Consolidated Financial Statements

PfPL (Holdings) Limited

For the year ended 31 March 2020

Company number: 04832063

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Registered number	04832063
Company secretary	C Martin
Directors	C Phillips (Chairman) D Cowans S Dodd J Oxley C D'Costa D Walker (appointed 1 April 2019) G Kitchen (appointed 1 June 2020 and resigned 16 July 2020) 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, both from a financial perspective and towards the Group's 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 profit on ordinary activities before taxation of £0.2m for the year (£4.8m for year ended 31 March 2019) on a turnover of £153.4m (£158.1m for year ended 31 March 2019).

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 crisis. The company's focus during this time was to keep our 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. During this time, we have remained committed to keeping our customers active by providing free home workout options through our Places Locker app.

We remain committed to improving opportunities for communities to adopt healthier and more active lifestyles. We generated £190.9m in social value in the last year, an increase of 6% from the previous year. This is through improvements in health, wellbeing, educational attainment, and reductions in crime. 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.

The Quest NBS Awards which celebrate the achievements of some of the best leisure facilities from across the UK, once again evidenced the Company's commitment to continuous improvement. The Company was awarded Top Performing Organisation with 31+ registered facilities for the fifth consecutive year. Maltby Leisure Centre managed by the Company on behalf of Rotherham Borough Council won the Quest Facility Management Stretch Award and the Company's Sports Development Team were awarded the Active Communities Stretch Award. Quest Stretch is a response to the desire to provide additional challenges in Quest to enable facilities, organisations and teams to better demonstrate their impact on local communities and local priority outcomes.

Since the launch of My Learning Place in January 2017, we have invested in our online training portfolio and now offer over 20 leisure specific courses across a range of subjects from safeguarding and Data Privacy Basics to the SPIRIT of the Company and our bespoke dementia-eLearning module which was developed in partnership with the Alzheimer's Society. Through eLearning we aim to improve access to training and open up opportunities for all our people to learn new skills and achieve their career aspirations.

We also continue to offer one of the largest apprenticeship schemes amongst leisure operators with over 300 colleagues undertaking an apprenticeship at any one time and pride ourselves on our commitment to offering career and skills development opportunities for our people. This year we also collaboratively developed the first large scale apprenticeship standard for Duty Managers in the leisure industry that has been driven by CIMSPA (Chartered Institute for the Management of Sport and Physical Activity) and developed by leading operators in the sector.

Our focus continues to be on upskilling our workforce and professionalising our suite of internal training programmes through our partnership with CIMSPA.

The Company remains focused on exploring new business opportunities, expanding our leisure portfolio and reinvesting into our existing centres to ensure we can enhance the health and vitality of even more local communities. I am delighted to report that this year we opened the new Andover Leisure Centre and celebrated the ground breaking of the new £22m Places Leisure Camberley, which is the second scheme where the naming rights have been obtained, continuing to build our brand awareness. This year, £9.1m was reinvested into our centres, including a £1.5m investment for Loddon Valley Leisure Centre, part of the Wokingham Contract, giving it a new two storey soft play, brand new studio, a gym extension with the latest equipment and a new Group cycling studio. Wolverhampton Swimming and Fitness Centre saw a £300,000 investment to enlarge the gym.

The Places for People Group have 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'd like to give my thanks to all of our colleagues, local authority clients and customers for their continued support.

C Phillips

Chairman

The Directors have pleasure in submitting their Strategic Report and audited financial statements for the year ended 31 March 2020.

Business Review and Principal Activities

PfPL (Holdings) Limited (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 Initiative (PFIs) and Public Private Partnerships (PPPs) as well as "Best Value" contracts. The Company also owns six Places Gyms, our independent community fitness proposition offering affordable memberships to local communities.

2019/20 was one of the most challenging periods we have faced in recent years. The year began with considerable political and economic uncertainty over Brexit, and ended with the nation in lockdown due to the coronavirus crisis. 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.

The Company has a maintained focus on enhancing its service provision and programmes through its commitment to driving new innovations, investing in technology, standards of operations, increasing colleague engagement and upskilling its teams to ensure a fit for purpose workforce. Customer survey results and feedback evidence these improvements. The Company also continues to achieve high scores with Quest, the leisure industry's independent continuous improvement tool, that aims to define industry standards and best practice.

In recognition of the Company having over 50 Quest registered facilities as of the 31 March 2020 it has been awarded 'Top Performing Organisation with 31+ Quest Registered Facilities' by Quest for the fifth consecutive year.

The Company has continued to make significant strides in its social mission of 'creating active places and healthy people'. We generated £190.9m in social value in the last year, through improvements in health, wellbeing, educational attainment and reductions in crime.

This year saw the opening of the new Andover Leisure Centre in April 2019, 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 Test Valley Borough Council. The Company celebrated the ground breaking of the new £22m Places Leisure Camberley, due to open in 2021, which is the second scheme where the naming rights have been obtained.

Whilst winning new business continues to be a priority, extending contracts is equally important. The Company was delighted to successfully extend our partnership with Dorset Council until March 2021.

Improving existing leisure facilities is core to the success of the Company and was again a main feature in 2019/20, with a combined investment total of £9.1m to enhancing facilities. This included a £1.5m investment in Loddon Valley Leisure Centre, within the Wokingham Contract and Wolverhampton Swimming and Fitness Centre saw a £300,000 investment.

The Company is currently involved in 23 capital development schemes including a combination of PPPs and facility enhancements, with a combined total investment in excess of £67m.

Significant financial pressure continues to be placed upon the public sector and this is creating new opportunities as Local Authorities look to outsource 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.

We have developed considerable expertise in the development of new facilities and this, along with our proven track record and commitment to quality operational management, allows us to be well positioned to capitalise upon new opportunities.

With physical inactivity now acknowledged as a significant contributory factor to major chronic disease, Local Authority Public Health Teams are increasingly commissioning physical activity-based health intervention projects. The Company, with its pioneering initiatives in Sheffield and Rotherham as notable test cases, is well placed to participate in this new and enterprising market space

Our Local Authority Partners

In 2019/20 we worked in partnership with or secured new contracts with the following Local Authorities to manage their leisure facilities:

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

Carbon Emission Policy

The Company is always looking to find 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.
- Deliver sustainable facilities through refurbishment/replacement of building services and building fabric.

