People's Partnership Holdings Limited

Annual report and Financial Statements for the year ended 31 March 2024

Company number: 00377361

Jump to chapter

Page navigation

Home

Founded for social good, People's Partnership has provided millions of people with greater financial security for more than 80 years.

Our purpose

Our purpose remains the same as the day we were founded - helping people to building financial foundations for life.

Click here to see why employers choose us

Who we are

Founded for social good, People's Partnership has provided millions of people with greater financial security for more than 80 years. Through The People's Pension ("TPP" or the "Scheme"), the largest independent master trust in the UK, we help almost 7 million people, from over 100,000 employers across all sectors, live financially stronger lives.

As a 'Profit for People' organisation without shareholders, we're a different kind of financial services company, putting our customers at the heart of everything we do and reinvesting our profits to benefit them.

We design our products and services for everyone rather than just the wealthier in society, striving to make pensions straightforward and accessible for all.

Over the past decade, since the launch of auto-enrolment, we've grown significantly, reaching more than £26bn assets under management ("AuM"). But our purpose remains the same as the day we were founded – helping people to build financial foundations for life.

People's Partnership Limited ("PPL") is responsible for the strategy of the Group while the Board of People's Partnership Holdings Limited ("PPHL" or the "Company"), which is the ultimate owner of the Group companies, has a purely founding governance role.

"The majority of our industry is set up to serve the wealthier in society, prioritising profit rather than making sure pensions work in the best interest of the saver. We, on the other hand, believe everyone deserves access to a pension that's great value, easy to understand and backed by outstanding service."

Patrick Heath-Lay
CEO, People's Partnership Limited

"Our work now touches 6.6m lives – many more, if we include the families of those saving for retirement with TPP. This shows we make a real difference, and I believe we do it in the right way, driven by a culture that puts our members at the heart of everything we do."

Jim Islam
non-executive Chair, People's Partnership Limited

"As Chair of PPHL, I am delighted to uphold our responsibilities for the founding principles of People's Partnership and to hold PPL accountable under our governance structure. Protecting our core purpose is of utmost importance, as it ensures we remain an organisation founded for social good, with our members at the heart of everything we do. This commitment allows us to deliver better outcomes for our members through profit for people."

James O'Callaghan OBE
non-executive Chair, People's Partnership Holdings Limited

Why we are here

Everyone deserves access to straightforward and accessible financial products to support them in their lives. According to the 2022 Financial Conduct Authority ("FCA") Financial Lives Survey, 12.9m people – that's 24% of adults – have low financial resilience. We believe that's an issue worth solving.

How we are different

Customers First

As a business without shareholders, we reinvest our profits to improve our products and services for our members – a principle we call 'Profit for people'. An example of this is our charging structure which rewards members for saving more. Through a rebate on their management charge, we've paid back more than £50 million to our members since it was introduced – £21 million in the last year alone.

Products for Everyone

Unlike other financial service providers, we provide straightforward and accessible products that can benefit everyone, no matter how large or small their financial resources. TPP is available to all employers, from those with a payroll of thousands to those with just a few employees.

Trusted for Life

We build long-term relationships with our customers and earn their trust by living our values. We make it easy for our customers to interact with us however they want, whether it's on the phone, online or by email.

Better for Society

As a purpose-driven organisation, we feel a responsibility to champion change in the best interest of the saver, working to create better financial outcomes for people across the UK.

Everything we do is underpinned by our core values: understanding people, keeping our promises, and creating simplicity.

The values we live by

Because we want to stand out from the crowd, our values are selected to guide how we act and behave every day.

Understand people

We understand people by putting ourselves in their shoes

Create simplicity

We create simplicity by stripping out complications and removing obstacles

Keep our promises

We keep our promises by always doing what we say we'll do

Our key performance indicators

We use a range of measures to track how we're performing against our strategic objectives and the outcomes we want to achieve.

Total assets under management (bn)

£26.4bn
2024

£20.2bn
2023

£17.6bn
2022

£13.7bn
2021

£8.3bn
2020

Our flagship financial product The People's Pension continued to grow both its membership and increase assets under management by 30% to £26.4bn.

We have more than

6.6m members

Where we are now

The Group is the administrator of The People's Pension which has also become a major player in the master trust market, with over 113,000 employers and more than 6.6m scheme members.

Group Revenue

£106.0m

2024	£106.0m
2023	£79.9m

Group revenue continued to grow in 2024 as management fees from The People's Pension (TPP) increased to £100.9m as TPP's assets undermanagement grew to £26.4bn.

Alongside TPP we also operate a life and accident cover scheme for the construction industry that covers around 113,000 employees and over 3,100 employers.

Profit after tax

£12.5m

2024	£12.5m
2023	£0.1m loss

An impressive 2024 profit after tax of £12.5m (2023: £0.1m loss) was achieved from a combination of higher revenue generated from appreciable growth in assets in the year, efficient contract negotiations to establish savings on contract renewals, and tight controls over spending in a year of exceptionally high inflationary pressures. This was delivered whilst still spending £18m to deliver on a range of propositional enhancements, which supported the delivery of excellent service to our members.

Colleague engagement

73%

2024	73%
2023	76%

This year our colleague engagement score is 73% and is the average of four questions relating to colleague pride, advocacy, motivation, and intent to stay. While this showed a slight decrease compared to last year (down from 76% to 73%, +/- 3% statistical significance), it represents the second-highest level recorded by the company and is a testament to our commitment to improving the colleague working experience.

Key Employer Retention

99%

2024	99%
2023	98%

Employers are the gateway through which we recruit members. The service we provide to employers is key to driving our overall growth. Retaining the larger employers is important to protect our active membership base. Retention of these key employers increased to 99% from 98% in 2023.

Customer satisfaction

83%

2024	83%
2023	83%

Despite significant increases in incoming customer contacts and transactional processing, customer satisfaction rates measured through the survey process were maintained at 83%, matching the high levels of the previous financial year. This reflects the consistent high level of satisfaction experienced by customers contacting us.

Service Level Performance

93%

2024	93%
2023	76%

Despite another significant increase in transactional volumes, the successful deployment of automation, self service and straight through processing contributed to a significant improvement in the service delivery performance.

Chair's Statement, People's Partnership Limited, Jim Islam

At People's Partnership, our work now touches 6.6 million lives – many more, if we include the families of those saving for retirement with The People's Pension.

This shows we make a real difference, and I believe we do it in the right way, driven by a culture that puts our members at the heart of everything we do.

More and more employers now see the value we bring as their pension provider, and by 31 March 2024, more than 100,000 were saving with us, with our funds under management standing at more than £26bn.

Providing greater financial security

It's been a much more stable year for investments after the volatility of 2022, and that's helped The People's Pension – overall, funds grew by 30%. But it's been another tough year for UK households. The rate of inflation might have levelled off, but the cost of living is still high, from food prices to mortgage rates. This underlines how important it is that we deliver on our purpose. In helping people to have greater financial security in retirement, we're improving the wealth of the nation too.

Making pensions more accessible

While the majority of UK workers now have a pension, there's still much to do in making sure everyone understands how important it is to save for retirement. Our own research shows that, for many, pensions are complex and difficult to understand, and financial services businesses are difficult to trust. We believe we have a role to play in helping people manage their own money better and take an active interest in their pension, enabling them to plan for a secure future. That's why we continue to invest in financial guidance and making the whole topic of retirement savings more approachable and easier to grapple with.

Strengthening our business

To support this work, my Board colleagues and I have overseen another year of investment to enable People's Partnership to continue delivering in the best interest of its members. That's included investing in our workforce to build our capabilities, especially the service we give to employers, members and intermediaries. It's also included improving our technology, so members can get in touch with us easily, and in the way they choose, and our people can work as efficiently as possible. This investment has helped us improve the guidance we can give in helping members clarify what they need from their retirement savings.

While, as a Board, we keep a close eye on how the Group is performing and serving its customers and members, we also continue to work with the Executive Leadership Team to make People's Partnership as strong as possible for the future. As well as investing in improving our services and the infrastructure behind them, I believe strength also lies in diversity, and the Board will continue to support People's Partnership in achieving the diversity that mirrors that of its customer base.

I'd like to thank all my colleagues both on the Board and across the business, those who directly support customers, work tirelessly to ensure member funds are grown effectively over the long term, and ensure that the business is run effectively day to day for the benefit of members.

It's their efforts that have put us in a good position to continue building a secure future for our members.

…we continue to invest in financial guidance and making the whole topic of retirement savings more approachable and easier to grapple with.

Jim Islam
Chair
People's Partnership Limited

How we're structured

People's Partnership Holdings Limited ("PPHL") is the ultimate owner of the other Group companies and its role is to act as custodian of our core social business principles, to hold our strategic PPL board to account, and to give representation to our founding members.

People's Partnership Limited ("PPL") is a wholly owned subsidiary of PPHL. PPL is the parent company to People's Administration Services Limited ("PASL"), B&CE Insurance Limited ("InsCo"), People's Investments Limited ("PIL") and The People's Pension Trustee Limited, which have been held for the whole year, and it is also parent to 4 other dormant entities.

PASL is responsible for the administration of all products provided by the Group and it is the Scheme Administrator of TPP.

PPHL is also the parent company to B&CE Holdings Limited, which is a dormant entity.

In addition, **Building and Civil Engineering Charitable Trust** is our trust which supports individuals in the construction industry who are experiencing hardship. It also supports the construction industry by working with other corporate organisations to provide training, re-training and education and helps with occupational health needs.

Read more on page 28

Our key entity structure

Trustee
Responsible for running The People's Pension Trustee scheme.

Corporate Governance
Responsible for oversight of the Group's products and reinvestment of surplus to service growth and improvement.

Charitable Trust
Responsible for providing financial and training support for the construction industry and supporting relevant construction industry related research.

The People's Pension Trustee Limited
Corporate Trustee of People's Pension Scheme

People's Partnership Holdings Limited
Custodians of Core Social Business Principles

Building and Civil Engineering Charitable Trust
Trustees of our Charitable Trust serving the construction industry

B&CE Benefits Scheme Trustee Limited
Corporate Trustee of Benefits Scheme (LSRB & AVC) and ELC

People's Partnership Limited
Main Strategic Board
To hold Senior Management to account and drive strategy

People's Administration Services Limited
All products
Responsible for the administration of all products

B&CE Insurance Limited
Employee Accident Cover
Composite Insurer

People's Investments Limited
Board providing oversight and support for investing activities

The Board of Directors of People's Partnership Limited – The Strategic Board

The following served as Directors of PPL during the year, and up to the date of signing of the Financial Statements, unless otherwise stated:

Directors

Non-Executive Independent Chair

Jim Islam

Non-Executive Directors

John Allott

Pat Billingham

Laura Chappell

Jim McKinnon

Ciarán Barr

Kyla Farmer

Dean Lamble

Veronica Oak

John Neal

Rupert Perkins

Executive Directors

Patrick Heath-Lay

Sue Hunter (resigned 1 June 2024)

Non-Executive Directors

Read our full biographies online

Jim Islam
Non-Executive Independent Chair

Jim is Chair of PPL, our strategic board, having previously served as a Non-Executive Director for the Group. Jim is also Chair of the Remuneration & Nominations Committee.

Jim is an actuary with extensive board-level leadership experience in insurance, investment management, and life and pensions sectors. He is a Fellow of the Society of Actuaries, USA, and a Fellow of the Institute and Faculty of Actuaries.

Jim has held senior finance and general management roles at Lloyd's of London and Legal & General Group and also various Managing Director and Finance Director roles covering UK and global businesses. Jim is also an RNLI Trustee, the charity that saves lives at sea as well as serving on the Board of OneFamily.

John Allott
Non-Executive Director

John represents construction industry employee groups, as well as serving on our Group Audit & Risk Committee and Remuneration & Nominations Committee.

He was appointed National Officer for Unite the Union in 2002. He has extensive Board experience. He has chaired the Joint Industry for Plumbing Mechanical Engineering Services for England and Wales He has served on the Construction Industry Training Board (CITB). He is currently a Board member of JTL training Limited and the Construction Skills Certification Scheme Limited and a Trustee of Plumbing Pensions UK.

Pat Billingham
Non-Executive Director

Pat is Chair of the Group Audit & Risk Committee and InsCo. Pat is also a Non-Executive Director of PASL and Senior Independent Director.

Pat is an experienced non-executive director and has spent over 10 years building a portfolio which includes roles as a Board member, Audit and Risk Committee Chair and Board Chair. She has also been the Board Conduct Risk Champion in an insurance business and an Independent NED with responsibility for Culture. Pat is a Non-Executive Director at Hamilton Group Limited, an insurance business which includes a Lloyd's Syndicate and an Irish subsidiary, where she is Chair of the Risk and Remuneration Committees as well as a Board member.

Pat's Executive career was as a tax specialist, both as an Inspector of Taxes and as a tax partner at EY.

Laura Chappell
Non-Executive Director

Laura is a prominent pensions industry figure and is currently Chief Executive of Brunel Pension Partnership.

Having worked within institutional fund management for much of her career including Barclays Global Investors (now BlackRock), M&G, Schroders and Brewin Dolphin, Laura has a passion for seeing responsible and sustainable investing in action and has a deep-rooted commitment to pension fund members.

Jim McKinnon
Non-Executive Director

Jim is a member of the Group Audit & Risk Committee. He brings a wealth of information technology and business experience to the Board having spent more than 40 years at The Goodyear Tire & Rubber Co, most recently in the role of Chief Information Officer, based in Ohio, USA.

Since returning to the UK, Jim has undertaken a number of roles including Trustee & Director at Compton Care Group Ltd, as well as a voluntary business mentor with The Prince's Trust.

Ciarán Barr
Non-Executive Director

As well as serving on our Strategic Board, Ciarán is Chair of PIL and a member of the Remuneration & Nominations Committee.

Ciarán is an investment professional with over 25 years' experience in financial markets across fund management, strategy and economics, including a transformational leadership role at the Railways Pension Scheme, one of the UK's largest and most complex schemes. Ciarán is currently a Board member at LGPS Central, a Board member of the Railway Benefit Fund and a Director and Finance & Audit Committee Chair at Studio Wayne McGregor Ltd.

The Board of Directors of People's Partnership Limited – The Strategic Board continued

Kyla Farmer
Non-Executive Director

Kyla represents the Construction Industry Employer Groups. She is also a member of the Remuneration & Nominations Committee.

