



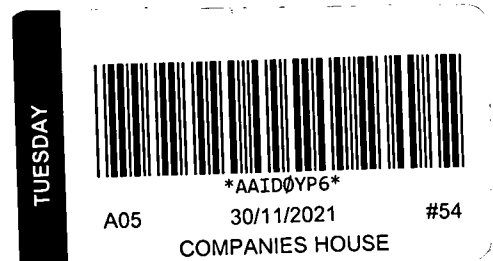
**Places
Leisure**

Part of Places for People

Consolidated Financial Statements

PfPL (Holdings) Limited

For the year ended 31 March 2021



Company number: 04832063

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Registered number	04832063
Company secretary	C Martin
Directors	D Cowans C D'Costa D Walker P McPartlan (appointed 25 August 2020) S Dodd (resigned 25 August 2020) G Kitchen (appointed 1 June 2020 and resigned 16 July 2020) J Oxley (resigned 30 September 2020) C Phillips (resigned 31 January 2021) E Woolman (appointed 1 June 2020 and resigned 16 July 2020)
Registered office	80 Cheapside London EC2V 6EE
Independent auditor	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL
Banker	Barclays Bank Plc Leicester Leicestershire United Kingdom LE87 2BB
Solicitor	Nabarro LLP 1 South Quay Victoria Quays Sheffield S2 SSY

PfPL (Holdings) ("the Company") continues to contribute to the Places for People Group's ("the 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 show a loss on ordinary activities before taxation of £2.3m for the year (profit of £0.2m for year ended 31 March 2020) on a turnover of £87.7m (£153.4m for year ended 31 March 2020).

COVID-19 has had an enormous impact upon public sector leisure. The Company, like all leisure operators, faced a challenging period, with our centres instructed to close due to the coronavirus pandemic. The Company's focus during this time was to keep colleagues and customers safe, safeguard jobs and secure the best possible terms with our Local Authority partners that ensure the long-term sustainability of local services.

We remain committed to improving opportunities for communities to adopt healthier and more active lifestyles. However, opportunities have been limited this year due to the lockdowns and restrictions that have been in place. We generated £31.1m in Social Value in the last year, a considerable decrease from the previous year. 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 rate of value, so outreach programmes in areas of higher deprivation, and our soon-to-be-launched COVID-19 Recovery programme, enhance this further.

We strive to offer a wide range of activities and explore new innovations and technology to enhance our customer experience, service offering and increase accessibility. Throughout the periods of nationwide lockdowns and local restrictions, we have continued communication with our customers and encouraged activity with the refreshed Places Locker Virtual Studio, offering free home workout options, live streaming and on-demand classes, as well as activity challenges.

We've furthered our commitment to helping within the community, and supported the NHS in the fight against COVID-19, by setting up vaccination centres in Rotherham and Hinckley with our Local Authority partners, Hinckley and Bosworth Borough Council and Rotherham Metropolitan Borough Council. We are pleased to report that we've successfully vaccinated over 100,000 people within our communities.

Throughout the pandemic we have asked our customers about their attitudes surrounding COVID-19 and have completed one of the largest sector insight assessments, to understand how we can support them in getting back to activity. 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 to 46 following the reopening of centres from the third national lockdown. This demonstrated a high level of confidence in the hygiene and social distancing measures that were put in place and the hard work of our teams in welcoming customers back. The measures we put in place were rated 4.4 stars out of 5.0, with over half of customers rating us a 5. 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 average (formed from our public sector competitors, local trusts and 'in-house' council-operated facilities).

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 increased screen time for those not ready to return to the 'physical space'.

We are pleased to also be developing a COVID-19 Recovery programme to better support the increasing number of people left dealing with the mid to long-term effects of contracting the virus. Our centres offer accessible, non-clinical settings for members to receive support and advice to assist in getting back to normal, everyday life. With the support of The Places Foundation, an independent charity that is supported by the Places for People Group, Travis Perkins are funding the rollout of our new COVID-19 Recovery programme. We are perfectly placed to deliver a non-intimidating, easy to access Recovery Programme to the people who need it within the communities that we serve. Utilising government data regarding the areas with the greatest need, we plan to deliver this programme in multiple locations across the leisure estate.

As our centres have been closed for most of the year due to the pandemic, our People focus has been on supporting colleagues, while they have been furloughed and preparing them for returning to work as our centres re-open.

Our online training platform, 'My Learning Place', has allowed colleagues to continue completing their e-learning from home while furloughed. A COVID Return to Work e-learning module was developed to help teams understand the changes made at their centres in accordance with COVID safety measures, provide information on the newly introduced Placemaker role, as well as offer guidance and resources on personal wellbeing.

During the year there has been a focus on supporting colleague physical and mental health, raising awareness and ensuring colleagues 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. Online wellbeing sessions have been held for colleagues to promote self care, fitness and good mental health.

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

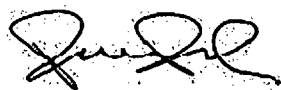
We remain focused on exploring new business opportunities, expanding our leisure portfolio and reinvesting in our centres to further our social mission of creating 'active places and healthy people'. I am delighted to report that the new Bulmershe Leisure Centre, managed on behalf of Wokingham Borough Council, opened in August 2020, and experienced over 10,000 visits to the gym, swimming, and group exercise classes in its first month alone. Despite the pandemic, I am also pleased to state that the new £22m Places Leisure Camberley was opened on time and on budget. The venue which was designed and built by the Company, with its partners Roberts Limbricks and Pellikaan, as part of a Design, Build, Operate and Maintain contract with Surrey Heath Borough Council, opened on 1 July 2021.