Results and Dividends

The consolidated results show a profit on ordinary activities before taxation of £0.2m for the year (£4.8m for year ended 31 March 2019) on a turnover of £153.4m (£158.1m for year ended 31 March 2019).

The Company ended the year with net cash (cash, amounts owed to parent undertaking and finance leases) £206k (2019: net debt £5,268k)

No dividend was declared by the Directors in the period. (2019: NIL).

Key Performance Indicators

Key Performance Indicator	2020	2019
Annualised Like for Like Sales Growth (1)	**-2.2%**	0.4%
Annualised Sales Growth (2)	**-3.0%**	7.9%
Contract Contribution (3)	**9.0%**	9.5%
Operating Margin (4)	**0.2%**	0.8%

1) Annualised Like for Like Sales Growth – the annual increase in revenue as a percentage of revenue from the prior year for sites which have traded for a complete financial year prior to 31 March 2020.

Sales decrease of 2.2% in the year was driven by a decrease in Health and Fitness Income and a significant impact across all income in March due to the Covid-19 pandemic. Like for like sales growth is a valuable measure of how existing contracts are contributing to the overall profitability of the Company.

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

Turnover decreased by 3.0% in the year as result of the closure of a facility within our Wiltshire contract, the temporary closure of a facility within our Kingston contract, the temporary closure of The Arena Leisure centre in Camberley whilst the new facility is built and the loss of two contracts which had reached the end of their term. In addition, our March results were adversely affected by the Covid-19 pandemic and the closure of all facilities. For the 11 months to February 2020, annualised sales growth was 0.9% down compared to the prior year. The Company aims to increase the Places for People Group value through growth in revenue by the acquisition of new profitable contracts and revenue generated from users of our existing facilities.

3) Contract Contribution – Operating profit before central overhead costs, interest, taxation, depreciation and amortisation expressed as a percentage of turnover

The forced closure of all leisure facilities in March 2020 had an adverse effect on Contract Contribution which decreased by 0.7% in the year. Contract Contribution is measured to assess the financial performance of contracts at individual and Company level.

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

Operating Margin decreased in 2019/2020 by 0.6% despite tight cost control due to the closure of leisure centres in March 2020. Excluding onerous contract and lease provisions and impairment of goodwill and assets the margin was 1.8%. As at February 2020 operating margin was in line with the prior year. We will continue to focus on income generation in the coming and future years to improve margin further. 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) outbreak — 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 view of the path of Covid-19. The Company has identified three key risks areas.

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

Health and Safety: Protecting our workforce and customers, in particular our most vulnerable customers, during the outbreak is a key focus. If this is not achieved, there could be considerable social and economic costs resulting from staff becoming ill with Covid-19 or self-isolating, risking staff shortages and the inability of the Company to deliver services as required.

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

Mitigation

Directors meets on a daily basis to review the ongoing situation and its impacts on the business, our customers and our colleagues. This ensures we are reacting quickly to changes as they arise and provides regular clear communications to our customers and colleagues.

A procurement review has been undertaken to allow us to access alternative suppliers and contractors to ensure continuity in our service provision, including the procurement of Personal Protective Equipment (PPE) for our colleagues and customers.

Colleagues have access to information and support using our employee assistance programme, covering not just 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 current Covid-19 outbreak are considered to apply in the event of 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 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

<u>Climate Change</u>
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 longer 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.

<u>Other Risks</u>
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 5 August 2020 and signed on its behalf by:

S. Dodd

S Dodd
Director

The Directors have pleasure in submitting their Directors' Report and audited financial statements for the year ended 31 March 2020.

Financial Instruments

The Company's principal financial instruments comprise sterling cash and bank deposits, obligations under finance leases, 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 comprise mainly 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 above, is managed closely by the Directors through a daily Covid-19 committee and a quarterly 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 avoiding 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 2020 and we are currently retendering. Our non-half hourly metered electricity contract terminates on the 30 April 2021.

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. 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/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 sustainable building standards such as BREEAM and reducing utility consumption on all new major projects.

In the Directors' Report sections below entitled Employees and Corporate Governance, reference to the "Group" refers to the Company's ultimate group parent company, Places for People Group Limited and all of its subsidiaries.

Employees

We care passionately about making a difference to our communities and everyone at the Company plays an essential role in contributing to our mission of "creating active places and healthy people." We achieve this by aligning their personal work objectives to our mission, 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; encouraging others to achieve), Integrity (always delivering on promises; 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).

The Company regularly communicates its strategic plan to all employees and employee objectives are aligned to Company goals through our Over to You annual performance appraisal. Unenforced employee turnover across all employees is 16.4% for the financial year covered by this report. Of the employees that responded to our colleague survey 65% of our employees said this was a Great Place to Work.

2019/20 continued to be a challenging year for attracting talent for all businesses, with historic low unemployment continuing throughout the financial year and political uncertainty causing further stagnation. The Group reacted proactively to these challenges and introduced a number of measures to mitigate its effects, including changes to its recruitment advertising strategy, to greater utilisation of targeted adverts and social media to reach a broader audience. During the year, the Company was brought on to the Group's internal recruitment platform. Opening up vacancies across the entire Group has increased the visibility of opportunities and seen an increase in internal hiring.

During the year, the Group published its Gender Pay Gap report as at April 2019. The Group took the decision to publish the report despite the late removal of the requirement to do so because it felt it was important for both its colleagues and public disclosures to maintain transparency in this area. Led by its culture and values, Group went above and beyond the legislation and reported on gender pay across the whole group, as well as fulfilling its statutory requirements to report on its subsidiary companies having over 250 employees. A copy of the Gender Pay Gap report which includes the Company's statutory disclosures can be found at https://www.placesleisure.org/careers/gender-pay-gap-report/

Engaging our employees is essential to our continued success. We inform, consult and involve our employees in a variety of ways. We value the views and opinions of our colleagues; what we are doing well and what we could be doing better. The Company took part in the Great Place to Work programme for the first time in 2019, which involved a Group-wide colleague engagement survey. Actions have been developed to make the Company an even better place to work. The directors consider that existing mechanisms for workforce engagement are effective and remain fit for purpose including digital news bulletins, focus groups, an online Q&A forum with the Group Chief Executive, site 'employee of the month' schemes, annual STAR awards, annual leadership conference and the Group Management Team blog. Throughout the Spring and early Summer in 2019 Group continued the first wave of its "Take the Lead" events where senior directors shared their leadership experience with over 500 front line managers across the Group. The events provided an opportunity to listen to ideas and suggestions for improvements and these were incorporated into the People First strategy. In early 2020 Group started to roll out the second year of "Take the Lead" events, but these were interrupted by the emerging Coronavirus pandemic.