Kyla has over 20 years' experience working in HR and People Functional leadership roles across several different industries. She has worked for large PLC organisations as well as owner operated, and private equity backed, SMEs. She is currently Chief People Officer at Indigo, a digital engineering business.

Dean Lamble
Non-Executive Director

Dean is a Non-Executive Director of InsCo and PASL. Dean also serves on our Group Audit & Risk Committee.

Until recently Dean was Chief Executive Officer and Board member of SunLife Insurance where he led a significant transformation of the business repositioning the strategy, refreshing the brand, building a top-class management team, and driving a high-performance culture, with a clear focus on customer benefits. Dean is currently CEO of Pure Cremation, a private equity backed disruptor in the later life and funeral sector.

Executive Directors

Read our full biographies online

Patrick Heath-Lay
Executive Director

Patrick became Chief Executive Officer in 2012 and is also a Director of PPL as well as Director of the Boards of PASL and InsCo. Patrick is a Trustee of our Charitable Trust, which is focused on supporting those in need from the construction industry.

Patrick has over 30 years of financial services expertise and was instrumental in the launch of TPP. He is also Non-Executive Director of Manor Royal Business Improvement District in Crawley.

Veronica Oak
Non-Executive Director

Veronica is Chair of the administration board, PASL.

Veronica brings a wealth of experience gained within the financial services sector. She has spent over 20 years as an independent marketing and business development consultant helping companies develop their strategy, new products, and services for their customers. Veronica has held a number of non-executive director positions, including two with mutual organisations (OneFamily and The Hanley Economic Building Society), and has also served on the boards of Chesnara plc and Sanlam in the UK and a trade body that represents the interests of life assurance and investment providers.

John Neal
Non-Executive Director

John represents Construction Industry Employee Groups. He is the National Pensions Officer for Unite the Union (Unite), providing support and advice to Unite members and officers on collective issues relating to pensions.

He has been a trustee on Unite's Pension Scheme Trustee board for over 8 years, leading the board on environmental, social, and governance (ESG) matters. John is a scheme advisory board (SAB) member for the Local Government Pension Scheme, the NHS Pensions Scheme and a Joint Superannuation Committee member for the Civil Service Pension Scheme. John is also a trustee on the Crystal Master Trust, a constituent organisation representative on the Plumbing Pensions Scheme and a member of the Trade Union Share Owners group (TUSO).

Rupert Perkins
Non-Executive Director

Rupert represents construction industry employer groups. He is the Managing Director of John Perkins Construction, an award-winning construction company based in Bristol and Newport.

Rupert has held a variety of external board-level positions for organisations, including the Considerate Constructors Scheme, the National Federation of Builders, the South West Builders Federation, and the Building Safety Group. He is also part of the Construction Industry Training Board Industry Funding Committee.

Sue Hunter
Executive Director

Sue left People's Partnership in 2023/24 after almost 5 years as Chief Finance Officer driving forward improvements in our financial performance.

Strategic Report

The Directors present the Strategic report of PPHL for the year ended 31 March 2024.

Inside this section

Strategic report for the year ended 31 March 2024

The Directors present the Strategic report of PPHL for the year ended 31 March 2024.

The history, roots and purpose of People's Partnership put us in a unique position in financial services. The majority of our industry is set up to serve the wealthier in society, prioritising profit rather than making sure pensions work in the best interest of the saver. We, on the other hand, believe everyone deserves access to a pension that's great value, easy to understand and backed by outstanding service.

Every pension contribution is a testament to our members' trust in us, not just a figure on the balance sheet. We look to reward that trust by making a positive impact on the lives of workers and their families who have been financially underserved for years. This message is resonating; by the end of the financial year, 6.6m people were saving for their retirement with TPP, a rise of 6.35% on last year, making us an ever-growing force in the UK pensions market.

Helping more people save for retirement

That growth is reflected in how busy we are. In 2023-24, we saw a 26% rise in people contacting us. This is reward for our efforts in encouraging our members to take an active interest in their pension, and a clear message that as pension pots grow and savers near retirement, they need information, support and guidance to plan for their future.

It's vital we're here for our members at every stage of their life journey, to give them clarity and the guidance they need to make good decisions about their finances. It's also important we do this in the way that suits them, whether it's using our online tools to check if they're saving enough, emailing us, talking to us about options for using their pension pots, or getting guidance and information through social media.

Investing in service and support

In recent years, we've invested in making sure the right support is there when our customers need it, from specialist staff backed by new technology in our in-house, UK-based contact centre, to The People's Pension app launched in 2024. This is now paying off, our customer satisfaction scores remain high at 83%, with a strong overall Net Promoter score of +38. But we can never be complacent. It's vital that we continue to be there in those moments of truth when our members need us.

Striving to give value

In all this, we strive to give the best value we can for every pound our members entrust to us. As we have no shareholders, we can focus entirely on members' best interests. This means working hard to produce the best investment returns we can and operating as efficiently as possible across every part of the process that builds their pension.

Our market remains competitive, and growth is important as we look to give as many people as possible financial foundations for life. So, this year, we've introduced scheme-specific pricing to make ourselves as appealing and competitive as possible to employers and become the only provider to offer a best price guarantee. This means that if a member has an existing pension and returns to us, all their savings will be in one pot and charged at the lowest rate available to them.

This kind of value, alongside giving back £21 million in management fees to our members in the 2023/24 financial year alone, is part of what makes us unique as a profit-for-people pension provider.

Working for a better deal

It's not just about what we provide to our members. Our member-centric approach gives us credibility to advocate for reform in savers' best interests. This year we've launched a campaign calling for more transparency in the transfer process to prevent pension savers losing tens of thousands of pounds. We've also launched the latest report from our long-term study, New Choices, Big Decisions, which follows 80 people approaching retirement, the findings of which will shape the design of our future retirement proposition.

I'd like to thank everyone at People's Partnership for contributing to our success, and to all we're doing to help people build financial foundations for life.

Patrick Heath-Lay
Chief Executive Officer

Executive Leadership Team

The Executive Leadership Team is responsible for setting high-level strategic direction – our outcomes and success criteria. The team is also accountable for overall business performance and delivering our business plan activities. In 2023-24, that team was:

Read our full biographies online

Patrick Heath-Lay
Chief Executive Officer

Patrick has brought a wealth of experience to a range of financial and customer service-focused roles in the company. He is responsible for driving the Group's strategy and was instrumental in the launch of TPP.

Dominic Fielding
Chief Risk Officer

Dominic is a governance, risk and compliance professional with 30 years' experience in financial services. He brings an ethical focus to his role, including preventing financial crime, and focusing the business on great customer outcomes.

Deborah Finlayson
Chief People Officer

Deborah brings over 20 years' experience in HR, and focuses on strategy, culture, talent, and performance.

Sue Hunter
Chief Finance Officer

As Chief Finance Officer, Sue was responsible for all financial operations across the Group, including procurement services. She also oversaw People's Partnership's legal and company secretarial function. Sue left the organisation in June 2024.

Angela Staral
Chief Operating Officer

Angela is the newest member of the Executive Leadership Team, having joined us in February 2024. She has lived and worked in Berlin, Frankfurt, Singapore, New York, and London during a 20-year career in financial services.

David Meliveo
Chief Commercial Officer

David is responsible for product and service design and distribution, and promoting our brand and business. David brings over 20 years of commercial and marketing experience to his role at People's Partnership.

Dan Mikulskis
Chief Investment Officer

Dan leads the Investment team at People's Partnership, driving forward the investment strategy for TPP. He has been operating in the investments sector for more than 20 years.

Nigel Rodgers
Chief Information Officer

Nigel has 20 years' experience working in dual regulated financial services businesses. At People's Partnership, Nigel is responsible for the Group's information technology and digital estate and leads our change programme.

Vicki Skipper
Director of Corporate Strategic Development

Vicki brings extensive strategy experience from her consulting background to the role of bringing together a team supporting Strategic Development, Policy, Enterprise Business Planning, and the Executive Office.

Principal activities

The People's Partnership group provides TPP and other financial products. The Scheme is an award-winning master trust pension that's growing each year in terms of both AuM and number of members. We expect the Scheme to continue growing and to deliver financial growth to People's Partnership over the long term.

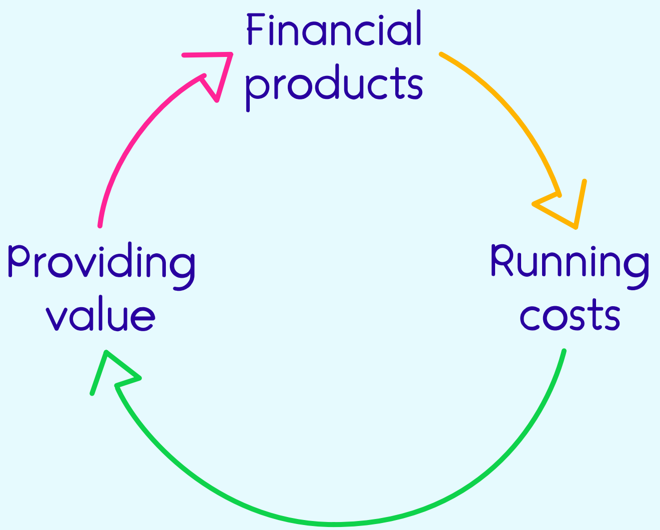
Our business model

As a business without shareholders, we reinvest profits in our business to help members achieve better financial outcomes. We take a long-term view and invest in better, more efficient ways to deliver accessible and straightforward products and services.

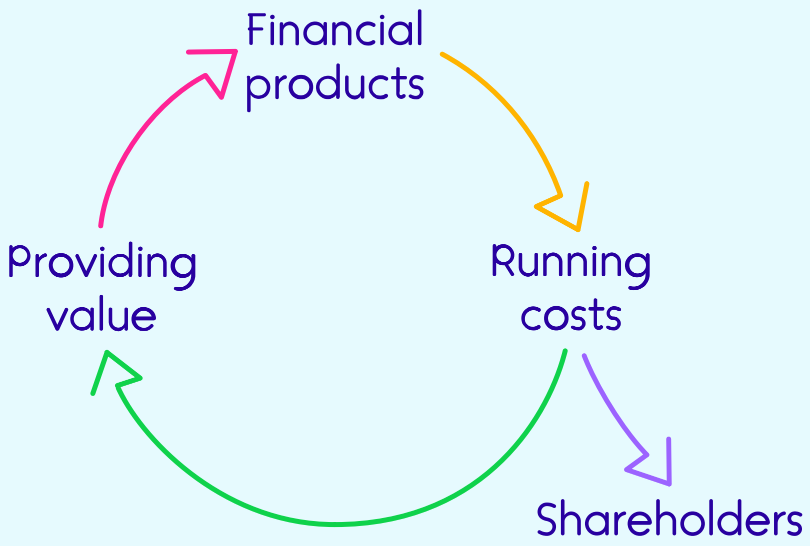
Click here to see more online

Our business model

People's Partnership



Other providers



Operational review and business update

Products and services

Growing The People's Pension

Our flagship financial product continued to grow this year. Membership rose 6.35% from 6.2m to 6.6m, our number of employer accounts rose to over 107,000 (2023: 105,000) and AuM rose by 30% from £20.2bn to £26.4bn. The scheme's investment performance was positive, with funds gaining £2.6bn.

As the Scheme's AuM continues to grow, the administration fee income received by PASL will continue to increase accordingly.

Given that the Scheme received master trust authorisation in 2020, information about the Group's related capital requirements can be found in note 22 of the Notes to the Financial Statements.

Launching new products and services

We want to stand out as a workplace pension provider that gives its members the help and guidance, they need to manage their money, plan for their retirement and get the best possible outcome for their savings. We do this by offering tools and guidance alongside TPP, giving value to both employers and members. These products are aimed at everyone, regardless of how big or small their pension pot is, or whether or not they're used to talking to financial experts. The objective is to help everyone take an active interest in their pension savings and make good decisions about their financial future.

In the year, key developments in this area included:

- launching our online financial wellbeing hub to help members feel confident when dealing with the financial moments that matter.
- introducing a workplace engagement team, working with employers and intermediaries to agree bespoke engagement plans and provide face-to-face presentations and webinars for employees.
- launching dual-branded employer microsites to give employers a clear touchpoint to engage their employees in their pension.
- launching retirement planning tools to help our members plan their future.
- building a member rewards proposition which we'll offer to all members as an extra benefit and to help, in a small way, with the cost of living.
- building our first mobile app, to help members monitor their savings and plan for their future.

The service and value we offer employers is just as important as our help for members, especially in a highly competitive pensions market. In 2023, we introduced differential pricing, which means we can now tailor our level of service, and the cost of providing a workplace pension, to meet our customers' specific needs. Alongside this, we've introduced a unique best-price guarantee for members. This means that if they have more than one pension pot with us, for instance because they've switched employers and pension schemes and then come back to us, they'll retain their original pension pot and be charged the lowest available management fee.

We continue to refine our member engagement programme, introducing new channels and tools, alongside guidance services to help members plan for retirement.

Maintaining legacy construction industry schemes and products

We constantly review all our products – current and legacy – to make sure we're delivering real value for money for our customers and members. When there's clearly a better option for members, we'll let them know. Overall, our legacy schemes, namely Lump Sum Retirement Benefit ("LSRB") and Additional Voluntary Contribution ("AVC"), still serve 340k members (2023: 349k).