This year, £4.1m was reinvested in our centres, including a £2m investment for Court Garden Leisure Complex, part of the Buckinghamshire Council Contract, giving it a new reception area and refurbishing the swimming pool and changing facilities.

The Places for People 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 the Places for People Group's housing and leisure expertise that deliver social outcomes and social value with a commercial approach. Our mutual and varying strengths, massive economies of scale, along with the significant number of Local Authority clients that the two organisations partner with, mean that there are significant cross-service and management opportunities that enable us to offer a more holistic and end-to-end service solution.

Our people have a positive impact on the communities we serve, 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

The Directors have pleasure in submitting their Strategic Report for the year ended 31 March 2021.

Business Review and Principal Activities

PfPL (Holdings) (the "Company") is one of the leading leisure management companies 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 experience includes Private Finance Initiatives ("PFIs") and Public Private Partnerships ("PPPs") as well as 'Best Value' contracts. The Company also owns four Places Gyms, our independent community fitness proposition offering affordable memberships to local communities.

2020/21 was one of the most challenging periods we have faced due to the global coronavirus pandemic which saw three nationwide lockdowns and the continued political and economic uncertainty over Brexit. This had a significant impact resulting in the forced closure of all our leisure centres and gyms for nine months of the year. The Company has navigated these challenges with a focus on keeping our colleagues and customers safe, safeguarding jobs, and securing the best possible terms with Local Authority clients.

During a very challenging year due to the worldwide COVID-19 pandemic, our focus has been to sustainably support our existing leisure facilities to ensure that community-based leisure services can continue to be provided in partnership with our Local Authority colleagues. This will ensure that we remain committed to further our social mission of creating 'active places and healthy people'. We are delighted to report that the new Bulmershe Leisure Centre managed on behalf of Wokingham Borough Council opened in August 2020, and experienced over 10,000 visits for the gym, swimming, and group exercise classes in its first month alone which is impressive with restricted capacities in place due to the COVID-19 pandemic.

Despite the pandemic, we are also pleased to announce that the new £22m Places Leisure Camberley site opened on time and on budget. 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 and opened on 1 July 2021.

Whilst winning new business is important, extending contracts is equally important. The Company was delighted to successfully extend our partnership with Wiltshire Council until October 2021, Dorset District Council until March 2022, and Rushmoor Borough Council until March 2024.

Improving existing leisure facilities is core to the success of the Company, and was again a main feature in 2020/21, with a total of £4.1m invested in enhancing facilities. This included a £2m investment in Court Garden Leisure Complex including refurbishment of the swimming pool, changing rooms and reception area. The Company is currently involved in 41 capital development schemes including a combination of PPPs and facility enhancements, with a total investment in excess of £27.8m.

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.

Our Local Authority Partners

In 2020/21 we worked in partnership with the following Local Authorities to manage their leisure facilities:

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

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 consolidated results show a loss on ordinary activities before taxation of £2.3m for the year (profit of £0.2m for year ended 31 March 2020) on a turnover of £87.7m (£153.4m for year ended 31 March 2020).□

The Company ended the year with net debt (cash, amounts owed to parent undertaking and finance leases) of £4.8m (net cash £206k for year ended 31 March 2020).□

No dividends have been declared or paid by the Directors in respect of the year ended 31 March 2021. (2020: £nil).□

Key Performance Indicators

Key Performance Indicator	2021	2020
Annualised Sales Growth (1)	-42.8%	-3.7%
Operating Margin (2)	-2.4%	0.2%

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 centres during the three nationwide lockdowns, and further closures and restrictions imposed by local lockdowns, had a devastating 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. We also saw the permanent closure of two of our private gyms, Places Gym Telford and Places Gym Chesterfield, along with three Public Halls within our Elmbridge Borough Council and Mid Sussex District Council contract, as well as the Kingfisher Leisure Centre in our Kingston contract. Farnborough Leisure Centre also transferred back to the Local Authority at the end of March 2021.□

2) Operating Margin – the operating profit expressed as a percentage of turnover for the Company. □
Operating Margin was -2.4% in 2021. As we emerge from the pandemic we will continue to focus on income generation in the coming years 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

COVID-19 Risk

The coronavirus (COVID-19) pandemic — officially declared a global pandemic by the World Health Organisation on 11 March 2020 — has prompted much of the world to impose lockdown restrictions, which have severely restricted economic activity. There is an unprecedented level of uncertainty in world markets and a lack of a consensus on the path out of COVID-19.

The Company has identified four key risk areas.

Liquidity. A reduction in revenues could put pressure on the Company's ability to meet its obligations.

Running Costs. With the risk of new variants developing, the possibility of another nationwide or local lockdown must be considered, and the lessons learnt from the previous experiences put in to place to mitigate the running costs of our buildings. Utility costs are still fluctuating significantly due to COVID-19 and Brexit, and are some of the most expensive tariffs on record.

Health and Safety. 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.

Business Continuity. A lack of available and suitably protected workforce, contractors, or essential components could lead to an inability to deliver key services across the Company.

Mitigation

A COVID-19 committee meets regularly to review the ongoing situation and its impacts on the business, our customers and our colleagues. This committee ensures we are reacting quickly to changes as they arise and provides regular, clear communications to our customers and colleagues.

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.

The risks identified and mitigating actions in place in respect of the COVID-19 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.

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.

Other Health and Safety Risks

The Company could suffer an incident impacting upon the health, safety and wellbeing of its customers, colleagues or contractors where harm is suffered by stakeholders and sanctions faced are severe.