The Company has a Whistleblowing Policy which is drawn to the attention of colleagues via an employee briefing poster which is displayed at each site and a communications document is signed by each General Manager when they have updated staff on the policy. The policy is also available on HR QMS which is accessible on the Company's intranet. Management considers these arrangements to be a suitable way of drawing the policy to the attention of colleagues, having regard to the needs of the business. The policy wording was last reviewed in December 2019. The Group's Whistleblowing Policy is reviewed annually by its Audit & Risk Committee on behalf of the Group Board. Any changes proposed following this review are fed back to the Company's management so that, wherever possible, the Company's policy can be aligned with that of the Group.

Wellbeing

We provide access to a suite of services and facilities which are 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 introduced a Mental Health e-learning module, a programme to roll out sustainable Mental Health First Aid Training and established a Trauma Support Group.

We encourage our colleagues and their families to use the facilities that are managed by the Company and encourage colleagues to enter into competitions with our customers to develop the community within our centres.

Leaders and managers are encouraged to lead by example and take lunch breaks and colleagues are prompted to ensure they take all their annual leave. The Company has clear guidance on length of working days, travel time and overnight stays. The Company can offer flexible working due to our seven days a week opening hours and multiple shift patterns and offers flexible working at our support office.

Learning and Development

We continue to develop learning solutions for our employees and have significantly enhanced our My Learning Place learning management system, which now offers over 35 e-learning courses and resources. Our approach to people leadership is underpinned by the Quest industry accreditation to ensure continuous improvement.

The Company works in partnership with a national training provider, Lifetime Training, to deliver our apprenticeship scheme. Together we aim to up-skill young people and help them to start their career in leisure. We offer one of the largest apprenticeship schemes amongst leisure operators with over 301 employees undertaking an apprenticeship at any one time and pride ourselves on our commitment to offering career and skills development opportunities for our people. All this training is work based and covers operations, sales, fitness and customer service.

We run two in-house talent development programmes; these are called 'Rising Stars' and 'Aspiring Internal Managers' (AIMs). These elite programmes develop our future leaders of the business. They are for exceptional people who are looking to progress their careers with the Company.

The six-month Rising Stars programme concludes with a 'Dragons Den' where the Rising Stars present to members of the Company board. To date, 62% of all Rising Star graduates have been promoted within the Company and 75% of all Rising Stars graduates since 2013 remain employed at Places Leisure.

Our Chartered Institute, CIMSPA, (Chartered Institute of Sport and Physical Activity) has recognised the achievements of our Rising Stars by awarding free CIMSPA membership for a year to all Rising Stars graduates.

The Aspiring Internal Manager's programme is run in partnership with Lifetime Training. This is a completely bespoke programme which is accredited, and individuals who complete it are awarded a Level 2 Certificate in Access to Leadership.

Our focus continues to be on upskilling our workforce and professionalising our suite of internal training programmes through our partnership with CIMSPA.

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 not taking place in any part of its own business nor, as far as the Company can control the position, in its supply chain.

The Company has adopted the Places for People Group statement which is published on our website www.placesleisure.org.

Streamlined Energy and Carbon Report

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

Corporate Governance

The 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 exists 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, PfPL (Holdings) Limited, Places for People Leisure Limited, Places for People Leisure Management Ltd and other 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 to 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.

(b) The Group Board has authorised the Group Executive to take action in connection with any matter that is not expressly reserved to the Group Board up to certain 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 Group's operating companies/divisions.

The Group has an Audit & Risk Committee, a Remuneration Committee, a Nominations & Governance Committee, a Development, Investment & Regeneration Committee and a Treasury Committee. The remit of those committees extends to the Company business. The committees draw members from and report to the Group Board and there are directors (non-executive and executive) of the Group Board who are also directors of PfPL (Holdings) Ltd, ensuring that information from the committees reaches the Company business.

For the year ended 31 March 2020, the Group adopted the UK Corporate Governance Code (version 2018) and 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 2020 as the directors consider 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 parent company is limited by guarantee – and so the board considers a range of other stakeholders when assessing what direction to take in the immediate term and for the 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 though those relationships.

Reference to stakeholder engagement can be found in the following sections of the Strategic and Director Reports: Business review and Principal activities, Our local Authority Partners, Principal Risk, Employees, 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 11.

The board supports the emphasis given by the Company to social impact through the places we serve this is captured in work of individuals, contributions to communities and decisions taken for the longer term benefit of the environment.

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

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 (2019: nil) or incurred any political expenditure during the year.

Going concern

PfPL (Holdings) Ltd and its subsidiaries (the "Group") produces a strategic business plan each year. 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 on pages 8 to 9.

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 Government have now announced a date from which leisure centres can reopen and the Board are paying close attention to the evolving situation and to mitigating the risks for the Group. The going concern has been assessed in light of the risks raised by the pandemic.

The Directors have reviewed the projected cash flows for the business based on anticipated re-opening dates of leisure centres and financial support from Local Authority partners. A gradual uptake by customers has been applied along with increased costs for enhanced cleaning regimes and Personal Protective Equipment (PPE). As a result of these assumptions, the Group has secured an increase to the loan facility with its parent company to ensure that it can operate with adequate liquidity.

In addition the Directors have also undertaken stress testing on the severity of the impact that Covid-19 could have on the cash flows of the Group, which included early exit from a number of contracts and no financial support from any Local Authority partners for either the closure period or during the resumption period when the facilities reopen. The results of this testing showed that even in the most extreme of circumstances the Group continued to have sufficient liquidity for a minimum of 12 months future cash flows from the date of approval of these accounts.

