered number is 08363432 and the registered address is 305 Gray's Inn Road, London, England, WC1X 8QR.

2 Accounting policies

2.1 Basis of preparation

These 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, which 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 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

• 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
• 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 Company's intermediate parent undertaking, PfPL (Holdings) Limited and its subsidiary undertakings ("the Group"), which include the Company, produce a consolidated strategic business plan each year for the next three-year cycle. This process includes review and challenge by the Directors of PfPL (Holdings) Limited, 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 of PfPL (Holdings) Limited 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 Company's immediate parent undertaking 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, those companies included within the consolidated business plan, which includes the Company, continued to have sufficient liquidity for the going concern period.

In addition, the Company's intermediate parent undertaking has provided a letter of support to the Company which details how the benefits from this loan facility can be made available so as to enable the Company to meet its liabilities as they fall due. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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 and catering income, management fee income from parent company, Coronavirus Job Retention Scheme income, Local Restrictions Support Grant income and Restart Grant income.

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 represents the pass down of financial support provided by Local Authorities to the Company's parent undertaking.

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 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.

2.7 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 Accounting Policies (continued)

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 property
Office and major equipment	-	3-10 years or the remaining duration of the management contract

2.10 Stock

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.

2.11 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 Accounting Policies (continued)

2.12 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. 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.

2.13 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 Company pays fixed contributions into a separate entity. Once the contributions have been paid, the Company has 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 Company's intermediate parent company, PfPL (Holdings) Limited, operates a defined benefit pension scheme, called the Places for People Leisure Pension Scheme, for certain employees.

FRS 102 disclosures in respect of this scheme are disclosed in that company's financial statements. As the scheme is funded on a group basis, it is not possible for the Company to identify its share of the surplus or deficit. Therefore contributions to the pension scheme are charged to the Statement of Comprehensive Income as incurred.

2.14 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. 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 4 and 5. 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
Other income	**1,017**	58
Management fee income from parent company	**2,186**	31,926
Coronavirus Job Retention Scheme income	**1,294**	29,431
Local Restrictions Support Grant income and Restart Grant income	**269**	1,691
	108,526	81,946

5 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2022	2021
	£000	£000
Depreciation of tangible fixed assets:		
- owned by the company	4,408	5,207
- held under finance leases	571	764
Amortisation of intangible fixed assets	142	142
Auditor's remuneration	30	29
Loss on disposal of tangible fixed assets	44	60
Operating lease rentals:		
- land and buildings	462	567
- other operating leases	299	318

6 Employees and directors

Employees

Staff costs were as follows:

	2022	2021
	£000	£000
Wages and salaries	50,360	48,091
Social security costs	2,457	2,225
Other pension costs	1,161	1,329
	53,978	51,645

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

	2022	2021
	No.	No.
Management and administration	2,082	3,095
Supervisors, instructors and other staff	3,668	3,404
	5,750	6,499

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

The services of the Directors are incidental to the Company and are disclosed in the financial statements of Places for People Group Limited.

7 Interest payable and similar charges

	2022	2021
	£000	£000
Interest payable on finance leases	47	56

8 Taxation

a) Analysis of tax charge/(credit) in the period

	2022	2021
	£000	£000
Current tax		
UK corporation tax charge on profit/(loss) for the year	**198**	-
Adjustments in respect of prior periods	**(103)**	(218)
Total current tax charge/(credit)	**95**	(218)
Deferred tax		
Origination and reversal of timing differences	**(40)**	(184)
Adjustments in respect of prior periods	**85**	253
Effect of tax rate change on opening balance	**(123)**	-
Total deferred tax (credit)/charge	**(78)**	69
Tax charge/(credit) on profit/(loss) on ordinary activities (note b)	**17**	(149)

b) Factors affecting tax charge/(credit) 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	2021
	£000	£000
Profit/(loss) on ordinary activities before tax	**19**	(2,269)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**4**	(431)
Effects of:		
Fixed asset differences	**163**	247
Expenses not deductible for tax purposes	**1**	-
Remeasurement of deferred tax for changes in tax rates	**(133)**	-
Adjustments in respect of prior periods - current tax	**(103)**	(218)
Adjustments in respect of prior periods - deferred tax	**85**	253
Tax charge/(credit) on profit/(loss) on ordinary activities (note a)	**17**	(149)

c) 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.