Highlights

Flagship financial product membership

6.6m (rose 6.35%)
(2023: 6.2m)

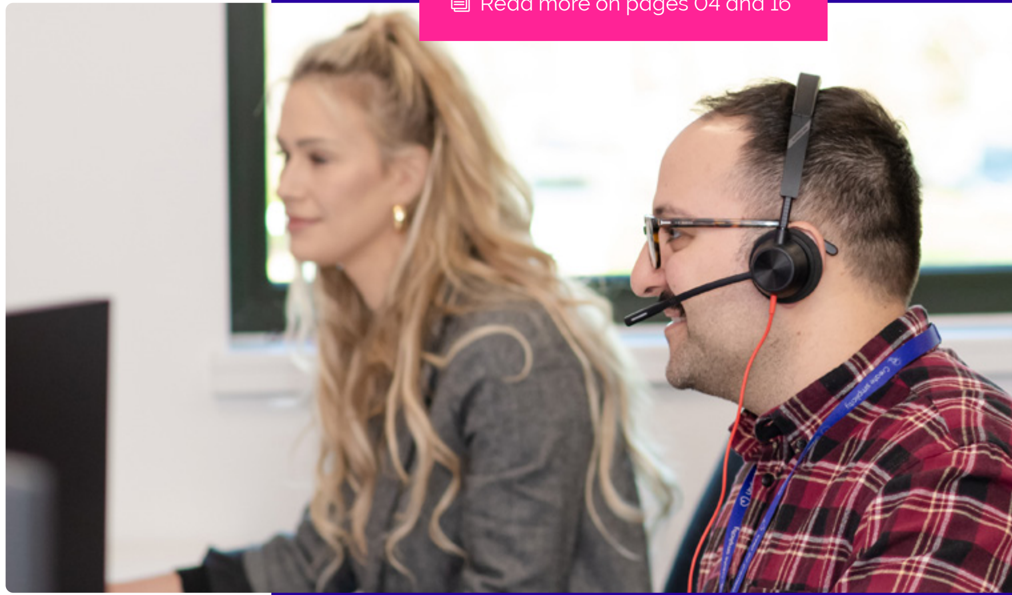
Employer accounts

107,000
(2023: 105,000)

Assets under management

£26.4bn (rose 30%)
(2023: £20.2bn)

Read more on pages 04 and 16



Improving operational performance and resilience

Improving our service to members, employers and intermediaries is one of our biggest priorities. This year we've seen our investment over recent years in automating our systems pay dividends through substantial improvements in service. Even though we saw a 26% rise in people getting in touch with us, we answered calls in less time than we did in the previous year. On average, it took us 77 seconds to answer calls, compared to 196 seconds in 2022-23. This was substantially faster than our target of 90 seconds.

Despite the increase in traffic to our contact centre, we maintained our quality of service, with customer satisfaction staying at 83%. Our service level performance (the percentage of tasks we carried out within 5 days) also improved, rising from 76% to 93%.

While some of our service improvements are down to recruiting extra contact centre staff, they're largely the result of improving technology in a way that lets us free up more people to talk to our members, customers and intermediaries. We also have a continuous improvement team working alongside operational teams to drive rapid changes that improve customers' experience.

Other areas of our operational performance remained strong. Our client banking team exceeded all its SLA targets, and we're currently preparing for the Government's Pension Dashboard, which is now expected to go live in 2026. We continue to support the Pension Regulator's pledge on scams, which commits us to regularly warning members about scams, and to reporting our own concerns when they arise.

We've embedded our processes for protecting vulnerable members, which include having vulnerable customer champions to support customers across vulnerabilities including disability, bereavement and financial hardship. With members' consent, we collect data on their needs, which helps us enhance the support we can give them.

We deal with tens of thousands of inward and outward transfers in the year. Despite regulatory requirements to check transfer requests to protect members from bad financial outcomes, we cut transfer time this year from an average of 37 days to 19 days and working hard to reduce this further.

Investing in technology

We continue to invest in technology to give employers, members and intermediaries a better experience when they contact us. In early 2024, our contact centre became cloud based, making sure customers get better service, faster. As well as making contact more reliable and driving efficiency for customers, this improves our ability to cater for people in the way that works best for them, whether it's online chat, email, phone or self-service. We also see technology like AI playing a part in supporting customers and connecting them to the right help using the channel they prefer.

Looking to the future

In the coming years, we aim to continue improving how we help members save for their retirement, creating more options for using their pension pots and working to engage them more closely in their financial future. In the process, we'll underline how we're different as a profit-for-people business with a social purpose.

While the auto-enrolment pensions market is maturing, it's also competitive, with employers reassessing their options. So, there's a clear need for us to demonstrate the value we bring to members and employers, whether they're already with us or thinking of changing providers.

We do this by drawing on our 'profit for people' ethos to reinvest our profits and continuously improve service. In the last year alone, this has seen us launch our financial wellbeing hub for members, offer face-to-face training and make content available through employer-branded microsites, as well as improving our guidance on members' options at retirement. It's also behind our investment in technology, which will continue in the short to medium term as we look to make our products and services available to customers and members in the way that suits them best.

In 2024, we launched our app to give members a new way to access our tools and content, and see how their pension savings are performing, including updates on their own and employer's contributions. We'll also enhance our financial wellbeing offering with a new digital product that gears guidance to members' own circumstances by tailoring tips based on their answers to questions about their financial priorities. The coming year will also see us offering more flexibility in how members can take a retirement income from the pension pot they've saved with us. And we'll continue to refine the support we offer members in the run-up to retirement and beyond as part of our push to build a relationship with them that lasts for life.

All this work is driven by the desire to make financial products and decision-making easy to understand for everyone, whatever the size of their pension pot and their level of financial literacy and expertise, as we work to provide them with greater financial security.

Financial review

2024 highlights

Group revenue
£106.0m
(2023: £79.9m)

Finance income
£5.5m
(2023: £1.6m)

Consolidated profit
£12.5m
(2023: £57k loss)

Investment spend
£18.0m
(2023: £22.0m)

More than 2,500 employers started saving for their employees for the first time during the year.

The consolidated Group Financial Statements are shown on pages 36 and 37.

Read more on pages 32 to 53

The consolidated Group Financial Statements are shown on pages 36 and 37. The consolidated profit for the financial year was £12.5m (2023: £57k loss).

Revenue for the year increased by £26.1m to £106.0m (2023: £79.9m) driven by the increased single annual charge, which accounted for £11.7m of the increase, and increased management fees from the administration of TPP as AuM grew.

The total TPP fund under management is determined from three key elements; fund growth, the number of active employees saving through their employer and their average contributions. The main default fund performed well, growing over 12% during the year; The active contributing membership was constant at 1.9 million: More than 2,500 employers started saving for their employees for the first time during the year with 300 additional employers being switched from other providers to the scheme providing 30,000 new contributing members. Inflows more than offset any switches to other providers: The average member contribution grew by more than 8% during the year.

Net operating expenses have increased by £16.0m to £98.8m (2023: £82.8m) as the Group has grown, investing in people to service this growth and to deliver the investment of £18m in product enhancements and digitisation of services to TPP members.

Successful strategic investment is key to our growth ambition and a new way of working to increase reliability in delivery has been developed. The PPHL Group's investment spend in the year of £18m (2023: £22m) has seen us deliver Scheme Specific Pricing ("SSP") as well as a number of additional key propositional developments being brought forward including member app, microsites, financial wellbeing products and related tools this year. In the coming years, we intend to continue to re-invest to support our strategic priorities of growing our pension business, building our brand and reputation, investing in new products and services.

Finance income increased to £5.5m (2023: £1.6m) due to the higher interest rate environment and active management of the cash balances to generate increased returns.

Capital

PASL is subject to TPR's requirements and has held the necessary capital to meet its obligations throughout the financial year. At 31 March 2024, PASL held Master Trust reserves as calculated in the Costs, Assets and Liquidity Plan ("CALP") and including a £0.5m buffer, as required by the Financial Support Undertaking ("FSU") with the Trustees of TPP. As stipulated in the FSU, Master Trust Reserves have been held in separate ring-fenced accounts throughout the financial year and are subject to floating charges in favour of the Trustees of TPP.

Throughout the year PASL more than covered its FCA capital requirement of £20k (2023: £20k).

Risk management

Risk management framework

Risk context

The future is uncertain, and it carries risk and opportunity for our business. These risks and opportunities may be related to our strategy and delivery of our objectives, the activities and processes of the organisation, the expectations of our stakeholders, or our key relationships and dependencies.

Risk strategy

Our group-wide risk management helps with the delivery of our strategy by supporting better decision making through a good understanding of risks and their likely impact on achieving our objectives.

Effective management of risk and opportunity is fundamental for the long-term success for the Group. We operate a "3 lines" risk governance framework to ensure that we're comprehensive and structured in our approach. The framework delivers a thorough view of our risk exposure to inform our decision-making and enable the alignment, effectiveness and efficiency of our strategic, tactical, operational and compliance processes. The approach ensures we fulfil our obligations and provides assurance that our activities are appropriately controlled.

Risk appetite

The strategic board determines the nature and extent of the principal risks it is willing to take and communicates this through the Group risk appetites. It forms the foundation of the framework and guides management decision-making across the Group. The risk appetite is reviewed at Board-level and is monitored by management on an ongoing basis.

Risk governance

We operate the "3 lines" risk governance model.

Firstly, each of our business functions are responsible for identifying, assessing, and managing risks within the parameters of our risk framework.

Secondly, we have a team of experts from our risk oversight and compliance functions, under the direction of our Chief Risk Officer, who work with our leaders and managers, challenging them on the risks they face and what they're doing to manage those risks. Our risk management team administers a Group Risk Register of every material risk and in each case, the strategy to address it.

What they're particularly looking for is anything that can seriously affect our ability to achieve our strategic objectives, impact our members, or performance, or affect our reputation. They then support the business to assess the potential impact of each risk and the likelihood of it happening.

We manage risk both at the Group level and within each department, such as Marketing or Finance, on an ongoing basis, with follow-up and challenge by the risk management function throughout the year. At the Group level, each risk has an executive owner. The Chief Executive Officer has overall accountability for the control and management of risk. The Board has overall responsibility for risk management.

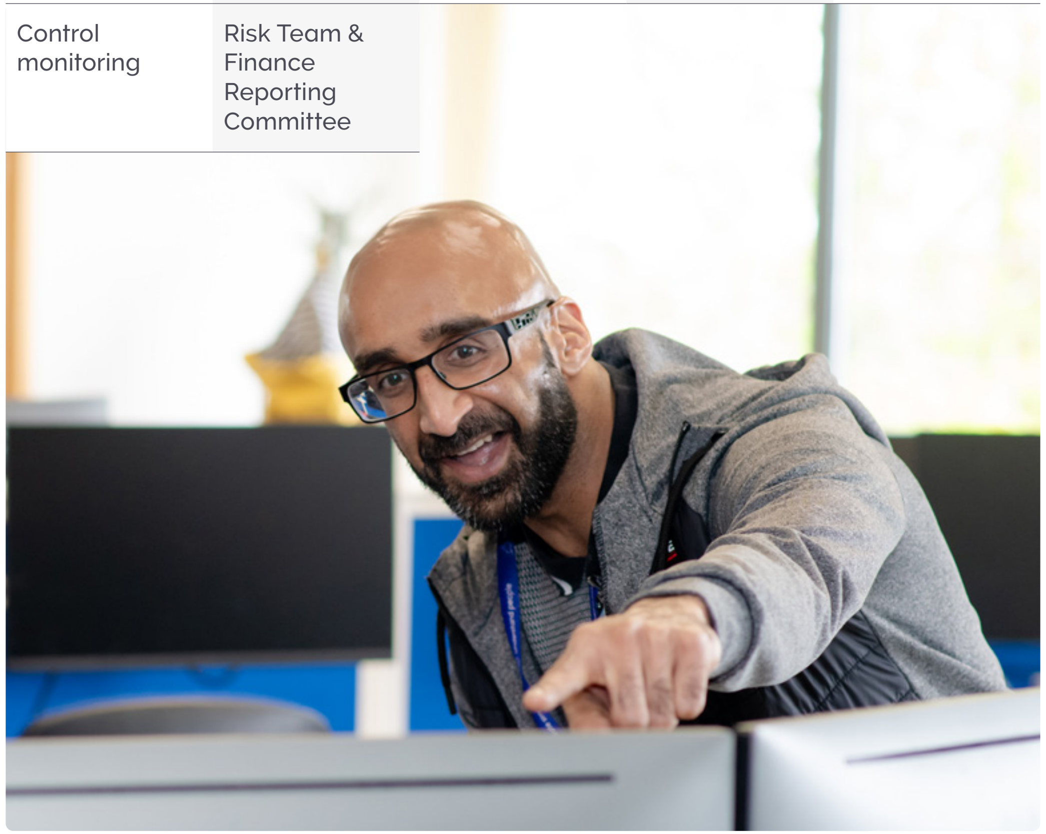
The content of the Group Risk Register is considered and discussed in regular meetings with senior management and reviewed by the Executive Leadership Team, the Group Audit and Risk Committee ("GARC") and the Board.

Thirdly, our Internal Audit function provides independent assurance on the effectiveness of risk management and our risk framework.

Risk management occurs across the organisation

Complementary management structures provide assurance over our risk management and internal control through standards, accountability, oversight, and independent and external assessments.

Front-line management	Compliance and control	Executive accountability	Independent assurance	Board oversight
Operational activity	Regulatory Compliance	Executive Leadership Team	Internal audit	Board of Directors
Management reviews	Group Compliance	Risk owners	External consultants	Group Audit & Risk Committee
Control monitoring	Risk Team & Finance Reporting Committee			



Risk management continued

Risk management activities

Risk management activities occur at all levels of the organisation. The risk governance framework provides structure for these activities to make sure our approach is consistent, and in line with our risk appetite, and that we monitor our risk exposure across the organisation.

The Risk function coordinates regular risk assessments to review management of risks we already know about, and to identify, analyse and evaluate new and emerging risks.

These assessments are consolidated through the Risk team and reported to the Executive Leadership Team by the risk owners. Summarised reports and key outcomes are reviewed by the GARC and the PPL Board. In addition to the core reporting processes a range of key risk management activities occurred during the year. These included group-wide risk review sessions in line with the risk taxonomy, a comprehensive review of our risk appetites, tolerances, and associated impact matrices, and enhancements to our risk framework.

Risk management in practice

Recognising risk as the effect of uncertainty on objectives, our ability to manage risk enables us to deliver our objectives. To make sure our assessments and management of risk are action-oriented we categorise our risks considering not just significance of risk exposure, but also the opportunity for management action.

Priorities in 2024-25

Our priority for the coming year is to make sure the Group risk management framework evolves so it continues to support growth. The risk management approach should constantly adjust to reflect changes in the internal and external environment, feedback from stakeholders and best practice. We want to make sure that, as the risks to the Group change, the framework is still an effective tool for everyone in the organisation, contributing to controlled growth and continued success.