The Group continues to monitor the supply chains for the products it requires to provide its services. The most significant area of the Group's supply chain to be impacted is in relation to the procurement of PPE. The Group has been successful in utilising its diverse supply chain to ensure that it has been able to maintain a stock of its essential PPE of at least 3 months.

On the basis described above, the Directors consider it appropriate to adopt the going concern basis in preparing the consolidated financial statements.

Directors

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

Disclosure of information to auditor

In so far as each of the Directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

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

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

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

Summary

The 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 go to the Local Authorities who have worked so closely and effectively with us during the period.

Approval

The report of the Directors was approved by the Board on 5 August 2020 and signed on its behalf by:

S. Dodd

S Dodd
Director
80 Cheapside, London, EC2V 6EE

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

Opinion

We have audited the financial statements of PfP (Holdings) Limited (the "company") for the year ended 31 March 2020 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 1.

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 2020 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 company or to cease its 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 its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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.

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; or

• the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors’ responsibilities

As explained more fully in their statement set out on page 16, 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.

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

This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members, as a body, for our audit work, for this report, or for the opinions we have formed.

C. J. Griffiths

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

Chartered Accountants

Gateway House
Tollgate
Chandlers Ford
SO53 3TG
14 August 2020

PfPL (Holdings) Limited
Consolidated Statement of Comprehensive Income
For the year ended 31 March 2020

	Note	2020 £000	2019 £000
Turnover	2	**153,401**	158,129
Cost of sales		**(126,186)**	(129,793)
Gross profit		**27,215**	28,336
Administrative expenses	3	**(26,942)**	(23,499)
Operating profit	4	**273**	4,837
Interest receivable and similar income	7	**20**	38
Interest payable and similar charges	8	**(84)**	(87)
Profit on ordinary activities before taxation		**209**	4,788
Tax on profit on ordinary activities	9	**(532)**	(1,574)
(Loss)/Profit on ordinary activities after taxation		**(323)**	3,214
Other comprehensive (loss)/income for the year		**(371)**	(131)
Total comprehensive (loss)/income for the year		**(694)**	3,083

The notes on pages 25 to 43 form part of these financial statements.

Company number: 04832063

PfPL (Holdings) Limited
Consolidated Statement of Financial Position
As at 31 March 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	11	**1,441**	1,848
Tangible assets	12	**28,675**	28,011
Current assets			
Stocks	14	**916**	988
Debtors	15	**10,166**	11,175
Cash at bank		**3,035**	7,433
		14,117	19,596
Creditors: amounts falling due within one year	16	**(9,679)**	(10,880)
Net current assets		**4,438**	8,716
Total assets less current liabilities		**34,554**	38,575
Creditors: amounts falling due after more than one year	17	**(2,201)**	(1,620)
Provisions for liabilities and charges	18	**(1,442)**	(679)
Accruals and deferred income	19	**(13,428)**	(18,433)
Net assets excluding pension liability		**17,483**	17,843
Defined benefit pension scheme liability	26	**(623)**	(289)
Net assets		**16,860**	17,554
Capital and reserves			
Called up share capital	20	**250**	250
Share premium account		**247**	247
Profit and loss account		**16,363**	17,057
Shareholders' funds		**16,860**	17,554

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 August 2020.

S Dodd

S Dodd
Director

The notes on pages 25 to 43 form part of these financial statements.

PfPL (Holdings) Limited
Consolidated Statement of Changes in Equity
For the year ended 31 March 2020

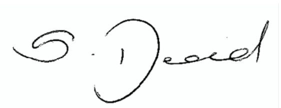
	Called up Share Capital £000	Share Premium Account £000	Profit and Loss Account £000	Total £000
Shareholders funds at 1 April 2018	250	247	13,974	**14,471**
Profit for the year	-	-	3,214	**3,214**
Other comprehensive income				
- Actuarial loss on pension scheme	-	-	(124)	**(124)**
- UK deferred tax attributable to actuarial loss	-	-	(7)	**(7)**
Shareholders funds at 31 March 2019	**250**	**247**	**17,057**	**17,554**
Profit for the year	-	-	(323)	**(323)**
Other comprehensive income				
- Actuarial loss on pension scheme	-	-	(435)	**(435)**
- UK deferred tax attributable to actuarial loss	-	-	64	**64**
Shareholders funds at 31 March 2020	**250**	**247**	**16,363**	**16,860**

The notes on pages 25 to 43 form part of these financial statements.

PfPL (Holdings) Limited
Company Statement of Financial Position
As at 31 March 2020

	Note	2020 £000	2019 £000
Fixed assets			
Investments	13	**14,216**	14,216
Current assets			
Debtors	15	**12**	9
Cash at bank		**1**	15
		13	24
Creditors: amounts falling due within one year	16	**(16,305)**	(15,637)
Net current assets		**(16,292)**	(15,613)
Total assets less current liabilities		**(2,076)**	(1,397)
Defined benefit pensions scheme liability	26	**(623)**	-
Net liability		**(2,699)**	(1,397)
Capital and Reserves			
Called up share capital	20	**250**	250
Share premium account		**247**	247
Profit and loss account		**(3,196)**	(1,894)
Shareholders' funds	21	**(2,699)**	(1,397)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 August 2020.



S Dodd
Director

The notes on pages 25 to 43 form part of these financial statements.

PfPL (Holdings) Limited
Consolidated Statement of Cash Flows
For the year ended 31 March 2020

	2020 £000	2019 £000
Net cash flow from operating activities	**3,997**	19,663
Investing activities		
Purchase of tangible fixed assets	**(7,996)**	(9,471)
Purchase of businesses	**-**	(100)
Sale of tangible fixed assets	**3**	223
Interest received	**20**	38
Net cash flow from investing activities	**(7,973)**	(9,310)
Financing activities		
Interest paid	**(13)**	(5)
Interest element of finance lease rental payments	**(67)**	(79)
Loan received/(repaid) from parent company	**719**	(3,969)
Capital element of finance leases	**(1,071)**	(1,094)
Net cash flow (made to) from financing activities	**(432)**	(5,147)
Increase/(Decrease) in cash in the year	**(4,408)**	5,206

Net cash flow from operating activities
Adjustments for non-cash items to reconcile the operating profit for the year to net cash generated from operating activities:

	2020 £000	2019 £000
Profit before tax	**209**	4,788
Adjustments for:		
Taxation paid	**(921)**	(564)
Depreciation of tangible fixed assets	**6,922**	6,751
Amortisation of goodwill	**407**	229
Loss on disposal of tangible fixed assets	**127**	85
Interest income	**(20)**	(38)
Interest expensed	**84**	87
Decrease/(Increase) in stocks	**72**	(126)
Decrease/(Increase) in debtors	**1,381**	1,509
Increase/(Decrease) in creditors	**(1,327)**	2,621
Increase/(Decrease) in accruals and deferred income	**(5,005)**	4,432
Increase in provisions	**763**	-
Decrease in net pension liabilities	**(105)**	(111)
Impairment of tangible assets	**1,411**	-
Net cash inflow from operating activities	**3,997**	19,663

Net Debt

The below is an analysis of changes in net debt of the group from the beginning to the end of the current reporting period:

Group

	Borrowings due after one year	Obligations under finance lease liabilites	Subtotal	Cash and cash equivalents	Net debt
	£000	£000	£000	£000	£000
Net debt analysis					
Balance at 1 April 2019	(1,058)	(1,107)	**(2,165)**	7,433	**5,268**
Cashflow	(719)	1,071	**352**	(4,408)	**(4,056)**
			-		**-**
New finance leases		(1,129)	**(1,129)**		**(1,129)**
Other non-cash changes	113		**113**	10	**123**
Balance at 31 March 2020	**(1,664)**	**(1,165)**	**(2,829)**	**3,035**	**206**

The notes on pages 25 to 42 form part of these financial statements.

1 Accounting Policies

1.1 Basis of preparation of financial statements

PfPL (Holdings) Limited (the "Company") is a private company incorporated, domiciled and registered in the UK. The registered number is 04832063 and the registered address is 80 Cheapside, London, EC2V 6EE.

1.2 Basis of consolidation

The financial statements consolidate the accounts of PfPL (Holdings) Limited and all of its subsidiary undertakings ('subsidiaries') for the year ended 31 March 2020.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as updated in March 2018. 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.

1.3 Going Concern

The Group produces a strategic business plan each year. 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 on pages 8 to 9.

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 Government have now announced a date from which leisure centres can reopen and the Board are paying close attention to the evolving situation and to mitigating the risks for the Group. The going concern has been assessed in light of the risks raised by the pandemic.

The Directors have reviewed the projected cash flows for the business based on anticipated re-opening dates of leisure centres and financial support from Local Authority partners. A gradual uptake by customers has been applied along with increased costs for enhanced cleaning regimes and Personal Protective Equipment (PPE). As a result of these assumptions, the Group has secured an increase to the loan facility with its parent company to ensure that it can operate with adequate liquidity.

In addition the Directors have also undertaken stress testing on the severity of the impact that Covid-19 could have on the cash flows of the Group, which included early exit from a number of contracts and no financial support from any Local Authority partners for either the closure period or during the resumption period when the facilities reopen. The results of this testing showed that even in the most extreme of circumstances the Group continued to have sufficient liquidity for a minimum of 12 months future cash flows from the date of approval of these accounts.

1 Accounting Policies (continued)

The Group continues to monitor the supply chains for the products it requires to provide its services. The most significant area of the Group's supply chain to be impacted is in relation to the procurement of PPE. The Group has been successful in utilising its diverse supply chain to ensure that it has been able to maintain a stock of its essential PPE of at least 3 months.

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

1.4 Turnover

Turnover represents the invoiced value, net of value added tax, of goods sold and services provided to customers in the period. The turnover is wholly attributable to the group's principal activity within the United Kingdom. Turnover is comprised of activities income, shop, bar & catering income, and management fee income.

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

1.5 Tangible fixed assets and depreciation

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

1.6 Investments

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

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1 Accounting Policies (continued)

1.8 Operating leases

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

1.9 Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell after making due allowance for obsolete and slow-moving stocks.

1.10 Deferred 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.

1.11 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

1.12 Dividends on shares presented within shareholders' funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

1.13 Exemptions

The parent company is included in the consolidated financial statements of Places for People Group Ltd , and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

· The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
· No separate parent company Statement of Cash Flows with related notes is included; and
· Key Management Personnel compensation has not been included.
· Certain disclosures required by FRS 102.26 Share Based Payments; and,
· The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

1.14 Pensions

The company operates a defined benefit pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2020.

1 Accounting Policies (continued)

On 1 May 2004, the company established, as principal employer, the Places for People Leisure Pension Scheme. 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.

The group 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.

1.15 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the statement of comprehensive income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

As required by FRS 102 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.

1 Accounting Policies (continued)

1.16 Accounting estimates and judgements

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 25.

1.17 Grants

Capital grants from local authorities are included within fixed asset work in progress 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. Where part of the Grant relating to an asset is deferred it is recognised as deferred income. Lottery funding and grants from sporting bodies are included within and deferred income in the statement of financial position and credited to the statement of comprehensive income periods in which the related costs are incurred.

1.18 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets and liabilities of the acquired business or company at the date of acquisition. Goodwill has no residual value and the finite useful life of goodwill is assessed on an individual basis for each acquisition, with a maximum useful economic life of 10 years. The Group reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Goodwill and other intangible assets are tested for impairment in accordance with FRS 102 Section 27 (Impairment of assets) when there is an indication that goodwill may be impaired.

1.19 Impairment

An impairment review is undertaken when there is an indication the asset may be impaired. If assets are found to be impaired, the amount of impairment is disclosed in Note 4. When undertaking impairment reviews to assess whether assets or cash generating units are held at the lower of cost or recoverable amount, recoverable amount is defined as its value in use. Recoverable amount is normally assessed using discounted cash flow techniques for all anticipated cash flows to generate a net present value. The Company defines cash generating units as leisure centres except where its 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.

1.20 Trade Receivables

Trade debtors represent sales invoices raised by the Company in the normal operating cycle and are expected to be realised in the next 12 months. Where this is not expected a specific provision is made against the debt and charged to comprehensive income.

1.21 Accrued Income

The Company recognises revenue associated with the 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 and whether the outcome of a transaction can be estimated reliably. 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 Turnover

All turnover arose within the United Kingdom.