Mitigation

Health and safety disciplines are embedded within the Company and issues reported to management on a regular basis. The Company maintains and regularly reviews clear health and safety frameworks, policies and response plans. Health and safety monitoring incorporates a wide range of activities alongside staff training and regular independent business assurance reviews.□

Principal Risks (continued)

Climate Change Risks

The Company 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 Company 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 Company 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.

Other Risks

The general performance of the economy and its impact on consumer spending poses 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 the continued launch of significant numbers of new low-cost, budget gyms and the emergence of boutique fitness clubs.

Utility costs remain a potential future risk for this business as wholesale costs, fixed charges and carbon tax all increase, adding to the fully delivered unit price.

Mitigation

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

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.

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.

Approval

The Strategic Report was approved by the Board on 1 September 2021 and signed on its behalf by:



P McPartlan
Director

The Directors have pleasure in submitting their Directors' Report and audited financial statements for the year ended 31 March 2021.

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:

Credit Risk

Credit risk is minimal to the Company 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 COVID-19 committee and 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 Company.

Commodity Price Risk

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 have again been certificated for ISO14001 environmental compliance in accordance with the transition to the new 2015 upgraded system. 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).

2020/21 was a significantly challenging year with the majority of the workforce furloughed under the Government's Coronavirus Job Retention Scheme for approximately nine months. The COVID-19 pandemic has created immense uncertainty for our workforce and we have received welcome support from both Places for People Group and our Local Authority partners.

The Company has continued communicating with employees whilst on furlough and has introduced an internal communications platform, Places Connect, which offers a new way to share company news, events, and announcements to all colleagues in one place. Business updates have been provided, including re-opening plans, and there has been a focus on employee wellbeing with several virtual wellbeing sessions being held throughout the year. In June 2020 the workforce was surveyed to gauge feelings of returning to work. At that time, 90% of the workforce were excited about returning to work but 45% did feel some anxiety about returning. Feedback on the measures our employees wanted to see when they returned was used to inform re-opening decisions.

When leisure facilities re-opened for a short period in the summer and autumn of 2020 the entire workforce was trained on new COVID-secure practices, enabling employees to return to work with confidence that the Company was doing everything possible to keep them, and our customers, safe.

It was an important year to keep in touch with our customers, to gauge their mood on each re-opening and to gather feedback on how we were performing. Our re-opening 1.0 (summer -2020) and re-opening 3.0 (spring 2021) surveys were two of the biggest leisure insight projects, each with over 20,000 responses. Customers told us what a challenging year it was: the re-opening 1.0 was dominated by the reassurances customers needed to see us put in place in order to return, and re-opening 3.0 showed a heightened desire to return to activity. Despite visiting the centre prior to the first nationwide lockdown, 71% of adults' activity decreased slightly or significantly during the winter lockdown, and more jarring was the fact that there was an 80% decrease for juniors.

Throughout the year, Places Locker Virtual Studio has been available, free of charge for the entire workforce, to encourage participation in physical activity at a time when the pandemic forced our leisure facilities to close.

During the year, we completed a transformational change programme; moving from a compartmentalised structure of our front-of-house and sales positions to a flexible, multiskilled, customer-centric structure that will drive outstanding customer experience. The newly-formed Placemaking teams will sell all products, focus on member acquisition and deliver outstanding service. The launch of the People First Customer Service programme was interrupted by the COVID-19 pandemic but now that the Placemaking structure has been implemented, the Company plans to launch People First in 2021/22.

The Big Colleague Survey was planned to take place in October 2020 but was postponed due to COVID-19 until June 2021.

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.

We have delivered a number of online wellbeing sessions for colleagues during the year to promote self-care, fitness and good mental health. We also have a mental health awareness e-learning course available to all colleagues.

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, launched this year, 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. By introducing MHFAs, we aim to raise mental health awareness and help teams talk more freely about mental health, reducing stigma and create a more open culture.

Learning and Development

As our centres have been closed for most of the year due to the nationwide lockdowns, our focus has been on supporting our teams while they have been furloughed and preparing them for returning to work as our centres re-opened.

Our COVID Return to Work e-learning module was developed to help teams understand the changes made at their centres in accordance with COVID-19 safety measures, provided information on the newly introduced Placemaker role as well as guidance and resources on personal wellbeing. All colleagues returning to work are required to complete the Phishing Awareness e-learning course to ensure our cyber security remains high.

We have been working with the Organisational Development Digital team to migrate to Places for People Group's learning platform 'Places Academy' and this project is due to be completed and launched in 2021/22. The move to Places for People Group's platform will provide a wider suite of digital learning and resources to help upskill our workforce.

We aim to maximise the use of the Apprenticeship Levy and provide valuable and job-relevant skills through our apprenticeship programme. During National Apprenticeship Week in February 2021, we took part in a social media campaign to promote our apprenticeship programme with our partner, Lifetime Training. The re-launch of our programme internally in the first part of 2021/22 aims to re-engage our staff who have taken a break in learning during the lockdowns and introduce some new apprenticeship standards including an entry level 2 multi-skilled qualification, 'Leisure Team Member'. As well as providing more flexible resourcing of teams in our centres, this qualification is invaluable in helping to attract college leavers and those just starting a career in leisure.

Learning and Development (continued)

We offer L5 Leadership and Management apprenticeships and have introduced some L7 MBA apprenticeships this year. More leadership training is planned later in 2021/22.

With our commitment to supporting our colleagues' health and wellbeing as they returned to work, we trained fifteen Mental Health First Aiders with Mental Health First Aid England during March 2021. The launch of our MHFA programme took place in May 2021 during National Mental Health Awareness Week. We plan to introduce a MHFA Instructor programme in 2021/22 so more MHFAs can be trained to support colleagues across our centres.

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 Places for People 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 Places for People Group Annual Report.