Principal risks and uncertainties

The risk posed by investment performance has continued to affect us – firstly for our members, especially those on the glide path to retirement, and secondly for our finances, since most of the Group's income is from administration charges based on assets. Short-term investment performance isn't one of our key risks because our horizons are much more long-term, but it continues to be significant because of the extremely high level of uncertainty in financial markets. During the year, TPP reallocated 70% of member assets to climate-aware investment indices. This change in investment strategy by the Trustee of TPP is designed to reduce exposure to environmental risks and deliver better returns to members.

Other risks that stood out in the last year and continue to demand attention were the impact of inflation, fraud activity switching from banking to pensions, the perennial risk of cyber security, and geo-political risks including the war in Ukraine. To mitigate competition risk, the Group also continued to invest significantly in products and services.

We've systematically reviewed the risks we believe could cause detriment to our members, affect our reputation or seriously affect our ability to achieve our strategic objectives and meet our performance targets.

The Group is exposed to a comparable range of risks as in previous years, and we've identified and detailed the principal ones on pages 18 to 20, as at the date of this report. We monitor the broader risk environment continuously and, when we need to, implement specific strategies to defend against or mitigate risks to bring them within our appetite – a level we find acceptable. Our approach integrates strategic planning and operational management into these framework elements, all with a focus on customer outcomes:

Strategy and Financial – Insurance and Financial risks

Risk description	Strategies to defend and protect against risks
The main financial risks that have been assessed based on their potential impact on our Statement of financial position are: • Insurance risk • Market risk • Credit risk • Liquidity risk	• We operate a group-wide risk management framework. The principal financial risks relating to our Group and associated strategies to defend and protect against those risks are set out in note 22 of the notes to the Financial Statements. • We hold capital against these insurance and financial risks and review the risks on an ongoing basis. • Financial projections are produced and reviewed on a regular basis by the Board. As well as forecasting under a set of central assumptions, stressed scenarios are also produced. • Moreover, we stress-test and assess our resilience to insurance, market, credit and liquidity risk.

Strategy and Financial – Strategy risks

Risk description	Strategies to defend and protect against risks
This is the risk that the Company could fail to implement its strategies effectively. Risks to delivering the strategy need to be properly understood and managed to deliver long-term growth.	• We have a clear focus in place to deliver our social purpose, growth, financial stability and good customer outcomes. • We monitor progress against these areas and any risks to their delivery. These are regularly reviewed by the Executive Leadership Team, GARC and Board. • We ensure that the strategy is communicated and understood by all our people on a continual basis.

Risk management continued

Principal risks and uncertainties continued

Strategy and Financial – External Environment Risks

Risk description	Strategies to defend and protect against risks
Changes in the external environment, including those relating to an ever more competitive market place, may have a financial impact on the business over the longer-term, and consequently a detrimental effect on the business's ability to deliver its strategy.	• We continuously monitor the regulatory and competitive landscape, including any changes to the market, to ensure our proposition meets the needs of our customers and the requirements of the regulator. • We invest in propositional enhancements, including those across customer facing technology, scheme pricing and investments, to attract and retain both our members and their employers. • Our financial projections, monitoring and cost controls ensure the financial stability of the business in the longer term.

Enterprise Technology, Security and Change – Technology Risks

Risk description	Strategies to defend and protect against risks
The Group's operations are dependent on our ability to process a very large number of transactions accurately and efficiently. Any significant disruption or failure could result in service disruption. Failure to manage the implementation of change successfully may result in increased costs or service disruption.	• We work continually to ensure that systems remain suitable for both our strategic needs and the risk environment. • We have appropriate controls in place to maintain the integrity and efficiency of our systems, including detailed recovery plans in the event of a significant failure. • We ensure that robust testing is completed before introducing a system change. • We invest in our technology platforms to maintain/improve performance and resilience.

Enterprise Technology, Security and Change – Cyber Risks

Risk description	Strategies to defend and protect against risks
The Group relies on IT in all aspects of its operations. Cyber-crime continues to be a threat. The risk remains that new, evolving forms of this type of crime, whether for financial gain or political advantage, have the potential to move ahead of our ability to defend our systems against them.	• We're committed to safeguarding data and invest regularly in maintaining strong and reliable threat monitoring tools. • We monitor operations to defend and protect against the threat of a malicious electronic attack. This is regularly reviewed and documented. • We maintain IT equipment in a controlled environment and the maintenance and development of systems, applications and software is authorised, tested and approved before implementation. • We train our colleagues in how to identify potential attacks and what to do if they are suspicious.

Enterprise Technology, Security and Change – Change Management Risks

Risk description	Strategies to defend and protect against risks
Failure to deliver the anticipated benefits of the change programme. This could include increases in new business volumes, cost reduction, increased capacity etc.	• We operate a robust change methodology and portfolio management process to enable delivery of change projects. • The change portfolio is monitored and reported through committee and any residual risks are transferred to the business in accordance with the risk framework.

Enterprise Operational – Customer Service Delivery Risks

Risk description	Strategies to defend and protect against risks
Human or system error give rise to process failures that have a negative impact on the firm or its customers.	• Our risk, compliance and internal audit functions have undertaken reviews to ensure that our core control processes continue to operate effectively. • We have appropriate controls in place to maintain control over our processes which seek to ensure ongoing compliance with relevant legislation and regulation. • Conduct is considered as a key element of all these operational risks.

Risk management continued

Principal risks and uncertainties continued

Enterprise Operational – People Capacity and Capability Risks

Risk description	Strategies to defend and protect against risks
The Group now employs over 900 people who are vital to the success of our business. We may be unable to attract and/or retain talented people.	• Colleague engagement is formally assessed twice a year, via a third party, and our scores are measured against a comparable external benchmark. Actions plans are formulated and delivered to address any shortfalls against the benchmark. • Our people policies are designed to ensure our colleagues are treated fairly and equally. • Our remuneration and benefits packages are regularly reviewed against the external market. • Every colleague has the opportunity to develop in our organisation which is encouraged through their ownership of an individual development plan aligned with their ambition • Our performance management process is delivered on a continuum throughout the year, with regular feedback sessions between colleague and manager to address any concerns about conduct or deliverables and/or to ensure that individuals are getting the development they need. • We invest in training and development, which is essential to the efficiency and sustainability of our operations.

Regulatory and Legal risk

Risk description	Strategies to defend and protect against risks
The Group operates in a highly regulated environment and is subject to a variety of complex, demanding and evolving legal and regulatory risks. Changes in law and regulation can have a significant impact on our operating model – both positive and negative. We continue to remain in a period of significant regulatory change, particularly in the pensions industry. This poses the risk that future regulatory and/or legislative change impacts on our business model and requires us to make changes to our processes and systems in an unplanned and ineffective way. This also includes that we might not comply with regulatory or legal obligations. Data is a core component of our business and measures are in place to limit the impact and likelihood of the loss, loss of access to, or leakage of corporate, colleague or customer data.	• We continually scan the legislative, regulatory and policy landscapes for potential change. This allows us to identify change at the earliest possible stage and plan to ensure we appropriately manage the change into our processes and systems. • We actively engage with regulators and government bodies, often with our stakeholders, to support and develop the industry and the interests of our members. • We operate independent compliance, risk and internal audit functions who undertake annual plans of assurance activities to monitor compliance with pensions regulation and our own internal processes. • We ensure we have a full suite of controls and mitigating measures across core areas of data including data quality, data changes, usage, access, integrity, and loss. • The business assurance function and internal audit provide regular guidance, control reviews and monitoring to ensure our risk measures are appropriate.

Our people

The people who work for us are the backbone of our success, so we do all we can to see that they get what they need to perform at their best. We reflect this in how we recruit, train, incentivise and manage our people, with inclusion, diversity and equality at the heart of our approach.

At the year-end, we had 908 colleagues, up from 779 in the previous year. Of these, 396 (44% of our workforce) are male, and 512 (56%) female, while 800 (88%) are full-time, and 108 (12%) part-time. We do our best to recruit locally to support the Crawley and wider Sussex economies and reduce commuting miles. During the year we opened a City of London office as a base for our Investment team and others travelling to London to meet suppliers and customers.

Our people continued

Rewarding and recognising our people

This year, we appointed a Reward Director to lead a programme to modernise our approach to reward.

In January 2024, we raised the entry-level salary for Customer Operations colleagues, as part of a two-phase review to move us towards a more competitive position in the local marketplace and recognise the cost-of-living challenges our colleagues face. Also, in line with much of the financial services sector, we've extended our annual bonus plan beyond the top tiers of the organisation to all colleagues. We've also updated our Remuneration Policy, adding reward principles and bonus deferrals, and decoupling performance ratings from salary awards. Work is currently underway to further streamline and automate the annual salary review and bonus award process.

We compete to attract and retain people based on total reward – a combination of salary, benefits and non-financial factors – benchmarked against comparable financial services organisations. To monitor the success of our approach, we've set targets to reduce attrition and increase recruitment from within. This year 28% of filled roles went to internal applicants.

We're a Living Wage Employer, setting pay levels recommended by the Real Living Wage Foundation that reflect the cost of living, rather than the statutory minimum wage. Alongside other benefits typical in the financial services sector, we offer a pension with employer contributions of up to 14% of salary, acting in line with our own calls for higher employer provision in auto-enrolment pension schemes.

This year, we introduced software to run our colleague recognition programme, allowing people to nominate colleagues who deserve extra recognition. We also introduced a platform to automate benefits enrolment and choices, which gives insights into people's preferences by demographic, while reducing administration and manual processing.

Developing our people

We want to help colleagues at all levels to develop the skills, knowledge and mindset to progress in their careers. As well as investing in training and development, we use our contribution to the Government's Apprenticeship Levy for our own people's development. As part of this, we've funded:

- around 35 management and leadership development apprenticeships with a leading external provider
- 3 Executive Masters of Business Administration at Cranfield School of Management
- 10 technical apprenticeships in our IT and Marketing teams, developing essential specialisms in digital and technology solutions, cyber security and digital user experience (UX)
- Apprenticeships in HR, Learning & Development and Customer Services.
- A partnership with the Pensions Management Institute to deliver a mentoring programme.

2024 overview

Colleagues

908
(2023: 779)

Employee engagement score

73%
(2023: 76%)

Key highlights

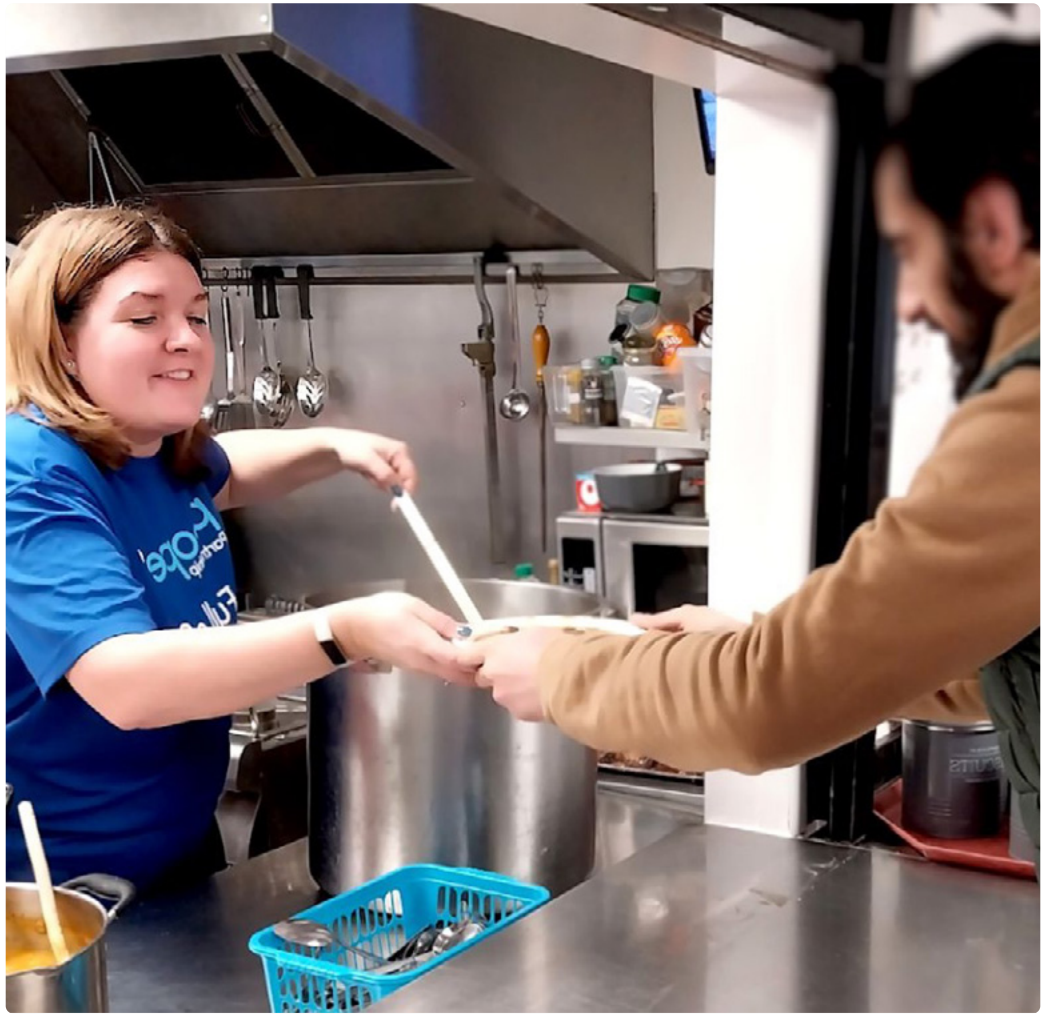
- We offer a pension with employer contributions of up to 14% of salary.
- 28% of filled roles went to internal applicants.
- We funded 35 management and leadership development apprenticeships, 3 Executive Masters of Business Administration and 10 technical apprenticeships.

Gender split

56%
female

44%
male

Our people continued



Our Head of Responsible Business, Nic Sinclair, serving up lunch for the residents of Crawley Open House.

Monitoring and sustaining engagement

We continue to achieve good levels of engagement. In this year's colleague survey, 75% of respondents agreed with the statement, "I would recommend People's Partnership as a great place to work", a 2% year-on-year increase. We achieved a 1-star accreditation from Best Companies in December 2023, signifying 'very good' levels of workplace engagement, and placing us among the top UK companies committed to supporting a positive and fulfilling work environment.

Listening to our colleagues and seeking their views helps us address their priorities and improve their day-to-day experience. We also encourage colleagues to share their experiences through blog posts on our intranet and nominate local charities for us to support.