All turnover is from continuing activities in the year, and can be broken down as follows:

	2020	2019
	£000	£000
Shop, bar and catering	**10,243**	10,585
Activities income	**134,082**	138,317
Management fee	**4,071**	5,440
Energy benchmarking	**823**	992
Grant income	**1,101**	-
Other income	**3,080**	2,795
	153,401	158,129

3 Admin Expenses

Admin expenses includes a £545k (2019 – Nil) provision relating to onerous contracts and a £311k (2019 – Nil) provision relating to an onerous lease

4 Operating profit

The operating profit is stated after charging/(crediting):

	2020	2019
	£000	£000
Depreciation of tangible fixed assets:		
- owned by the group	**6,384**	6,182
- held under finance leases	**538**	569
- impairment	**1,412**	-
Amortisation of intangible fixed assets:	**232**	229
Impairment of intangible fixed assets	**175**	-
Operating lease rentals:		
- plant and machinery	**717**	666
- other operating leases	**804**	804
Loss on disposal of fixed assets	**131**	85
Auditor's remuneration		
- Audit fee attributable to these financial statements	**12**	6
- Audit fee attributable to subsidiary financial statements	**53**	47
- Audit fee attributable to other services	**-**	2

5 Staff costs

Staff costs, including directors' remuneration, were as follows:

	2020	2019
	£000	£000
Wages and salaries	**70,743**	73,554
Social security costs	**3,783**	4,074
Other pension costs	**1,512**	1,435
	76,038	79,063

5 Staff costs (continued)

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

	2020	2019
	No.	No.
Management and administration	**1,346**	1,356
Supervisors, instructors and other staff	**1,050**	1,049
	2,396	2,405

6 Directors' Remuneration

	2020	2019
	£000	£000
Emoluments	**1,004**	842
Group pension contributions to defined contribution pension schemes	**88**	216
	1,092	1,058

Retirement benefits were accruing for 3 directors (2019 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £383,000 (2019 - £379,000).

During the year, there was no accrued pension provision for the highest paid director at 31 March 2020 (2019 - nil).

7 Interest receivable and similar income

	2020	2019
	£000	£000
Other finance income	**20**	38
	20	38

8 Interest payable and similar charges

	2020	2019
	£000	£000
On bank loans and overdrafts	**-**	5
Finance leases and hire purchase contracts	**67**	79
Interest payable on loans from group undertakings	**13**	-
Unwind of discount on defined benefit pension liability	**4**	3
	84	87

Places Leisure
Part of Places for People

9 a) Taxation

	2020	2019
	£000	£000
Tax expense included in statement of comprehensive income		
Current tax (see note below)		
UK corporation tax charge on profit for the year	**934**	1,515
Adjustments in respect of prior periods	**(82)**	27
Group Relief	**(9)**	(113)
Total current tax	**843**	1,429
Deferred tax		
Origination and reversal of timing differences (note 10)	**(376)**	(95)
Effect of increased tax rate on opening liability	**(84)**	-
Adjustment in respect of prior periods	**86**	240
Total deferred tax (see note 10)	**(374)**	145
Tax on profit on ordinary activities	**469**	1,574

b) Tax expense/(income) included in other comprehensive income	**2020**	2019
	£000	£000
Deferred Tax		
Origination and reversal of timing differences (note 10)	**71**	7
	71	7

Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020	2019
	£000	£000
c) Profit on ordinary activities before tax and dividends	**209**	4,788
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	**40**	910
Effects of:		
Expenses not deductible for tax purposes	**14**	383
Fixed asset differences	**559**	-
Difference in tax rate	**(83)**	11
Adjustments to tax charge in respect of FRS102 adjustments	**(65)**	-
Prior year corporation tax and deferred tax charge	**4**	213
Other movements	**-**	57
Tax on profit of ordinary activities (see note above)	**469**	1,574

9 Taxation (continued)

The main rate of corporation tax was to be reduced to 17% (effective 1 April 2020) as substantively enacted in Finance Act 2016 on 6 September 2016. However, on 19 March 2020 the Finance Bill 2020 amended the main rate of Corporation Tax from 1 April 2020 to 19%. This rate change was substantively enacted on 19 March 2020 as a resolution was passed under the Provisional Collection of Taxes Act 1968. This change will increase the company's future current tax charge accordingly. Deferred tax in the prior year was calculated using a corporation tax rate of 17% and in the current year is calculated using a corporation tax rate of 19%.

10 Deferred taxation

	Group	
	2020	2019
	£000	£000
At beginning of year	**(808)**	(960)
Provision released/(charged) during the year	**(374)**	152
At end of year	**(1,182)**	(808)

The deferred taxation asset balance is made up as follows:

	Group	
	2020	2019
	£000	£000
Accelerated capital allowances	**(742)**	(608)
Short term timing differences	**(320)**	(153)
Tax attributable to pension actuarial loss	**(120)**	(47)
	(1,182)	(808)

11 Intangible fixed assets

	Total Goodwill £000
Cost	
At 1 April 2019 and 31 March 2020	**2,150**
Amortisation:	
At 1 April 2019	302
Amortisation charged in the year	232
At 31 March 2020	**534**
Impairment:	
Charged in the year	175
At 31 March 2020	**175**
Net book value	
At 31 March 2020	**1,441**
At 31 March 2019	1,848

12 Tangible fixed assets

	Building development £000	Office and major equipment £000	work in progress movement £000	Total £000
Group cost				
At 1 April 2019	28,729	39,356	1,527	**69,612**
Additions	4,487	4,638	-	**9,125**
Transfers	1,161	349	(1,510)	**-**
Disposals	(534)	(1,437)	-	**(1,971)**
At 31 March 2020	**33,843**	**42,906**	**17**	**76,766**
Depreciation				
At 1 April 2019	13,877	27,137	-	**41,014**
Charge for the year	2,676	4,246	-	**6,922**
On disposals	(524)	(1,319)	-	**(1,843)**
At 31 March 2020	**16,029**	**30,064**	**-**	**46,093**
Impairment				
At 1 April 2019	551	36	-	**587**
Charge for the year	1,118	293	-	**1,411**
At 31 March 2020	**1,669**	**329**	**-**	**1,998**
Net book value				
At 31 March 2020	**16,145**	**12,513**	**17**	**28,675**
At 1 April 2019	14,301	12,183	1,527	28,011

12 Tangible fixed assets (continued)

Included in the net book value of £28,675,000 is £2,092,000 (2019: £2,142,000) in respect of assets purchased under finance lease. Depreciation charged on assets held under finance lease in the year was £538,000 (2019: £1,029,000).