Corporate Governance

The Group Board recognises the importance of maintaining high standards of corporate governance. 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 Group and the services it provides are integral to maintaining the cohesive nature of the Group's overall offering. All of those governance arrangements feed into the Group's governance structure.

The arrangements for delegating authority in respect of Places Leisure exist within the context of a framework of delegated authority that consists of:

- (a) Matters reserved to the Group Board;
- (b) General authority delegated to the Group Executive;
- (c) Matters affecting the Company, Places for People Leisure Limited, Places for People Leisure Management Limited and other legal entities within the business specifically reserved to the Group Executive; and
- (d) Authority delegated to operating management.

The framework of delegated authority operates as follows:

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

Corporate Governance (continued)

(b) The Group Board has authorised the Group Executive to take action in connection with any matter that is not expressly reserved for the Group Board up to specified limits. The Group Executive may sub-delegate that authority, within agreed parameters, to management of any operating entity within the Places Leisure business.

(c) The senior management of the Company 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 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 Group Board and the Group Chief Executive is also a director of PfPL (Holdings) Limited, ensuring that information from the Group and its committees reaches the Board of the Company.

For the year ended 31 March 2021, the 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 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 2021 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 Board approves, and refreshes annually, a three-year business plan reflecting its strategic ambitions.

There are no external shareholders – the ultimate parent company is limited by guarantee – and so the 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. We seek to maintain strong relationships with these stakeholders and to understand what matters to each of them. The Board sets the direction of the Company with the benefit of insight gained through those relationships.

Reference to stakeholder engagement can be found in the Chief Executive's Statement and the following sections of the Strategic Report and the Directors' Reports: 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 Board supports the emphasis given by the Company 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 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 employees and customers has been established over the years and is co-ordinated by a Board Director.

Political Contributions

Neither the Company nor any of its subsidiaries made any political donations (2020: nil) or incurred any political expenditure during the year.

Going Concern

PfPL (Holdings) Limited and its subsidiary undertakings ("the Leisure Group") produce a consolidated strategic business plan each year for the next three year cycle. This process includes review and challenge by the Board, alongside consideration of principal risks and uncertainties. When the business plan is approved it is then used as the basis for monitoring business performance. The Leisure Group robustly assesses both its risks and mitigating actions 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 global COVID-19 pandemic has introduced significant levels of uncertainty into most businesses. The going concern has been assessed in light of the risks raised by the pandemic.

The Directors have reviewed the projected cash flows arising from the consolidated strategic business plan for a period of at least 12 months from the date of approval of these financial statements, and have undertaken stress testing on a number of scenarios including a future nationwide lockdown and subsequent restrictions on our operations. As a result of these assumptions, the Leisure Group has secured an extension to the loan facility with its parent company to ensure that it can operate with adequate liquidity. The £15m loan facility has no covenants attached and 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 most severe but plausible scenario the Leisure Group continued to have sufficient liquidity for a minimum of 12 months from the date of approval of these accounts.

Consequently, the Directors are confident that the Leisure 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

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 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 Leisure Group 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 Leisure Group and parent company and of the Leisure 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 Leisure Group and the parent'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 Leisure 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 Leisure Group and to prevent and detect fraud and other irregularities.

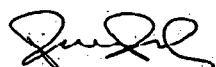
Summary

The 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 1 September 2021 and signed on its behalf by:



P McPartlan
Director
80 Cheapside, London, EC2V 6EE

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

Opinion

We have audited the financial statements of PfPL (Holdings) Limited ("the company") for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Financial Position, 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 2021 and of the group's loss 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 absence of reference to a material uncertainty in this auditor's report is 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 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.

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

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, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue in the year is predominantly related to local authority or central government income where there is neither an incentive nor opportunity to fraudulently recognize revenue.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations.

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), 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.

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

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

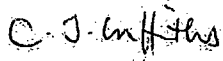
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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 PPL (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.



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

Chartered Accountants

Gateway House

Tollgate

Chandlers Ford

SO53 3TG

Date: 7 September 2021

PfPL (Holdings) Limited
Consolidated Statement of Comprehensive Income
For the year ended 31 March 2021



	Note	2021 £000	2020 £000
Turnover	4	87,733	153,401
Cost of sales		<u>(77,590)</u>	<u>(126,186)</u>
Gross profit		10,143	27,215
Administrative expenses		(12,256)	(26,942)
Operating (loss)/profit	5	<u>(2,113)</u>	<u>273</u>
Interest receivable and similar income	7	-	20
Interest payable and similar charges	8	<u>(207)</u>	<u>(84)</u>
(Loss)/profit on ordinary activities before taxation		<u>(2,320)</u>	<u>209</u>
Tax on (loss)/profit on ordinary activities	9	(97)	(532)
Loss on ordinary activities after taxation		<u>(2,417)</u>	<u>(323)</u>
Other comprehensive income/(loss) for the year		482	(371)
Total comprehensive (loss)/income for the year		<u>(1,935)</u>	<u>(694)</u>

All amounts relate to continuing operations.

The accompanying notes form part of these financial statements.