We hold events to share information about our strategic objectives and welcome questions from colleagues to our senior teams. We also believe engagement between Board members and our people helps nurture good governance and run 'Lunch with the Board' sessions to let our people connect informally with our Board of Directors. We've also piloted reverse mentoring for the Board, with two members working alongside two colleagues to find out more about the organisation and our customers.

Promoting wellbeing

By prioritising physical and mental wellbeing, we build an engaged, productive and resilient workforce and show our commitment to be a positive, inclusive and supportive workplace where everyone can thrive.

Recognising the importance of diversity and inclusion, our six Colleague Networks allow colleagues who share common identities or interests to connect, learn and advocate for themselves and their peers. This lets everyone become allies and champions of our diverse and respectful culture. We've introduced the Culture Club to bring together our Colleague Networks, wellbeing programmes, charity work and volunteering activities. It helps colleagues take part in shaping our culture, supporting a spirit of collaboration and driving meaningful change.

Our wellbeing resources include:

- mental health first aiders: trained colleagues providing initial support and resources for colleagues experiencing mental health challenges.
- menopause champions: colleagues trained to support those going through the changes associated with this life stage.
- employee assistance programme: confidential and easy-to-access support with personal and work-related issues
- colleague healthcare: comprehensive healthcare plans through leading healthcare providers like Westfield Health and Bupa
- wellbeing portal: intranet-based wellbeing resources including articles, guidance and support tools promoting financial, mental and physical wellbeing.
- wellbeing events: virtual and in-person events, from meditation workshops and mental health support groups to consultations with healthcare professionals, financial planning webinars, and creative activities. The events are delivered both by colleagues with expertise in aspects of wellbeing, and by external partners specialising in organisational wellbeing.
- social activities: activities including a summer barbecue, team building exercises, bingo nights, charity raffle and competitions.

Our people continued

Embedding inclusion, diversity and equality

We believe an inclusive and diverse culture is crucial to our long-term success. By enabling colleagues to be their authentic selves, we make them more likely to perform at their best. We're also an equal opportunity employer that treats all colleagues and job applicants equally and with respect and dignity, in an environment free from harassment. Our Equal Opportunities Policy makes this clear, and we expect our colleagues and everyone who does business with us to follow it.

Women make up more than 56% of our colleagues, and 36% at senior levels. This puts us ahead of average performance among fellow signatories to the Treasury's Women in Finance Charter, though our ultimate objective is gender parity at senior levels. We're building our understanding of diversity in our organisation, and we monitor our colleagues' experience through our colleague survey. It shows our people feel we have an inclusive and supportive environment, and we continue to build on this.

Inclusion, diversity and equality (ID&E) are part of our processes, from attracting and recruiting people, to succession and development. We make sure our recruitment partners support this by looking to give us balanced applicant lists. We've also formed partnerships with specialist partners, such as The Return Hub and Diversita, to help us source diverse talent, and we've hired four female investment strategists in this way.

Diversita is also training our hiring managers on recruiting and supporting neurodiverse people. We've introduced training on inclusive hiring practices for our line managers, with topics including unconscious bias in the selection process. All our colleagues have annual mandatory training on equal opportunities and diversity, and we offer further e-learning to underpin this.

Supporting people with disability and different ability

We are an accredited Disability Confident Employer. This UK Government scheme helps businesses recruit and retain disabled people and people with health conditions.

This reinforces our commitment to treating all job applicants appropriately. We make hiring decisions based on their skills, talent and aptitude, relative to the current demands of available roles, and what those demands might be in the future. We also consider how we can support people once they're in the role.

If a colleague were to experience a disability, we'd make every effort to make sure they could carry on working for us and arrange the right support. We want the training, career development and promotion of a person with a disability or a different ability to be, as far as possible, identical to that of a person without a disability.

Upholding business ethics

We aim to keep high standards of business conduct at the forefront of our colleagues' day-to-day work. A big part of this is our Acceptable Use Policy, which brings together IT, data protection and confidentiality policies, including coverage of the General Data Protection Regulation (GDPR), into one policy and reference guide.

Once a year, everyone at People's Partnership has to take e-learning courses covering: Data Protection, Modern Slavery, Anti-Money Laundering, Anti-Bribery and Corruption, Equality and Diversity, and Anti-Bullying and Harassment.

Being a corporate socially responsible business

We take our responsibilities to the world at large – members, charitable causes, community and wider society, and the environment – very seriously. The social purpose embedded in our business model is only one of the ways we can play our part in benefiting society.

The environment

As well as working with environmental consultants to calculate our carbon footprint and set targets to reduce it progressively, we've introduced numerous measures to limit our impact on the environment. They range from electric car charging points, a cycle to work scheme and using 100% renewable energy, to diverting waste from landfill, using only FSC-certified paper and setting office systems to minimise energy use.

For more details on how we limit our carbon footprint and energy use, see the Streamlined Energy & Carbon Reporting section of the Directors' Report on page 30.

Supporting the community

We give each of our colleagues 2 volunteer days each year to give back to the community, either as individuals or part of a team. This year, we've seen an increase of over 260% in colleagues taking up these days. With our partner, On Hand, we've also introduced a platform to manage volunteering opportunities. Some of the organisations we've helped, either through volunteering or donations, during the last 12 months are:

- Dare to Dream: This project works with an organisation called Love Local Jobs to provide 5 mentors who work with Year 12 students, helping them build their resilience and prepare for their GCSEs.
- The Acumen Awards: Recognising the work of outstanding young people across Sussex by sponsor the Bravery Award.
- The Good Things Foundation: After donating over 350 devices to help overcome the digital divide, we're collaborating with the Good Things Foundations to support our members and wider society by enhancing digital skills and embracing digital inclusion.
- Crawley Open House: This organisation was chosen by our colleagues as our Charity of the Year. We've increased our fundraising by over 525% compared to the two previous years, through activities including a Big Sleep Out, competitions, food vouchers, kitchen takeovers and quiz nights.

Commenting on the support of People's Partnership, Ian Wilkins, Head of Relationships and Fundraising at Crawley Open House, said:

"We have been so blessed to have been People's Partnership's Charity of the Year for the last 12 months. Staff from across the Company have stood with us in all sorts of ways, especially by raising a fantastic amount of funding towards our vital work, and spending hundreds of hours volunteering in our hostel kitchen. We can't thank them all enough."

Our charitable trust

The Building and Civil Engineering Charitable Trust, which we set up in 1991, is a national scheme to support people who work, or have worked, in the construction industry. Recognising that our roots are in the construction industry, we're proud to fund the trust to this day. Through it, we provide financial help for people working in the sector who are in need, as well as grants towards education and training, and occupational health and safety initiatives.

During the financial year to 31 March 2024, we supported the charitable trust with resources and volunteers, as well as a donation of £324,874 from the Group (2023: £302,883).

Members of our customer support hub making lunch for the residents at our charity of the year, Crawley Open House.

Section 172(1) statement

The Directors of PPHL believe, both individually and collectively, that they have acted in good faith in a manner most likely to promote the success of the Company and its subsidiaries for the benefit of its members as a whole. In doing so, the Directors take the following into consideration:

a) The likely consequences of any decision in the long term

Pensions are inherently long-term products, so the Board has to take a long-term perspective in its decisions. In the past year there's been significant investment in developing new features for members and customers of TPP. They include an app making it easier for members to engage with their pension, retirement planning tools, the option for employers to offer their own pension microsite, and a financial wellness content hub. The business is implementing more new initiatives in 2024/25. They will have minimal short-term impact on revenues, but we expect them to improve customers' and members' experience in a way that helps us increase retention, grow our client base and so increase revenues in the longer term.

The transition of £15bn of assets in TPP to climate-aware strategies was a major undertaking but is expected to have material benefits to customers / the organisation over many years to come.

b) The interests of the company's colleagues

Our people are critical to the success of our business and our core component of our business model. We endeavour to recruit the best people, train them well and look after them so that they provide the best possible service for our customers and remain with us long term. Further details and examples of activities with colleagues are provided on pages 21 to 24 of this Strategic Report.

c) The need to foster the company's business relationships with suppliers, customers, and others

The Company has a dedicated Procurement function which aims to create mutually beneficial supplier relationships across the business, for all entities within the Group.

Given the nature of the Company, as a holding company, it has limited customers beyond other entities within the Group. The majority of Group income is received by 2 of its subsidiaries: PASL and InsCo. Both of these companies operate products that are sold to – and which derive fee income from – employers and/or individual members.

d) The impact of the company's operations on the community and the environment

As part of a profit-for-people Group we give back to our members and community. Page 25 of this Strategic Report includes sections on the environment, and page 25 on our support for the community, our Charitable Trust, and how we put our people first. Since the B&CE Charitable Trust was set up in 1991 it has helped thousands of people, hundreds of employers and funded research into occupation health and safety in the construction industry.

e) The desirability of the company maintaining a reputation for high standards of business conduct

Our Group's reputation for putting members first and providing good quality financial products has been hard won. This is based on a set of values that we try to adhere to on a daily basis. Central to this is a desire to keep high standards of business conduct at the forefront of our colleagues day-to-day work. The Group has subsidiaries that are regulated by the FCA and Prudential Regulation Authority ("PRA") and the Directors are aware and fully supportive of their requirements. PPL and PASL are involved in the operation and running of TPP, which is authorised and supervised by The Pensions Regulator ("TPR"), and individuals involved with PPL and PASL must satisfy TPR's fitness and propriety criteria. All Group colleagues are assigned mandatory learning courses, such as the Senior Managers Certification Regime and Treating Customers Fairly, appropriate to their position within People's Partnership and compliance is monitored regularly.

f) The need to act fairly between members of the company

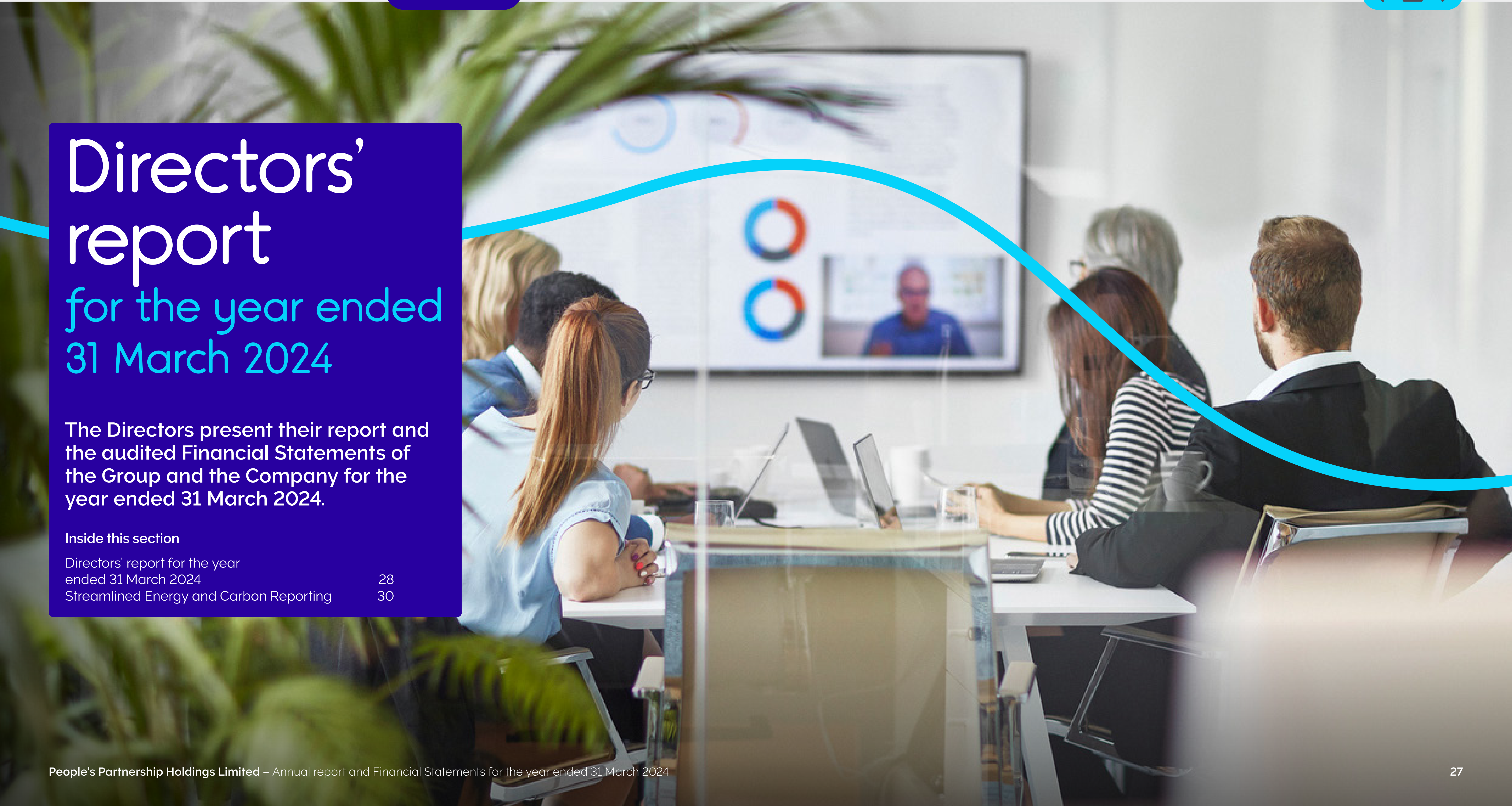
The Company is limited by guarantee and all members of the Industrial Parties have representation on the Board of Directors. Decisions are taken as a collective to ensure the best outcome for all in line with our values: keeping our promises, understanding people and creating simplicity.

The Strategic Report was approved by the Board on 31 July 2024 and signed on its behalf by:

Brian Phoenix
Director
31 July 2024

Company number: 00377361
(England and Wales)

Registered office:
Manor Royal
Crawley
West Sussex
RH10 9QP



Directors' report

for the year ended 31 March 2024

The Directors present their report and the audited Financial Statements of the Group and the Company for the year ended 31 March 2024.

Inside this section

Directors' report for the year ended 31 March 2024

The Directors present their report and the audited Financial Statements of the Group and the Company for the year ended 31 March 2024.