All building developments are in respect of short leasehold properties.

13 Fixed asset investments

Company	Shares in subsidiary undertakings £000
At 1 April 2019 and 31 March 2020	14,216

The structure of the group at 31 March 2020 is shown below. Each parent holds 100% of the share capital of the subsidiary. All the companies are incorporated in Great Britain, with principal activities as described in the Strategic Report.

Parent	Subsidiary	Registered number
PfPL (Holdings) Ltd	Places for People Leisure Management Ltd	02585598
Places for People Leisure Management Ltd	PfPL Developments Ltd	04330972
Places for People Leisure Management Ltd	Sam Jones (Clubs) Ltd	03406979
PfPL Developments Ltd	PfPL Projects (Gosport) Ltd	07782225
PfPL Developments Ltd	PfPL Projects (Sandwell) Ltd	08181534
PfPL Developments Ltd	PfPL Projects (Hinckley) Ltd	9042076
PfPL Developments Ltd	PfPL Projects (Sparkhill) Ltd	9042068
PfPL Developments Ltd	PfPL Projects (Wyre Forest) Ltd	9301347
PfPL Developments Ltd	PfPL Projects (Epping) Ltd	10599175
PfPL Developments Ltd	PfPL Projects (Surrey Heath) Ltd	11898999

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

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	
	2020	2019
	£000	£000
Goods for resale	**916**	988

In the opinion of the Directors there is no material difference between the statement of financial position value and the replacement cost of stocks.

15 Debtors

	Group		Company	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Trade debtors	**3,173**	5,249	**4**	-
Other debtors	**155**	305	**-**	-
Amounts due from group undertakings	**-**	-	**5**	5
Prepayments and accrued income	**5,656**	4,813	**3**	4
Deferred tax asset (note 10)	**1,182**	808	**-**	-
	10,166	11,175	**12**	9

Other debtors for the group includes performance bonds and guarantees of £155,000 (2019: £305,000) in connection with work performed by the group with maturity dates ranging from September 2019 to June 2023 (2019: April 2019 to June 2023). Bonds with a maturity date greater than one year total £100,000 (2019: £100,000).

16 Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Net obligations under finance leases and hire purchase contracts	**628**	545	**-**	-
Trade creditors	**5,434**	7,375	**0**	1
Amounts owed to group undertakings	**-**	-	**16,312**	15,322
Corporation tax	**1,425**	1,382	**(7)**	-
Social security and other taxes	**1,570**	1,578	**-**	-
Accrued expenditure	**-**	-	**-**	314
Derivatives	**622**	-	**-**	-
	9,679	10,880	**16,305**	15,637

17 Creditors: amounts falling due after more than one year

	Group		Company	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Amounts owed to parent undertaking	**1,664**	1,058	**-**	-
Net obligations under finance leases and hire purchase contracts	**537**	562	**-**	-
	2,201	1,620	**-**	-

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	Group		Company	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
In one year or less	**628**	545	**-**	-
In one year or more but less than two years	**449**	358	**-**	-
In two years or more but less than five years	**86**	204	**-**	-
	1,163	1,107	**-**	**-**

The £1,664,000 (2019: £1,058,000) loan from the parent undertaking is repayable after more than one year and attracts interest at 3% above Bank of England base rate.

	2020	2019
	£000	£000
In one year or more but less than two years	**1,673**	1,058

18 Provisions for liabilities and charges

			Group
	Onerous contracts	**Onerous lease**	**Total**
	£000	**£000**	
As at 1 April 2019	679	**-**	**679**
Released in the year	(93)	**-**	**(93)**
Additional provision in the year	545	311	**856**
As at 31 March 2020	**1,131**	**311**	**1,442**

19 Accruals and deferred income

	Group	
	2020	2019
	£000	£000
Accruals and deferred income	**13,428**	18,433
Amounts falling due within one year:	**12,973**	17,067
Amounts falling due after one year:	**455**	1,366
	13,428	18,433

20 Share capital

	2020	2019
	£000	£000
999,999 ordinary shares shares of £0.25 each	**250**	250

21 Reconciliation of movement in shareholders' funds

	2020	2019
Company	**£000**	£000
Opening shareholders' surplus	**(1,397)**	(486)
Loss for the year	**(780)**	(911)
Defined benefit pensions scheme movement	**(522)**	-
Closing shareholders' surplus	**(2,699)**	(1,397)

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own statement of comprehensive income.

The loss for the year dealt with in the accounts of the company was £780,000 (2019 -£911,000 loss).

22 Major non-cash transactions

During the year the group entered into finance lease agreements in respect of assets with a total capital value at the inception of the leases of £1,129,000 (2019: £1,225,000).

23 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 (2019: £875,000). £55,000 of this contingency related to a contract which terminated on 31st 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 2020 for this bond was £65,000,000 (2019: £65,000,000). The total interest accrued at 31 March 2020 for this bond was £813,403 (2019: £813,403).

24 Capital commitments

At 31 March 2020 the group had capital commitments as follows:

	2020	2019
	£000	£000
Contracted for but not provided in these financial statements	**200**	1,314
Authorised by directors but not provided in these financial statements	**910**	1,540

25 Accounting Estimates and Judgements

The Audit and Risk Committee of the Places for People Group oversees, reviews and monitors the Group's application of accounting policies and standards of the Company. There are no significant judgements to be reported, apart from those involving estimations (which are set out separately below), that have been made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

The extent of material estimations to the company of financial information is limited. However, key areas of consideration where the nature of estimation means that actual outcomes may differ from the estimates made are;

Recoverability of Stock

The Company has £916,000 of stock at 31 March 2020 (2019: £988,000) comprising of goods for resale. FRS 102 section 11 requires stock to be measured at the lower of cost and estimated selling price less costs to complete and sell. The Company monitors for obsolete and slow moving stock at all leisure centres and provisions are made to comprehensive income where required.