PfPL (Holdings) Limited
Consolidated Statement of Financial Position
As at 31 March 2021



	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	11	1,258	1,441
Tangible assets	12	23,885	28,675
		<u>25,143</u>	<u>30,116</u>
Current assets			
Stocks	14	685	916
Debtors	15	16,089	10,166
Cash at bank and in hand		1,041	3,035
		<u>17,815</u>	<u>14,117</u>
Creditors: amounts falling due within one year	16	<u>(8,382)</u>	<u>(9,679)</u>
Net current assets		<u>9,433</u>	<u>4,438</u>
Total assets less current liabilities		<u>34,576</u>	<u>34,554</u>
Creditors: amounts falling due after more than one year	17	<u>(5,436)</u>	<u>(2,201)</u>
Provisions for liabilities and charges	19	(1,125)	(1,442)
Accruals and deferred income	20	(13,187)	(13,428)
Net assets excluding pension asset/(liability)		<u>14,828</u>	<u>17,483</u>
Defined benefit pension asset/(liability)	26	97	(623)
Net assets		<u>14,925</u>	<u>16,860</u>
Capital and reserves			
Called up share capital	21	250	250
Share premium account		247	247
Profit and loss account		14,428	16,363
Shareholders' funds		<u>14,925</u>	<u>16,860</u>

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 1 September 2021.

P McPartlan
Director

PfPL (Holdings) Limited
Consolidated Statement of Changes in Equity
For the year ended 31 March 2021



	Called up Share Capital £000	Share Premium Account £000	Profit and Loss Account £000	Total £000
At 1 April 2019	250	247	17,057	17,554
Loss for the year	-	-	(323)	(323)
Other comprehensive income				
- Actuarial loss on pension scheme	-	-	(435)	(435)
- Deferred tax attributable to actuarial loss	-	-	64	64
At 31 March 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

The accompanying notes form part of these financial statements.

PfPL (Holdings) Limited
Company Statement of Financial Position
As at 31 March 2021



	Note	2021 £000	2020 £000
Fixed assets			
Investments	13	<u>14,216</u>	<u>14,216</u>
Current assets			
Debtors	15	295	12
Cash at bank		<u>8</u>	<u>1</u>
		302	13
Creditors: amounts falling due within one year	16	<u>(16)</u>	<u>(16,305)</u>
Net current assets/(liabilities)		286	(16,292)
Total assets less current assets/(liabilities)		<u>14,502</u>	<u>(2,076)</u>
Creditors: amounts falling due after more than one year	17	(17,270)	-
Accruals and deferred income	20	(28)	-
Defined benefit pension asset/(liability)	26	97	(623)
Net liabilities		<u>(2,700)</u>	<u>(2,699)</u>
Capital and reserves			
Called up share capital	21	250	250
Share premium account		247	247
Profit and loss account		(3,197)	(3,196)
Shareholders' funds	22	<u>(2,700)</u>	<u>(2,699)</u>

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 1 September 2021.

P McPartlan
Director

PfPL (Holdings) Limited
Consolidated Statement of Cash Flows
For the year ended 31 March 2021



	2021 £000	2020 £000
Cash flows from operating activities		
Loss for the financial year	(2,417)	(323)
Taxation on loss	97	532
Net interest expense	207	64
Operating (loss)/profit	(2,113)	273
Adjustments for:		
Depreciation of tangible fixed assets	6,447	6,922
Impairment of tangible assets	-	1,411
Loss on disposal of tangible fixed assets	60	127
Amortisation of intangible fixed assets	183	407
Taxation paid	-	(921)
Decrease in stock	231	72
(Increase)/decrease in debtors	(6,381)	1,381
Decrease in creditors	(1,014)	(1,327)
Decrease in accruals and deferred income	(244)	(5,005)
(Decrease)/increase in provisions	(316)	763
Decrease in net pension liabilities	(129)	(105)
Net cash flow (used in)/from operating activities	(3,276)	3,997
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,553)	(7,996)
Proceeds from disposals of tangible fixed assets	248	3
Interest received	-	20
Net cash flow used in investing activities	(1,305)	(7,973)
Cash flows from financing activities		
Interest paid	(140)	(13)
Interest element of obligations under finance leases	(56)	(67)
Capital element of obligations under finance leases	(793)	(1,071)
Loan received from parent company	3,501	719
Receipt of other loan	75	-
Net cash flow from/(used in) financing activities	2,588	(432)
Net decrease in cash in the year	(1,994)	(4,408)

The accompanying notes form part of these financial statements.

PfPL (Holdings) Limited
Consolidated Statement of Cash Flows
For the year ended 31 March 2021



Analysis of changes in net debt

	Borrowings due after one year	Obligations under finance lease liabilities	Subtotal	Cash flows	Net debt
	£000	£000	£000	£000	£000
At 1 April 2020	(1,664)	(1,165)	(2,829)	3,035	206
Cash flows	(3,501)	793	(2,708)	(1,994)	(4,702)
New finance leases	-	(355)	(355)	-	(355)
At 31 March 2021	(5,165)	(727)	(5,892)	1,041	(4,851)

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 80 Cheapside, London, EC2V 6EE.

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 2021 (“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 80 Cheapside, London, EC2V 6EE.

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 produces a consolidated strategic business plan each year for the next three year cycle. This process includes review and challenge by the Board, alongside consideration of principal risks and uncertainties. When the business plan is approved it is then used as the basis for monitoring business performance. The Group robustly assesses both its risks and mitigating actions 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 global COVID-19 pandemic has introduced significant levels of uncertainty into most businesses. The going concern has been assessed in light of the risks raised by the pandemic.

The Directors have reviewed the projected cash flows arising from the consolidated strategic business plan for a period of at least 12 months from the date of approval of these financial statements, and have undertaken stress testing on a number of scenarios including a future nationwide lockdown and subsequent restrictions on our operations. As a result of these assumptions, the Group has secured an extension to the loan facility with its parent company to ensure that it can operate with adequate liquidity. The £15m loan facility has no covenants attached and 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 most severe but plausible scenario the Group and Company continued to have sufficient liquidity for a minimum of 12 months from the date of approval of these accounts.