9 Deferred taxation

	2022 £000	2021 £000
At beginning of year	**473**	542
Credited/(charged) to profit or loss account	**79**	(69)
At end of year	**552**	473

The deferred taxation asset balance is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	**510**	276
Short term timing differences	**42**	16
Losses and other deductions	**-**	181
	552	473

10 Intangible fixed assets

	Goodwill £000
Cost	
At 1 April 2021 and at 31 March 2022	**1,125**
Amortisation	
At 1 April 2021	466
Charge for the year	142
At 31 March 2022	**608**
Net book value	
At 31 March 2022	**517**
At 31 March 2021	659

11 Tangible fixed assets

	Building developments £000	Office and major equipment £000	Work in progress £000	Total £000
Cost				
At 1 April 2021	22,600	24,929	-	**47,529**
Additions	316	573	151	**1,040**
Disposals	(4,912)	(3,802)	-	**(8,714)**
At 31 March 2022	**18,004**	**21,700**	**151**	**39,855**
Depreciation				
At 1 April 2021	7,890	15,778	-	**23,668**
Charge for the year	2,195	2,784	-	**4,979**
Eliminated on disposal	(3,992)	(3,569)	-	**(7,561)**
At 31 March 2022	**6,093**	**14,993**	**-**	**21,086**
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	**11,274**	**6,671**	**151**	**18,096**
At 31 March 2021	13,527	8,975	-	22,502

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).

12 Stock

	2022	2021
	£000	£000
Goods for resale	**608**	681

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

13 Debtors

	2022	2021
	£000	£000
Trade debtors	**1,608**	869
Amounts due from group undertakings	**3,410**	3,272
Social security and other taxes	**573**	301
Prepayments and accrued income	**1,412**	4,088
Deferred tax asset (note 9)	**552**	473
	7,555	9,003

Amounts owed from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

14 Creditors: amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	**2,961**	1,195
Amounts owed to group undertakings	**11,855**	8,934
Corporation tax	**-**	2,583
Social security and other taxes	**-**	516
Obligations under finance leases	**168**	531
	14,984	13,759

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15 Creditors: amounts falling due after more than one year

	2022	2021
	£000	£000
Amounts owed to group undertakings	**5,411**	15,526
Obligations under finance leases	**28**	198
	5,439	15,724

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

16 Accruals and deferred income

	2022	2021
	£000	£000
Accruals and deferred income	**9,834**	5,870
Amounts falling due within one year:	**9,834**	5,870

17 Company limited by guarantee

The Company is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, the members of the Company are liable to contribute up to £1 each in the event of the Company being wound up.

18 Operating lease commitments

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

	Land and buildings		**Other**	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Expiry date:				
Less than one year	**419**	465	**252**	130
Between one to five years	**1,282**	1,726	**317**	452
More than five years	**1,395**	1,914	**-**	-
	3,096	4,105	**569**	582

19 Finance lease commitments

Obligations under finance leases are payable as follows:

	2022	2021
	£000	£000
Less than one year	**168**	531
Between one to two years	**28**	168
More than two years but less than five years	**-**	30
	196	729

20 Contingent liabilities

The Company has entered into performance bonds and guarantees in connection with work performed to the value of £130,000 (2021: £130,000).

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

21 Capital commitments

At 31 March 2022 the Company had capital commitments as follows:

	2022	2021
	£000	£000
Contracted for but not provided in these financial statements	**1,637**	-

22 Related party transactions

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

23 Immediate parent undertaking and ultimate controlling party

The Company's immediate parent undertaking is Places for People Leisure Management Limited, a company registered in England and Wales.

The Company's intermediate parent undertaking is PfPL (Holdings) Limited, a company registered in England and Wales, which is where the financial statements of the Company are consolidated and represents the smallest group of which the Company is a member of.

The largest Group for which group financial statements are drawn up is headed by Places for People Group Limited, a company incorporated in England and Wales. This is considered by the Directors to be the ultimate parent undertaking and controlling party. Group accounts are available from the registered office.

The financial statements of PfPL (Holdings) Limited are available on request to the Company Secretary, 305 Gray's Inn Road, London, England, WC1X 8QR.