Trade Debtors

The Company has £3,174,000 of Trade Debtors at 31 March 2020 (2019: £5,249,000) comprising of sales invoices raised to customers and local authorities. FRS 102 section 11 requires trade debtors to be measured at the lower of cost and realisable value. The Company monitors the collection of debtors on a regular basis 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 comprehensive income.

Pensions

The Company has one defined benefits 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 advice on appropriate discount rates for the scheme.

25 Accounting Estimates and Judgements (continued)

Onerous Contracts

The Company operate 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 present obligation under the contract is recognised and measures as a provision. These accounts include a £1,131,000 provision for onerous contracts (2019: £679,000) as per note 18.

Covid-19

The Company has judged Covid-19 to be an adjusting event in the preparation of the financial statements. This judgement has been made as the World Health Organisation confirmed Covid-19 was a pandemic on 11 March 2020 and the impact on world markets was clear as at the balance sheet date, 31 March 2020. As such Covid-19 is considered a current event requiring ongoing review and adjustment. This has required additional judgement and estimation in considering the assessment of going concern, and the valuation of assets.

Going concern

In order to assess whether it is appropriate for the Company to be reported as a going concern, the management apply judgement, having undertaken appropriate enquiries and having considered the business activities and the Company's principal risks and uncertainties as set out on pages 8 and 9. 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 both reopening dates of leisure centres, 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.

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 (independent of Places for People Leisure Management Ltd) 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 2020, 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 preliminary 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 101% 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 2020 for the purposes of FR102 showed that the market value of the scheme’s assets was £5,246,000 including total dividends and accrued interest as at 31 March 2020. As at 1 April 2019 there were 14 active members in the scheme.

26 Pension commitments (continued)

The disclosures set out below are based on calculations carried out as at 31 March 2020 by an independent qualified actuary. The results of the calculations and assumptions adopted are shown below.

Principle assumptions

	2020	2019
Discount rate	**2.25%**	2.45%
RPI inflation	**2.70%**	3.35%
CPI inflation	**2.10%**	2.35%
Future increases in deferred pensions	**2.10%**	2.35%
Rate of increase in salaries	**2.60%**	3.35%
Rate of increase to pensions in payment: LPI (max 5%) based on CPI	**2.20%**	2.35%
Post-retirement mortality	**90% of S3PxA CMI_2019 1.20% LTR**	90% of S2PxA CMI_2017 1.25% LTR
Cash commutation	**50% of the maximum**	50% of the maximum
Future life expectancy of male aged 65 at balance sheet date	**22.60%**	22.8
Future life expectancy of male achieving age 65, 20 years after balance sheet date	**23.90%**	24.2
Future life expectancy of female aged 65 at balance sheet date	**24.90%**	24.7
Future life expectancy of female achieving age 65, 20 years after balance sheet date	**26.30%**	26.2

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

	2020	2019
UK Equities	**27.70%**	27.70%
Overseas Equities	**37.50%**	40.50%
UK government	**4.40%**	3.70%
Corporate Bonds	**5.90%**	3.90%
Structured and Global Bonds	**6.20%**	7.60%
Other fixed Interest	**0.00%**	0.00%
Property	**4.20%**	4.20%
Hedge & Structure Funds	**11.80%**	10.80%
Cash/Trustee bank account	**2.30%**	1.60%
Total	**100.00%**	100.00%

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

	2020	2019
	£000	£000
Fair value of scheme assets	**5,246**	5,585
Present value of defined benefit obligation	**(5,869)**	(5,874)
Defined benefit liability	**(623)**	(289)

26 Pension commitments (continued)

Total expense recognised in the Statement of Comprehensive Income

	2020	2019
	£000	£000
Current service cost	107	119
Net interest on the net defined benefit liability	4	3
Total recognised in the SOCI	**111**	122

Total amounts taken to Other Comprehensive Income

	2020	2019
	£000	£000
Actuarial gain on scheme assets - gains (losses)	(450)	388
less: amounts included in net interest on the net defined benefit liability	(139)	(134)
Remeasurement gains - Return on scheme assets exluding interest income	(589)	254
Remeasurement (losses) and gains - Actuarial (losses) and gains	154	(378)
Remeasurement loss recognised in Other Comprehensive Income	**(435)**	(124)

Changes in the present value of the defined benefit obligation

	2020	2019
	£000	£000
Opening present value of defined benefit obligation	5,874	5,352
Benefits paid	(120)	(135)
Current service cost	107	119
Interest cost	143	137
Remeasurement losses and (gains) - Actuarial losses and (gains)	(154)	378
Employee contributions	19	23
Closing present value of defined benefit obligation	**5,869**	5,874

Changes in the fair value of scheme assets

	2020	2019
	£000	£000
Opening fair value of scheme assets	5,585	5,079
Interest income	139	134
Remeasurement gains/(losses) - Return on scheme assets exluding interest income	(589)	254
Contributions by employer	212	230
Employee contributions	19	23
Benefits paid including expenses	(120)	(135)
Closing fair value of scheme assets	**5,246**	5,585

27 Operating lease commitments

At 31 March 2020 the group had commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2020	2019	**2020**	2019
Group	**£000**	£000	**£000**	£000
Expiry date:				
Within one year	**936**	924	**192**	307
Between two and five years	**3,485**	3,588	**434**	193
In more than 5 years	**3,307**	3,895	**-**	-
	7,728	8,407	**626**	500

28 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 £20,000 comprising of skills development partner fee and employee membership fees payable to CIMSPA. An amount of £2,776 was due to CIMSPA on 31 March 2020 and has been included in Trade Creditors.

Sandra Dodd, was a non executive director of ukactive and was appointed on 1 May 2015. Transactions with ukactive amounted to £311,059 including £200,000 for private perfomance licence fees. An amount of £21,565 was due to ukactive on 31 March 2020 and has been included in Trade Creditors.

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.

29 Ultimate controlling party

PfPL (Holdings) Limited parent company is Places for People Ventures Limited. The ultimate parent company and controlling party is Places for People Group Limited, a company registered in England and Wales.

30 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 2019 due to the existence of a parental guarantee given by PfPL (Holdings) Limited, the parent undertaking of this group which prepares these 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