Consequently, the Directors are confident that the Company and 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 and three month promotional income 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 shorter of the lease term or 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 depreciation. 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 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

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 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 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 26 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 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:

	2021	2020
	£000	£000
Activities income	18,522	134,082
Shop, bar and catering income	318	10,045
Management fee income	35,321	3,900
Coronavirus Job Retention Scheme income	30,066	1,101
Local Restrictions Support Grant income and Restart Grant income	1,691	-
Other income	1,815	4,273
	<u>87,733</u>	<u>153,401</u>

5 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	2021	2020
	£000	£000
Depreciation of tangible fixed assets:		
- owned by the Group	5,683	6,384
- held under finance leases	764	538
Impairment of tangible fixed assets	-	1,412
Amortisation of intangible fixed assets:	183	232
Impairment of intangible fixed assets	-	175
Operating lease rentals:		
- plant and machinery	702	717
- other operating leases	473	804
Loss on disposal of fixed assets	60	131
Auditor's remuneration		
- Audit of the financial statements	16	12
- Audit of the subsidiary undertakings	52	53

6 Employees and directors

Employees

Staff costs were as follows:

	2021 £000	2020 £000
Wages and salaries	51,262	70,743
Social security costs	2,756	3,783
Other pension costs	1,339	1,512
	<u>55,357</u>	<u>76,038</u>

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

	2021 No.	2020 No.
Management and administration	1,080	1,346
Supervisors, instructors and other staff	<u>1,124</u>	<u>1,050</u>
	<u>2,204</u>	<u>2,396</u>

Directors

	2021 £000	2020 £000
Emoluments	585	1,004
Pension contributions	<u>40</u>	<u>88</u>
	<u>625</u>	<u>1,092</u>

Retirement benefits were accruing for 4 directors in respect of defined contribution pension schemes (2020 - 3). The highest paid director received emoluments of £151,527 (2020 - £383,200) and pension contributions of £9,300 (2020 - £nil). There was no accrued pension provision for the highest paid director at 31 March 2021 (2020 - £nil).

There was £79,700 payable for compensation for loss of office (2020 - £nil).

7 Interest receivable and similar income

	2021 £000	2020 £000
Interest receivable on loans from group undertakings	<u>-</u>	<u>20</u>

8 Interest payable and similar charges

	2021 £000	2020 £000
Interest payable on finance leases	56	67
Interest payable on loans from group undertakings	140	13
Unwinding of discount on defined benefit pension liability	<u>11</u>	<u>4</u>
	<u>207</u>	<u>84</u>

9 Taxation

a) Analysis of tax charge in the period

	2021 £000	2020 £000
Current tax		
UK corporation tax charge on (loss)/profit for the year	75	934
Adjustments in respect of prior periods	(261)	(82)
Group relief (receivable)/payable	(47)	(9)
Total current tax (credit)/charge	(233)	843
Deferred tax		
Origination and reversal of timing differences	(79)	(376)
Effect of tax rate change on opening balance	-	(84)
Adjustments in respect of prior periods	409	86
Total deferred tax charge/(credit)	330	(374)
Tax charge on (loss)/profit on ordinary activities (note c)	97	469

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

	2021 £000	2020 £000
Deferred tax		
Origination and reversal of timing differences (note 10)	119	(64)

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% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
(Loss)/profit on ordinary activities before tax	(2,320)	209
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(441)	40
Effects of:		
Expenses not deductible for tax purposes	5	14
Fixed asset differences	266	558
Difference in tax rate	-	(83)
Amounts charged directly to other comprehensive income	119	(64)
Adjustments in respect of prior periods - current tax	(261)	(82)
Adjustments in respect of prior periods - deferred tax	409	86
Tax charge on (loss)/profit on ordinary activities (note a)	97	469

9 Taxation (continued)

d) Factors that may affect future charges

The main rate of corporation tax is currently 19%, however this is due to increase to 25% from 1 April 2023. As this change in corporation tax rate had not been substantively enacted at the balance sheet date, deferred tax has been calculated using the current corporation tax rate of 19%. This change will reduce the future current and deferred tax charge accordingly.

10 Deferred taxation

	Group	
	2021	2020
	£000	£000
At beginning of year	1,182	808
(Charged)/credited to profit or loss	(340)	374
(Charged)/credited to other comprehensive income	(119)	-
At end of year	<u>723</u>	<u>1,182</u>

The deferred taxation asset balance is made up as follows:

	2021	2020
	£000	£000
Accelerated capital allowances	486	742
Short term timing differences	55	440
Losses and other deductions	182	-
	<u>723</u>	<u>1,182</u>

11 Intangible fixed assets

	Goodwill £000
At 1 April 2020	2,150
Disposals	(325)
At 31 March 2021	1,825
Amortisation	
At 1 April 2020	534
Disposals	(150)
Charge for the year	183
At 31 March 2021	567
Impairment	
At 1 April 2020	175
Disposals	(175)
Charge for the year	-
At 31 March 2021	-
Net book value	
At 31 March 2021	1,258
At 31 March 2020	1,441

12 Tangible fixed assets

	Building developments £000	Office and major equipment £000	Work in progress £000	Total £000
Cost				
At 1 April 2020	33,843	42,906	17	76,766
Additions	469	1,439	-	1,908
Transfers	-	17	(17)	-
Disposals	(1,494)	(1,242)	-	(2,736)
Reclassification	(4)	4	-	-
At 31 March 2021	32,814	43,124	-	75,938
Depreciation				
At 1 April 2020	16,029	30,064	-	46,093
Charge for the year	2,624	3,823	-	6,447
Eliminated on disposal	(817)	(1,029)	-	(1,846)
At 31 March 2021	17,836	32,858	-	50,694
Impairment				
At 1 April 2020	1,669	329	-	1,998
Eliminated on disposal	(486)	(153)	-	(639)
At 31 March 2021	1,183	176	-	1,359
Net book value				
At 31 March 2021	13,795	10,090	-	23,885
At 31 March 2020	16,145	12,513	17	28,675

12 Tangible fixed assets (continued)

Included in the net book value of £23,885,000 is £1,863,443 (2020: £2,092,000) in respect of assets purchased under finance lease. Depreciation charged on assets held under finance lease in the year was £764,000 (2020: £538,000).