Directors

The Directors who held office during the year and up to the date of signing this report are as follows:

The Non-executive Independent Chair is James O'Callaghan OBE.

The Non-Executive Directors are: Brian Berry (nominated by Federation of Master Builders); Robert Blackman (nominated by UNITE the Union); Steven Dillon (nominated by UNITE the Union); Vaughan Hart (nominated by Scottish Building Federation); Vincent McCoy (nominated by UNITE the Union); Suzannah Nichol (nominated by Build UK); Brian Phoenix (nominated by National Federation of Builders); Alasdair Reisner (nominated by Civil Engineering Contractors Association); Jeremy Swain (nominated by UNITE the Union); and Graham Dow (nominated by GMB).

Directors' liability insurance

The Directors have the benefit of an indemnity. This is a qualifying third-party indemnity as defined by section 234 of the Companies Act 2006. The indemnity was in force during the year and at the date of approval of the Financial Statements. The third-party indemnity provides against liability incurred by the director to a person other than the company or an associated company.

Corporate governance

Corporate governance and overall framework

The Company's Board is made up entirely of Non-Executive Directors, with half representing construction employer federations and half representing trade unions, together with an independent Chair. This governance structure is designed to make sure that decisions are in the best interests of our members.

The principal objectives of the Board of the Company are to be the custodians of the core social business principles and to hold the strategic Board ("StratCo") of PPL to account.

The PPL strategic Board consists of founding directors who are representatives of employer industrial parties (employer IPs) and trade union IPs (operative IPs) and specialists (including senior executive directors) with diverse skills. The StratCo Board structure is designed to bring a broad range of skills and experience to support People's Partnership's strategic priorities.

Charitable Trust

The B&CE Charitable Trust's governance structure includes both employers' representatives and trade unions from the construction industry, who provide valuable insight into how the Trust can support the industry and how it can make a real difference on the ground with the workforce. The Trust has a board of trustees from across the industry.

Ethics, bribery and corruption

We review our Anti-bribery and Corruption Policy annually, and it applies to all colleagues, directors, consultants and contractors, and to any other people or bodies associated with People's Partnership companies. We don't tolerate bribery and corruption in any form. Anyone aware of any incidence of either has a duty to report it in line with our whistleblowing policy, or to the Chief Risk Officer. The Board monitors and receives regular updates on whistleblowing matters and is updated on whistleblowing reports at every meeting.

Our Operational Procedure on Anti-money laundering ("AML") sets out in detail how we carry out checks to minimise the risk of any customer of People's Partnership carrying out money laundering activities.

All our colleagues are required to undertake e-learning on anti-bribery and corruption and Anti-money laundering once a year.

Remuneration governance framework

Our People's Partnership Group Remuneration and Nominations Committee sets the overall policy for rewarding our directors, both executive and non-executive, as well as deciding on individual pay and other benefits for our senior leadership team. We report the total amount of remuneration paid to directors but not individual amounts.

Overall, we pay people in line with their contribution to the business which also includes an opportunity to be rewarded for the company related performance too, which is a way of sharing in our success. All our remuneration and benefits packages are regularly reviewed against the external market.

We also consider the potential of our remuneration plans and performance targets to make sure that our remuneration policies don't encourage unethical behaviours.

All of our people also benefit from access to our award-winning employee pension scheme, TPP.

Future developments

For details of likely future developments for the Group, see the Strategic report.

Directors' report for the year ended 31 March 2024 continued

Financial risk management

The Group's operations expose it to a variety of financial risks, disclosed in further detail in the notes to the Financial Statements. They include the effects of:

- **Credit risk**
  The Group's transactions in sterling cash deposits, investments and trading with customers expose it to the risk that the counterparty may not repay the amounts owed. For sterling cash deposits and investments, the Group mostly deals with a list of highly rated UK counterparties to reduce the risk that the counterparty will not repay the deposit or investment. Counterparty risk may also arise from revenue that can't be recovered from financial products administered by the Group. This risk is managed through active credit control and cashflow monitoring.
- **Liquidity risk**
  Financial instruments held by the Group include on demand sterling cash deposits and investments designed to ensure the Group has sufficient available funds for operations.
- **Market risk – interest rate risk**
  The Group invests its surplus funds in investment funds which may hold a proportion of interest-bearing assets. Changes in the interest rates may result in income increasing or decreasing. However, the Group is not reliant on interest receivable for its income.
- **Market risk – price risk**
  The significant majority of the Group investments have been in Sterling Liquidity Funds so there is no material price risk.
- **Market risk – Foreign exchange risk**
  Given the nature of the Group's operations, no significant exposure to foreign exchange risk exists. The Group, however, is exposed to indirect foreign exchange risk due to the composition of the Sterling Liquidity Funds in which InsCo invests. This risk is mitigated by the diversified nature of exposures within the Sterling Liquidity Funds.

Disabled colleagues

Details of the Group's approach to providing equal opportunities, including those with disability and different ability, are included in the Strategic report.

Colleague consultation

Details of the Group's approach to communication with colleagues are included in the Strategic report.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year (2023: nil).

Auditor

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

Going concern

The Directors have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for at least 12 months from the date of signing the Financial Statements. The Directors have prepared forecasts for the Company and the Group, including its cash position, for at least 12 months from the date of signing of these Financial Statements. The Directors have also considered the effect upon the Company and the Group's business, financial position and liquidity of more pessimistic, but plausible, trends in its business using stress testing and scenario analysis techniques.

The scenarios tested showed that the Company and the Group will be able to operate at adequate levels of liquidity for at least the next 12 months from the date of signing the Financial Statements. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Streamlined Energy and Carbon Reporting

We recognise our responsibility to contribute as much as we can across the business to conserving and protecting the environment. Large organisations must include energy and carbon data in their annual reports under the Streamlined Energy and Carbon Reporting ("SECR") regulations. We've reviewed relevant activities relating to buildings and business travel and show our calculations below.

As a financial services business, our main environmental impact is through consuming resources and producing emissions, both at our premises and through travel. We look to reduce waste where possible and minimise environmental impact of our business and activities as far as we can though sensible policies and initiatives.

Our Environmental Policy shows our commitment to managing our environmental impacts. Our Environmental Committee and Responsible Business Steering Group bring people together from across the business to develop our Environmental Action Plan and wider Responsible Business Action Plan. We've partnered with an environmental consultant to deliver an Environmental Management Plan, which measures our carbon footprint and sets reduction metrics and targets.

Efficiency activities this year have related to running our sites effectively, while keeping colleagues safe.

Our working pattern is a hybrid model based on 40% office and 60% home working. We continued to look for ways to reduce energy use and carbon emissions. For example, we focused on the running times of the heating and ventilation plant at head office to save energy. We've also installed four EV charge points and launched an electric car salary sacrifice scheme. Other measures to encourage colleagues to use sustainable transport include a season ticket loan and help with the cost of public transport. We also offer a cycle loan scheme and provide showers and lockers for those who walk or cycle to work. Plans are underway for a full refurbishment of head office, which will include sustainable upgrades to lighting, controlling water usage and heating and cooling plant.

We now purchase 100% green electricity across all our premises, which has had a considerable impact on our overall emissions detailed below. We're looking to introduce CLM (Connected Lighting Module) sensors in our premises to enable us to look more closely at our energy consumption and implement measures to reduce it where possible.

Our SECR carbon emissions for the year to 31 March 2024 amounted to 252 tCO_2e, with 76% of this arising from electricity consumption. Since last year, overall emissions have risen 2%; when green electricity is taken into account, they have fallen by 23%.

For SECR reporting, Scope 1 (Direct) emissions are those arising from natural gas heating and company vehicles. Scope 2 (Energy Indirect) emissions are from electricity. Scope 3 (Other Indirect) emissions come from grey fleet and hire vehicles.

Location-based emissions are calculated as the average emissions intensity of the electricity grid, while market-based emissions take into account green energy purchasing.

Absolute emissions have risen by 2% since last year, though relative emissions (compared to revenue) are down by 25%, because of the increase in revenue over prior year. When green electricity is taken into account, emissions have fallen by 69% and 76% respectively with both our Crawley sites purchasing Green electricity (prior year 1 site only).

The table below summarises our greenhouse gas ("GHG") emissions for the year ended 31 March 2024

	Unit	2023-24	2022-23	% change
Energy consumption	kWh	1,260,110	1,304,609	
Scope 1 – Direct emissions	tCO_2e	43.0	54.9	
Scope 2 – Energy indirect emissions – location-based	tCO_2e	197.2	183.7	
Scope 2 – Energy indirect emissions – market-based	tCO_2e	1.3	133.5	
Scope 3 – Other indirect emissions	tCO_2e	18.4	14.4	
Total emissions – location-based	tCO_2e	258.5	253.0	2.2%
Relative emissions – location-based	tCO_2e/£m	2.4	3.2	-25%
Taking into account green energy purchased				
Total emissions – market-based	tCO_2e	62.6	202.8	-69.1%
Relative emissions - market-based	tCO_2e/£m	0.6	2.5	-76.0%

Streamlined Energy and Carbon Reporting continued

SECR emissions calculations – methodology

We have reported on all of the emission sources required by SECR, under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These sources fall within our consolidated financial statement.

We have followed the methodology of ISO 14064-1 (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and emission factors from UK Government GHG Conversion Factors for Company Reporting 2023.

Further information can be found on page 25 in 'Being a corporate socially responsible business'.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' Report confirm that:

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware.
- Each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors' Report was approved by the Board of Directors on 31 July 2024 and signed on its behalf by:

Brian Phoenix
Director
31 July 2024

Company number: 00377361
(England and Wales)

Registered office:
Manor Royal
Crawley
West Sussex
RH10 9QP

Financial Statements

Inside this section

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the group and parent company Financial Statements in accordance with applicable law and regulations.

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

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the group's profit or loss for that period. In preparing each of the group and parent company Financial Statements, the Directors are required to:

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

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

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

Independent auditor's report to the members of People's Partnership Holdings Limited

Opinion

We have audited the Financial Statements of People's Partnership Holdings Limited ("the Company") for the year ended 31 March 2024 which comprise the Group and Parent Company Statements of Financial Position, the Group Statement of Comprehensive Income, the Group and Parent Company's Statements of Changes in Equity, the Group Cash Flow Statement and related notes, including the accounting policies in note 2.

In our opinion the Financial Statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2024 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

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

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

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

Fraud and breaches of laws and regulations – ability to detect

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

- enquiring of directors, the Group Audit and Risk Committee, internal audit, legal, risk and compliance and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading Board, Group Audit and Risk Committee meeting minutes;
- considering remuneration incentive schemes and performance targets for management;
- using analytical procedures to identify any usual or unexpected relationships; and
- inspecting correspondence with regulators to identify instances or suspected instances of fraud.

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

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries On this audit we do not believe there is a fraud risk related to revenue recognition because there is no judgement or estimation uncertainty related to revenue.

We did not identify additional fraud risks.

We also performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by unauthorised personnel, seldom used accounts or descriptions and those posted with unusual account combinations.

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

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

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

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

Independent auditor's report to the members of People's Partnership Holdings Limited continued

Fraud and breaches of laws and regulations – ability to detect continued

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

The potential effect of these laws and regulations on the Financial Statements varies considerably.

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

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

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

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

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

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 33, 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.

Garin McFarlane (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
31 July 2024

Consolidated Statement of Comprehensive Income for the year ended 31 March 2024

	Note	2024 £000	2023 £000
Revenue	3	105,971	79,884
Net operating expenses	5	(98,809)	(82,807)
Losses from financial instruments	4	(100)	(333)
Profit/(Loss) before interest and taxation		7,062	(3,256)
Finance income	4	5,490	1,584
Profit/(Loss) before taxation		12,552	(1,672)
Tax (charge)/credit on profit/(loss)	7	(52)	1,615
Profit/(Loss) for the financial year		12,500	(57)
Other Comprehensive Income/(expense)			
Actuarial gain/(loss) on pension scheme	18	76	(3,464)
Deferred tax credit on pension surplus		235	1,137
Other Comprehensive Income/(expense) for the year, net of income tax		311	(2,327)
Total Comprehensive Income for the year		12,811	(2,384)

The above amounts derive from continuing activities.

The notes and information on pages 38 to 53 form part of these Financial Statements.

The Company applies the exemption available in section 408 in the Companies Act 2006 and does not present the Company's profit and loss account for the year.

Consolidated And Company Statement of Financial Position as at 31 March 2024

		Group		Company	
	Note	2024 £000	2023 £000	2024 £000	2023 £000
Non-current assets					
Tangible assets	9	3,016	3,247	3,016	3,247
Investments in subsidiaries	10	-	-	5,000	5,000
Deferred tax asset	16	2,894	2,712	944	-
Pension scheme surplus	18	4,121	3,616	4,121	3,616
Amounts due from group undertakings	11	-	-	64,050	64,050
		10,031	9,575	77,131	75,913
Current assets					
Current investments	17	-	5,618	-	-
Trade and other receivables	12	13,276	10,793	11,931	10,637
Deferred tax asset	16	2,228	1,032	356	-
Reinsurers share of technical provisions	13	15	15	-	-
Cash and cash equivalents	14	131,729	112,107	58,947	55,744
		147,248	129,565	71,234	66,381
Current liabilities					
Trade and other payables	15	48,776	43,212	42,511	39,397
Net current assets		98,472	86,353	28,723	26,984
Total assets less current liabilities		108,503	95,928	105,854	102,897
Non-current liabilities					
Deferred tax liability – pension scheme surplus	18	1,030	1,266	1,030	1,266
Net assets		107,473	94,662	104,824	101,631
Equity					
Retained earnings		107,473	94,662	104,824	101,631
Total Equity		107,473	94,662	104,824	101,631

The notes and information on pages 38 to 53 form part of these Financial Statements.
The Financial Statements were approved by the Board of Directors on 31 July 2024 and were signed on its behalf by:

Brian Phoenix
Director
31 July 2024
Company number: 00377361

Consolidated and Company Statement of Changes in Equity for the year ended 31 March 2024

Group	Retained earnings £000	Total £000
Balance as at 1 April 2022	97,046	97,046
(Loss) for the financial year	(57)	(57)
Other comprehensive (expense) for the year	(2,327)	(2,327)
Total comprehensive (expense) for the year	(2,384)	(2,384)
Balance as at 31 March 2023	94,662	94,662
Balance as at 1 April 2023	94,662	94,662
Profit for the financial year	12,500	12,500
Other Comprehensive Income (expense) for the year	311	311
Total Comprehensive Income for the year	12,811	12,811
Balance as at 31 March 2024	107,473	107,473

Company	Retained earnings £000	Total £000
Balance as at 1 April 2022	103,179	103,179
Profit for the financial year	779	779
Other Comprehensive Income (expense) for the year	(2,327)	(2,327)
Total Comprehensive Income for the year	(1,548)	(1,548)
Restated balance as at 31 March 2023	101,631	101,631
Balance as at 1 April 2023	101,631	101,631
Profit for the financial year	2,882	2,882
Other Comprehensive Income (expense) for the year	311	311
Total Comprehensive Income for the year	3,193	3,193
Balance as at 31 March 2024	104,824	104,824

The notes and information on pages 38 to 53 form part of these Financial Statements.