All building developments are in respect of short leasehold properties.

13 Fixed asset investments

Company	Shares in subsidiary undertakings £000
At 1 April 2020 and 31 March 2021	<u>14,216</u>

The structure of the Group at 31 March 2021 is shown below. Each parent holds 100% of the share capital of the subsidiary undertaking. All the companies are registered in England and Wales, whose principal activities are described in the Strategic Report.

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 (Gosport) Limited	7782225
PfPL Developments Limited	PfPL Projects (Sandwell) Limited	8181534
PfPL Developments Limited	PfPL Projects (Hinckley) Limited	9042076
PfPL Developments Limited	PfPL Projects (Sparkhill) Limited	9042068
PfPL Developments Limited	PfPL Projects (Wyre Forest) Limited	9301347
PfPL Developments Limited	PfPL Projects (Epping) Limited	10599175
PfPL Developments Limited	PfPL Projects (Surrey Heath) Limited	11898999

PfPL (Holdings) Limited is also the ultimate controlling party of the following companies which are limited by guarantee. All the companies are registered in England and Wales.

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

The registered address of all above companies is 80 Cheapside, London EC2V 6EE.

14 Stock

	Group	
	2021	2020
	£000	£000
Goods for resale	685	916

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

15 Debtors

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade debtors	6,083	3,173	-	4
Other debtors	155	155	-	-
Amounts due from group undertakings	-	-	295	5
Prepayments and accrued income	9,128	5,656	-	3
Deferred tax asset (note 10)	723	1,182	-	-
	16,089	10,166	295	12

Other debtors for the group includes performance bonds and guarantees of £155,000 (2020: £155,000) in connection with work performed by the group with maturity dates ranging from September 2019 to June 2023 (2020: September 2019 to June 2023). Bonds with a maturity date greater than one year total £100,000 (2020: £100,000).

16 Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Obligations under finance leases	531	628	-	-
Trade creditors	2,801	5,434	-	-
Amounts owed to group undertakings	525	-	-	16,312
Corporation tax	1,239	1,425	-	(7)
Deferred tax liability	-	-	16	-
Social security and other taxes	3,286	1,570	-	-
Derivatives	-	622	-	-
	8,382	9,679	16	16,305

17 Creditors: amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2021	2020	2021	2020
	£000	£000	£000	£000
Amounts owed to parent undertaking	5,165	1,664	-	-
Amounts owed to group undertakings	-	-	17,270	-
Other	75	-	-	-
Net obligations under finance leases	196	537	-	-
	<u>5,436</u>	<u>2,201</u>	<u>17,270</u>	<u>-</u>

Amounts owed to parent undertaking

The £5,165,000 loan from the parent undertaking is repayable after more than one year and attracts interest at 3% above Bank of England base rate.

	<u>Group</u>	
	2021	2020
	£000	£000
In one year or more but less than two years	<u>5,165</u>	<u>1,664</u>

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:

	<u>Group</u>	
	2021	2020
	£000	£000
In one year or less	531	628
In one year or more but less than two years	168	449
In two years or more but less than five years	28	86
	<u>727</u>	<u>1,165</u>

19 Provisions for liabilities and charges

	<u>Group</u>		
	Onerous contracts	Onerous lease	Total
	£000	£000	
At 1 April 2020	1,131	311	1,442
Incurred during the year	425	120	545
Released in the year	(457)	(93)	(550)
Utilised in the year	(94)	(218)	(312)
At 31 March 2021	<u>1,005</u>	<u>120</u>	<u>1,125</u>

20 Accruals and deferred income

	<u>Group</u>		<u>Company</u>	
	2021	2020	2021	2020
	£000	£000	£000	£000
Accruals and deferred income	<u>13,187</u>	<u>13,428</u>	<u>28</u>	<u>-</u>
Amounts falling due within one year:	12,411	12,973	28	-
Amounts falling due after one year:	<u>776</u>	<u>455</u>	<u>-</u>	<u>-</u>
	<u>13,187</u>	<u>13,428</u>	<u>28</u>	<u>-</u>

21 Share capital

	<u>Company</u>	
	2021	2020
	£000	£000
Allotted, called up and fully paid		
999,999 ordinary shares of £0.25 each	<u>250</u>	<u>250</u>

22 Reconciliation of movement in shareholders' funds

	<u>Company</u>	
	2021	2020
	£000	£000
Opening shareholders' funds	(2,699)	(1,397)
Loss for the year	(602)	(780)
Defined benefit pension scheme movement in other comprehensive income	<u>601</u>	<u>(522)</u>
Closing shareholders' funds	<u>(2,700)</u>	<u>(2,699)</u>

23 Capital commitments

At 31 March 2021 the Group had capital commitments as follows:

	2021	2020
	£000	£000
Contracted for but not provided in these financial statements	<u>605</u>	<u>200</u>

24 Operating lease commitments

At 31 March 2021 the Group had commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2021	2020	2021	2020
Group	£000	£000	£000	£000
Expiry date:				
Less than one year	600	936	211	192
Between one to five years	1,891	3,485	480	434
More than five years	1,914	3,307	-	-
	<u>4,405</u>	<u>7,728</u>	<u>691</u>	<u>626</u>

25 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 (2020: £875,000). £55,000 of this contingency related to a contract which terminated on 31 March 2019.

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 2021 for this bond was £65,000,000 (2020: £65,000,000).

The total interest accrued at 31 March 2021 for this bond was £813,403 (2020: £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.

26 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 2021, 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 2021 for the purposes of FRS 102 showed that the market value of the scheme's assets was £6,917,191 including total dividends and accrued interest as at 31 March 2021.

26 Pension commitments (continued)

The disclosures set out below are based on calculations carried out as at 31 March 2021 by an independent qualified actuary. The results of the calculations and assumptions adopted are shown below.

Principal assumptions

	2021	2020
Discount rate	1.96%	2.25%
RPI inflation	3.39%	2.70%
CPI inflation	2.85%	2.10%
Future increases in deferred pensions	2.85%/2.50%	2.10%
Rate of increase in salaries	3.35%	2.60%
Rate of increase to pensions in payment: LPI (max 5%) based on CPI	2.80%	2.20%
Pre-retirement mortality	95% of S3PxA CMI_2019 0.5% IAMI 1.20% LTR	No allowance
Post-retirement mortality	95% of S3PxA CMI_2019 0.5% IAMI 1.20% LTR	90% of S3PxA CMI_2019 1.20% LTR
Cash commutation	50% of the maximum	50% of the maximum
Life expectancy of male aged 65 at balance sheet date	22.7	22.6
Life expectancy of male aged 65 in 20 years from balance sheet date	24.0	23.9
Life expectancy of female aged 65 at balance sheet date	25.0	24.9
Life expectancy of female aged 65 in 20 years from balance sheet date	26.3	26.3

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

	2021	2020
UK Equities	27.7%	27.7%
Overseas Equities	41.7%	37.5%
UK government	3.6%	4.4%
Corporate Bonds	4.9%	5.9%
Structured and Global Bonds	8.1%	6.2%
Other fixed Interest	2.4%	0.0%
Property	9.1%	4.2%
Hedge & Structure Funds	1.4%	11.8%
Cash/Trustee bank account	1.1%	2.3%
Total	100.0%	100.0%

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

	2021	2020
	£000	£000
Fair value of scheme assets	6,917	5,246
Present value of defined benefit obligation	(6,820)	(5,869)
Defined benefit asset/(liability)	97	(623)

26 Pension commitments (continued)

Total expense recognised in the Statement of Comprehensive Income

	2021	2020
	£000	£000
Current service cost	89	107
Net interest on the net defined benefit liability	11	4
Total recognised in the Statement of Comprehensive Income	100	111

Total amounts taken to Other Comprehensive Income

	2021	2020
	£000	£000
Actuarial return on scheme assets - gains/(losses)	1,518	(450)
Less: amounts included in net interest on the net defined benefit liability	(120)	(139)
Remeasurement gains/(losses)		
- Return on scheme assets excluding interest income	1,398	(589)
Remeasurement (losses)/gains		
- Actuarial (losses)/gains	(797)	154
Remeasurement gains/(losses) recognised in Other Comprehensive Income	601	(435)

Changes in the present value of defined benefit obligation

	2021	2020
	£000	£000
Opening present value of defined benefit obligation	5,869	5,874
Benefits paid	(83)	(120)
Current service cost	89	107
Interest cost	131	143
Remeasurement losses/(gains)		
- Actuarial losses/(gains)	796	(154)
Employee contributions	18	19
Closing present value of defined benefit obligation	6,820	5,869

Changes in the fair value of scheme assets

	2021	2020
	£000	£000
Opening fair value of scheme assets	5,246	5,585
Interest income	120	139
Remeasurement gains/(losses)		
- Return on scheme assets excluding interest income	1,398	(589)
Contributions by employer	218	212
Employee contributions	18	19
Benefits paid including expenses	(83)	(120)
Closing fair value of scheme assets	6,917	5,246

27 Related party transactions

Sandra Dodd is also a trustee of CIMSPA (Chartered Institute for the Management of Sport and Physical Activity). Transactions with CIMSPA amounted to £602 comprising of skills development partner fee and employee membership fees payable to CIMSPA (2020: £20,000). There was no amount outstanding to CIMSPA as at 31 March 2021 which has been included in Trade Creditors (2020: £2,776).

Sandra Dodd was a non executive director of ukactive and was appointed on 1 May 2015. There were no transactions with ukactive during the year (2020: £311,059 including £200,000 for private performance licence fees). There was no amount outstanding to ukactive as at 31 March 2021 which has been included in Trade Creditors (2020: £21,565).

PfPL (Holdings) Limited is a subsidiary of the Places for People Group, 80 Cheapside, London, EC2V 6EE. 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.

28 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.

29 Subsidiary audit exemption

Under S479A of the Companies Act 2006, the following subsidiaries are exempt from the audit of their individual financial statements for the year ending 31 March 2021 due to the existence of a parental guarantee given by the Company, the parent undertaking of this group which prepares consolidated accounts:

Subsidiary	Registered number
Leisure and Community Partnership Limited	04963443
Places for People Leisure Community Association Limited	05049913
Braintree District Leisure Community Association Limited	04442301
Sam Jones (Clubs) Limited	03406979
PfPL Projects (Epping) Limited	10599175
PfPL Projects (Gosport) Limited	07782225
PfPL Projects (Hinckley) Limited	09042076
PfPL Projects (Sandwell) Limited	08185134
PfPL Projects (Sparkhill) Limited	09042068
PfPL Projects (Wyre Forest) Limited	09301347