Consolidated Statement of Cash Flows for the year ended 31 March 2024

	2024		2023	
	£000	£000	£000	£000
Cash flows from operating activities				
Profit/(Loss) for the financial year	12,500		(57)	
Adjustments for:				
Depreciation of tangible assets	790		629	
R&D other revenue	219		(507)	
Dilapidation provisions	(317)		170	
Finance income	(5,490)		(1,584)	
Disposal of tangible assets	148		-	
Loss on financial instruments	100		333	
Tax charge/(credit) on profit/(loss)	52		(1,615)	
		8,002		(2,631)
Difference between pension charge and cash contributions	(429)		(216)	
Increase in trade receivables	(3,357)		(890)	
Increase in trade payables	4,964		1,948	
		1,178		842
Tax paid	(408)		(502)	
Tax received	100		34	
		(308)		(468)
Net cash from operating activities		8,872		(2,257)
Cash flows from investing activities				
Purchase of tangible assets	(390)		(1,027)	
Sale of financial instruments	5,650		(276)	
Interest and investment income received	5,490		1,584	
Net cash from investing activities		10,750		281
Net increase/(decrease) in cash and cash equivalents		19,622		(1,976)
Cash and cash equivalents at the beginning of the year		112,107		114,083
Cash and cash equivalents at the end of the year		131,729		112,107

The notes and information on pages 38 to 53 form part of these Financial Statements.

Notes to the Financial Statements for the year ended 31 March 2024

1. General information

PPHL is a private limited company, limited by guarantee, not having share capital and the liability of the members is limited to £1. The Company is incorporated and domiciled in England and Wales. The address of its registered office is Manor Royal, Crawley, West Sussex, RH10 9QP.

Collectively the Company and all its subsidiaries are known as 'People's Partnership' or the 'Group'.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These Financial Statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities, measured at fair value through profit or loss and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of Financial Statements in conformity with FRS 102 requires the use of certain critical accounting judgements and estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in "Critical judgements and estimates in applying the accounting policies" on page 41.

Going concern

The Directors have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for at least 12 months from the date of signing the Financial Statements. The Directors have prepared forecasts for the Company and the Group, including its cash position, for at least 12 months from the date of signing of these Financial Statements. The Directors have also considered the effect upon the Company and the Group's business, financial position and liquidity of more pessimistic, but plausible, trends in its business using stress testing and scenario analysis techniques.

The scenarios tested showed that the Company and the Group will be able to operate at adequate levels of liquidity for at least 12 months from the date of signing the Financial Statements. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Basis of consolidation

The Group Financial Statements consolidate the results of the Company and its subsidiaries. A subsidiary is an entity that is controlled by the Company. Uniform accounting policies have been applied across the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Exemption for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. A qualifying entity is defined as a member of a group that prepares publicly available Financial Statements, which give a true and fair view, in which the member is consolidated.

The Company is included in the consolidated Financial Statements 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 Company Financial Statements have been applied:

- No separate Company cash flow statement with related notes is included.
- Certain 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.
- the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

Revenue

Revenue represents scheme administration fees, employer charges for new employers joining TPP and insurance premium income receivable. Revenue is measured at fair value of the services provided, net of tax, and recognised when the right to consideration has been earned.

Insurance contracts

Long-term business reinsurance contracts

InsCo retain 10% of the long-term business, with the balance ceded to a reinsurer under a quota share agreement.

Premiums

General business premiums written relate to business incepted during the year. All general business written is United Kingdom accident insurance. Premiums, gross of commission and net of insurance premium tax, are recognised when they become payable.

Unearned premium provision - general business

The unearned premium provision represents premiums written relating to unexpired future periods calculated on a time apportionment basis.

Claims outstanding

A provision is made for claims outstanding at the period end as follows:

General business – amounts are provided to cover the estimated ultimate cost of settling claims arising out of events which have occurred by the end of the accounting period, including claims incurred but not reported less amounts already paid in respect of those claims. Under the terms of the policies, all potential claims must be notified to the Company within twelve months of the insured event occurring.

Notes to the Financial Statements for the year ended 31 March 2024 continued

2. Summary of significant accounting policies continued

Research and development expenditure

All research and development expenditure is expensed to the Income Statement as incurred.

Operating leases

Operating lease rentals are charged on a straight-line basis to the Consolidated Statement of Comprehensive Income, over the lease term. Lease incentives are spread over the life of the lease.

Value added tax

Most of the Group's activities are exempt from value added tax and only a small proportion of the input tax suffered is recoverable. The Company no longer recovers input tax as the costs of doing so outweigh the amounts recovered.

Colleague benefits

The company provides a range of benefits to colleagues, including annual bonus, paid holiday and pension.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution scheme

Since the defined benefit pension scheme closed to new entrants in January 2014, the company has provided a defined contribution arrangement for colleagues in People's Partnership's trust-based TPP, the assets of which are independent of the Group. Once the contributions have been paid, the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Statement of financial position.

Defined benefit scheme

The Group operates a defined benefit pension scheme for the benefit of a group of its colleagues, the assets of which are held separately from those of the Group in independently administered funds. The scheme closed to new members from 3 January 2014.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high-quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of the Group's defined benefit pension schemes expected to arise from colleague service in the period is charged to net operating expenses. The expected return on the schemes' assets and the increase during the year in the present value of the schemes' liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the Consolidated Statement of Comprehensive Income.

Pension schemes' surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the Statement of Financial Position.

Taxation

The tax expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other Comprehensive Income or directly in equity. In this case tax is also recognised in other Comprehensive Income or directly in equity respectively.

Current or deferred taxation asset and liabilities are not discounted.

Current taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations on which applicable tax regulation is subject to interpretation and establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Notes to the Financial Statements for the year ended 31 March 2024 continued

2. Summary of significant accounting policies continued

Tangible assets and depreciation

Property, plant and equipment are held at their historical cost less accumulated depreciation and any accumulated impairment, where applicable. Additions to property, plant and equipment are capitalised at cost including any direct installation costs.

Provision is made for depreciation of property, plant and equipment on a straight-line basis at the following rates per annum:

	%		%
Freehold land	-	Freehold premises - building	3.0
Office furniture	10.0	Freehold premises - plant and machinery	10.0
Motor vehicles	20.0	Office machinery - computer equipment	33.3
Leasehold improvements	10.4	Office machinery - office equipment	20.0

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Dilapidation provision is made for the best estimate of dismantling and removing leasehold improvements made to leasehold buildings under the terms of the leasehold agreement. The provision is capitalised as a tangible asset which is depreciated over the lease term.

Repairs and maintenance are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Net operating expenses'.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, where applicable, are shown within borrowings in current liabilities.

Financial instruments

The Group has chosen to adopt the recognition and measurement provisions of IAS and disclosure requirements of sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

The Group classifies its financial assets in the following categories:

- loans and receivables held at amortised cost
- financial assets at fair value through profit or loss ("FVTPL")

Basic financial assets, including trade and other receivables, cash and bank balances and loans receivable from other Group Companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is the bid price market value on the day of the transaction, or where investments are dealt at a single price, this value is used.

Such assets are subsequently carried at fair value and the changes in fair value as either realised or unrealised gains and losses are recognised in the Consolidated Statement of Comprehensive Income within gains from financial instruments, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

In the Company's Financial Statements, investments in subsidiaries are valued at cost or, where there has been an impairment in value, at their recoverable amount. This policy is applied consistently throughout the Group where a company has subsidiary undertakings.

Notes to the Financial Statements for the year ended 31 March 2024 continued

2. Summary of significant accounting policies continued

Financial instruments continued

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial Liabilities

Basic financial liabilities, including trade and other payables, and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the Financial Statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimates:

Defined benefit pension scheme

The Group has obligations to pay pension benefits to certain colleagues. The cost of these benefits and present value of the obligation depends on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the Statement of Financial Position. The assumptions reflect historical experience and current trends.

Deferred tax assets

Deferred tax assets are assessed based on the current trading performance and expected future taxable profits of the Group. The Group reasonably expects to be profitable in future years so has recognised a deferred tax asset for tax losses that are likely to be used in the next three financial years. Sensitivities have been used to assess the impact of changes in the key assumptions supporting profit forecasts, and further specific downside scenarios have been modelled in the current year to capture the heightened estimation uncertainty in the established profit forecast due to the current economic environment.

There are no critical accounting judgements.

Notes to the Financial Statements for the year ended 31 March 2024 continued

3. Revenue

Revenue represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of value added tax. The Group operates exclusively within the UK and in two principal areas of activity, that of Administration services and Other services.

Group revenue is analysed as follows:

	2024			2023		
	Administration services £000	Other services £000	Group total £000	Administration services £000	Other services £000	Group total £000
Revenue						
Management fees	104,478	-	104,478	77,476	-	77,476
Insurance premiums / income	-	574	574	-	576	576
Other revenue	919	-	919	1,099	733	1,832
	105,397	574	105,971	78,575	1,309	79,884

4. Other income

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
(Losses)/Gains from financial instruments				
Realised gains/(losses) from financial instruments	(100)	(276)	–	–
Unrealised losses on financial instruments	-	(57)	–	–
	(100)	(333)	–	–
Finance income				
Interest	5,490	1,584	2,213	815
	5,490	1,584	2,213	815

All units held by InsCo in the L&G Short Dated Sterling Bond Index fund were sold in the financial year ended 31 March 2024 for £5.6m leading to a realised profit on investments up to the date of sale of £32k (2023: unrealised losses in the year of £57k).

5. Operating expenses and auditor's remuneration

Included in Consolidated Statement of Comprehensive Income are the following:

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Staff costs (note 6)	48,893	38,862	48,893	38,862
Directors' remuneration (note 6)	1,118	1,262	168	162
Operating lease charges (note 19)	1,000	817	1,000	817
Depreciation of tangible assets (note 9)	790	629	790	629
Dilapidations charge (note 9)	13	-	13	-

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Services provided by the Company's auditor and their associates				
Fees payable to the Company's auditor for the audit of the Company and the Group's consolidated Financial Statements	141	137	141	137
Fees payable to the Company's auditor and their associates for other services:				
– The audit of the Company's subsidiaries	199	180	-	-
– Audit-related assurance services	107	66	-	-

Audit related assurance services are the limited assurance opinion on the CASS (client asset) for PASL and the audit of the Non-Directive Return for InsCo for the current year. Additionally, it includes non-recurring Non-Directive regime ("NDR") audit fees due to the Capital breach (see note 22) and non-recurring audit fees in respect of a Client Limited Assurance Report.

Notes to the Financial Statements for the year ended 31 March 2024 continued

6. Employee information and Directors' remuneration

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Staff costs during the year amounted to:				
Wages and salaries	39,630	31,465	39,630	31,465
Social security costs	4,227	3,514	4,227	3,514
Other defined benefit pension costs (note 18)	244	472	244	472
Other defined contribution pension costs	4,182	3,102	4,182	3,102
Restructure costs	610	309	610	309
	48,893	38,862	48,893	38,862

Other defined benefit pension costs above are the current service costs under Section 28 of FRS 102 whereas the actual employer contributions amounted to £0.5m (2023: £0.5m).

Other defined contribution pension costs are in respect of employees who are not members of the defined benefits pension scheme and are members of TPP.

	Group 2024 Number	Group 2023 Number	Company 2024 Number	Company 2023 Number
The average monthly number of staff employed during the year was:	865	726	865	726
Business Operations	618	503	618	503
Marketing & Sales	123	115	123	115
Business Support Functions	113	99	113	99
Executive Leadership Office	11	9	11	9
	865	726	865	726

The figures disclosed in this note include Non-Executive Directors but excludes Executive Directors as there are only Executive Directors of subsidiary undertakings and not the Company.

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Aggregate remuneration	833	835	168	162

7. Tax

a) Analysis of tax charge/(credit) on profit/(loss) for the year

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Current tax	928	(409)	(367)	-
Adjustment in respect of previous periods	502	47	-	95
Total current tax charge/(credit)	1,430	(362)	(367)	95
Origination and reversal of timing differences	239	(893)	(1,300)	-
Deferred tax credit in respect of changes in tax rates	-	(360)	-	-
Impact of deferred tax asset recognition	(1,617)	-	-	-
Total deferred tax credit	(1,378)	(1,253)	(1,300)	-
Total tax charge /(credit)	52	(1,615)	(1,667)	95

b) Factors affecting tax charge/(credit) for the year

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK of 19% (2023: 19%). The differences are explained below:

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Profit/(Loss) before tax	12,552	(1,672)	1,215	874
Profit/(Loss) before taxation multiplied by the standard rate of tax in the UK of 25% (2023: 19%)	3,138	(318)	304	166
Effects of:				
Adjustment in respect of previous periods	(1,115)	47	-	95
Deferred tax credit in respect of changes in tax rates	-	(360)	-	-
Expenses not deductible	95	93	95	35
Pension scheme adjustments	(107)	(41)	(107)	(41)
Change in deferred tax asset assumptions	-	(877)	-	-
Impact of deferred tax asset recognition	(1,866)	(44)	(1,866)	(45)
Effect of group relief/other reliefs	(93)	-	(93)	-
Group relief provided	-	-	274	-
Receipt for group relief	-	-	(274)	-
Income not taxable	-	(55)	-	(55)
Capital allowances super deduction	-	(60)	-	(60)
Total tax charge/(credit) for the year	52	(1,615)	(1,667)	95

Notes to the Financial Statements for the year ended 31 March 2024 continued

7. Tax continued

Deferred tax

A deferred tax asset of £5.2m has been recognised by the Group in respect of PASL and PPHL. PASL recognised a deferred tax asset of £3.8m in respect of tax losses carried forward (2023: £3.7m) and the Company recognised a deferred tax asset of £1.4m in respect of tax losses carried forward (2023: nil). The asset has been recognised at 25% (see below). The only net deferred tax liability recognised across the Group is in respect of the defined benefit pension scheme within the Company and is shown in Note 18 of the Financial Statements.

Factors affecting future tax changes

The main rate of corporation tax for the year ended 31 March 2024 is 25%.

The Group has tax losses of £20.9m (2023: £27.6m) available for offset against future trading profits.

8. Profit for the financial year

As prescribed by section 408 of the Companies Act 2006, the Company's statement of Comprehensive Income has not been included in these Financial Statements. The Company's total Comprehensive Income for the financial year was £3.2m (2023: loss of £1.5m).

9. Tangible assets

	Freehold land and buildings £000	Dilapidation Provision £000	Office furniture £000	Office machinery £000	Total £000
Group and Company					
Cost					
As at 1 April 2023	6,679	300	907	4,493	12,379
Additions	9	-	-	381	390
Provision	-	500	-	-	500
Disposals	-	(300)	-	(265)	(565)
As at 31 March 2024	**6,688**	**500**	**907**	**4,609**	**12,704**
Accumulated depreciation					
As at 1 April 2023	4,901	130	620	3,481	9,132
Charge for the year	195	13	79	516	803
Disposals	-	(130)	-	(117)	(247)
As at 31 March 2024	**5,096**	**13**	**699**	**3,880**	**9,688**
Net book value					
As at 31 March 2024	**1,592**	**487**	**208**	**729**	**3,016**
As at 31 March 2023	1,778	170	287	1,012	3,247

10. Investments in subsidiaries – Company only

Investment in subsidiaries as at 31 March 2024 and 31 March 2023

Name	Principal activity	Ownership	Class of shares	Holding
People's Partnership Limited	Intermediate holding company	Direct	Ordinary	100%
B&CE Holdings Limited	Dormant	Direct	Ordinary	100%
People's Administration Services Limited	Provider for the Group	Indirect	Ordinary	100%
B&CE Insurance Limited	Composite insurer	Indirect	Ordinary	100%
The People's Pension Trustee Limited	Dormant corporate trustee	Indirect	Ordinary	100%
People's Investments Limited	Dormant company	Indirect	Ordinary	100%
People's Health Limited	Dormant company	Indirect	Ordinary	100%
B&CE Financial Services Limited	Dormant company	Indirect	Ordinary	100%
People's Insurance Limited	Dormant company	Indirect	Ordinary	100%
People's Financial Services Limited	Dormant company	Indirect	Ordinary	100%

All the above subsidiaries are included in the consolidated Financial Statements. The Company's investment in PPL of £5,000,001 (2023: £5,000,001) and B&CE Holdings Limited of £1 (2023: £1) is through direct ownership, all other investments are through indirect ownership as they are subsidiaries of PPL.

All subsidiary companies are incorporated and domiciled in England and Wales and share a registered address with the Company. The Directors believe the carrying value of the investments, all held at cost less accumulated impairments, is supported by either the underlying assets or future cash flows.

Notes to the Financial Statements for the year ended 31 March 2024 continued

11. Amounts due from group undertakings – Company only

	Company	
	2024 £000	2023 £000
Amounts due from Group undertakings	64,050	64,050

Amounts due from Group undertakings are unsecured, interest free and payable on demand. However, while the amounts could be recalled at any time, the Directors do not expect to recall the amounts within 12 months so have chosen to disclose the balance as non-current.

12. Trade and other receivables

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Amounts owed by Group undertakings	-	-	8,071	7,155
Trade receivables	9,143	6,245	76	1
Other receivables	596	418	291	145
Prepayments and accrued income	3,389	3,108	3,345	3,062
Taxation	148	1,022	148	274
	13,276	10,793	11,931	10,637

Amounts owed by Group undertakings are unsecured, interest free and payable on demand.

13. Reinsurers' share of technical provisions

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Reinsurers' share of technical provisions for:				
Term assurance	15	15	–	–
	15	15	–	–

14. Cash and cash equivalents

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Cash at bank and in hand	47,021	70,830	38,312	29,809
Short term deposits	84,708	41,277	20,635	25,935
	131,729	112,107	58,947	55,744

Included in cash and cash equivalents is £40.9m (2023: £33.0m) of ring-fenced Master Trust reserves (see note 23).

15. Trade and other payables

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade creditors	1,781	1,664	1,700	1,618
Amounts owed to Group undertakings	-	-	1	-
Corporation tax	468	-	-	-
Other taxation and social security	1,548	896	1,170	971
Other payables	32,762	33,004	30,339	30,301
Accruals and deferred income	12,217	7,648	9,301	6,507
	48,776	43,212	42,511	39,397

Amounts owed to Group undertakings are unsecured, interest free and payable on demand.

Notes to the Financial Statements for the year ended 31 March 2024 continued

16. Deferred tax assets and liabilities

Deferred tax assets/(liabilities)	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Fixed asset timing differences	(93)	(256)	(93)	(256)
Tax losses carried forward	5,215	4,000	1,393	256
	5,122	3,744	1,300	-
As at 1 April	3,744	2,491	-	-
Credited to Consolidated Statement of Comprehensive Income	1,378	1,253	1,300	-
As at 31 March	5,122	3,744	1,300	-
Included on the Consolidated Statement of financial position as:				
Non-current assets	2,894	2,712	944	-
Current assets	2,228	1,032	356	-
	5,122	3,744	1,300	-
Deferred tax liability	(1,030)	(1,266)	(1,030)	(1,266)

Deferred tax assets have been recognised on the basis that management consider it probable that future taxable profits will be available against which the deferred tax asset on losses carried forward can be utilised. Key assumptions in the forecast are subject to sensitivity testing which, together with additional modelling and analysis, support management's judgement that the carrying value of deferred tax assets continues to be supportable. The evidence for the future taxable profits is a three-year forecast which is subject to internal review and challenge, including by the Board.

The value of the deferred tax asset on losses carried forward is sensitive to assumptions in respect of forecast profits. The impact of illustrative downward movements in key assumptions on the value of the UK deferred tax asset is summarised below. The relationship between the deferred tax asset and the sensitivities below is not always linear. Therefore, the cumulative impact on the deferred tax asset of combined sensitivities or longer extrapolations based on the table below will be indicative only.

Illustrative impact on deferred tax asset:	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
5% decrease in revenue	(3,822)	(3,744)	–	–
5% increase in operating costs	(3,822)	(3,744)	–	–
1% reduction in market growth of AUM	(1,650)	(3,028)	–	–

Where the illustrative impacts are greater than the value of the deferred tax asset in relation to losses carried forward on the balance sheet, these have been capped to the value of the deferred tax asset.

17. Financial instruments

The Company has applied exemptions available under FRS 102 to disclose its financial instruments. The Group had the following financial instruments:

	Group 2024 £000	Group 2023 £000
Financial assets at fair value through profit or loss		
Shares and other variable yield securities and units in unit trusts:		
Market value	-	5,618
Purchase price	-	5,718
Financial assets that are debt instruments measured at amortised cost		
Trade receivables	9,143	6,245
Other receivables	596	418
Financial liabilities measured at amortised cost		
Amounts owed to Group undertakings	-	(2)
Trade creditors	(1,781)	(1,662)
Other payables	(32,762)	(33,004)
Accruals	(12,217)	(7,648)

Financial instruments relate to a contractual right to, or requirement to pay, cash flows in the future. Accordingly, prepayments and deferred income are not classed as financial instruments. In addition, taxation balances of £1,868k (2023: £896k) are not financial instruments as there is no contractual obligation in place.

Investments in subsidiaries are also outside the scope of disclosure requirements.

Notes to the Financial Statements for the year ended 31 March 2024 continued

18. Pension commitments – Group and Company

The Group operates an occupational defined benefit pension scheme known as the B&CE Staff Pension Scheme ("Pension Scheme"), which provides benefits based on final pensionable salary. The assets of the Pension Scheme are held separately from those of the Company, in an independently administered trust fund.

The trustees of the Pension Scheme seek contributions from the employer at such rates as the trustees determine, on the advice of the Pension Scheme actuary, to be sufficient to meet the expected cost of the benefits payable from the Pension Scheme. To assess the expected cost of the benefits payable from the Pension Scheme, the trustees obtain regular actuarial valuations of the Pension Scheme from the Pension Scheme actuary. The trustees choose an appropriate funding method for the actuarial valuation, together with an appropriate set of actuarial assumptions. The trustees seek the advice of the Pension Scheme actuary before determining the methods and assumptions.

If the actuarial valuation shows that the Pension Scheme's assets are insufficient to meet the expected cost of members' past service benefits, the trustees will put in place a recovery plan which will require additional contributions from the employer.

Combined contributions have continued to be 31% of pensionable salaries. Since 1 June 2018, the employee contribution is up to 9% and the Company implemented a salary sacrifice scheme. Employees can either contribute 9% of their salary to the Pension Scheme or sacrifice the equivalent amount of salary, so the Company can contribute the full 31% while saving the employee some National Insurance Contributions.

The latest triennial actuarial valuation of the Pension Scheme, using the project unit method, performed by the professionally qualified appointed pension scheme actuary took place on 31 December 2022. The results show that the scheme is 104% funded at 31 December 2022 (2019: 100%). The technical provisions funding position has improved since the last valuation, moving from a nil deficit position at the last valuation to a surplus of £1.9m at this valuation. The increase in gilt yields over the period has reduced the magnitude of both the Scheme's assets and liabilities, due to the Liability-Driven Investments assets in place, which match the change in value of the liabilities.

On 3 January 2014, the Pension Scheme closed to new entrants and all non-member employees are offered membership into TPP in its place.

The Company estimates the employer contributions into the Pension Scheme for the year ending 31 March 2025 to be £473k.

The principal assumptions used by the Pension Scheme actuary in agreement with the Company after updating the latest valuation of the Pension Scheme for Section 28 of FRS 102 purposes were:

	31 March 2024 % p.a.	31 March 2023 % p.a.
Discount rate	4.85	4.80
Rate of increase in salaries	2.65	2.70
Price inflation (RPI)	3.25	3.35
Consumer price inflation (CPI)	2.65	2.70

Sensitivity analysis

The surplus on 31 March 2024 was £4,121,000 (2023: £3,616,000). The following shows what the reduction of surplus would have been if the actuarial assumptions used were changed:

	Surplus on 31 March 2024 £000	Revised surplus on 31 March 2023 £000
– 0.5% decrease in discount rate	3,319	3,608
– 1 year increase in member life expectation	1,903	1,490
– 0.5% increase in salary increases	264	342
– 0.5% increase in inflation (RPI)	766	921
– 0.5% increase in CPI	662	503

	Male	Female
Average future life expectancy in years for a pensioner currently aged 60	27.1	28.9
Average future life expectancy in years at age 60 for a non-pensioner currently aged 40	28.6	30.4

Notes to the Financial Statements for the year ended 31 March 2024 continued

18. Pension commitments – Group and Company continued

Impact of change in the best estimate RPI-CPI wedge

For CPI, the Company reduced the assumed difference between the RPI and CPI by 5 basis points (from 0.65% to 0.60% collectively), which has an estimated impact of £0.05m decrease in the defined benefit obligation.

On the basis of Section 28 of FRS 102, the assets valued at bid price, where appropriate, and liabilities of the Pension Scheme and the expected rates of return were:

	Value at 31 March 2024 £000	Value at 31 March 2023 £000
Equity securities	6,521	5,597
Debt securities – government	15,448	15,853
Debt securities – corporate	14,186	14,385
Diversified growth fund	7,559	7,017
Cash and cash equivalents	7,988	10,446
Total market value assets	51,702	53,298
Present value of scheme liabilities	(47,581)	(49,682)
Surplus in the scheme	4,121	3,616
Deferred Tax Liability (note 16)	(1,030)	(1,266)
Net scheme asset	3,091	2,350

Recoverable surplus

The Group's ability to receive a refund, where a pension surplus exists on the wind up of the Pension Scheme, is not restricted by the Pension Scheme's trust deed and in the event that the Pension Scheme is run on until all members and former members have died and the Principal Employer then gives notice to terminate the Pension Scheme, any remaining surplus assets would be returned to the Principal Employer. Hence, the Group does recognise any such surplus at the year-end.

	2024 £000	2023 £000
Analysis of amounts recognised in the Consolidated Statement of Comprehensive Income:		
Analysis of the amount charged to net operating expenses		
Current service cost	(244)	(472)
Total operating charge	(244)	(472)
Analysis of the amounts credited to finance income		
Interest income on the Pension scheme assets	2,524	2,032
Interest on pension scheme liabilities	(2,338)	(1,840)
Net return	186	192
Charge recognised in the Consolidated Statement of Comprehensive Income	(58)	(280)
Analysis of amounts recognised in other Comprehensive Income (OCI):		
Actual return on assets excluding amounts included in net interest	(2,578)	(23,259)
Actuarial gain on scheme obligations	2,654	19,795
Actuarial gain/(loss) recognised in OCI	76	(3,464)
Reconciliation of present value of pension scheme liabilities:		
1 April	49,682	69,248
Current service cost	244	472
Interest cost	2,338	1,840
Contributions paid by members	15	15
Actuarial gains	(2,654)	(19,795)
Benefits paid	(2,044)	(2,098)
31 March	47,581	49,682

Notes to the Financial Statements for the year ended 31 March 2024 continued

18. Pension commitments – Group and Company continued

Recoverable surplus continued

	2024 £000	2023 £000
Reconciliation of fair value of scheme assets:		
1 April	53,298	76,112
Interest income on scheme assets	2,524	2,032
Contributions paid by members	15	15
Contributions paid by employer	487	496
Actuarial return on assets	(2,578)	(23,259)
Benefits paid	(2,044)	(2,098)
31 March	51,702	53,298

The Pension Scheme asset and liability values recognised on the basis of Section 28 of FRS 102 reflect market conditions at the Group and Company's year-end date and can be expected to vary greatly from year to year, without necessarily affecting the Pension Scheme's long-term ability to provide the required benefits.

19. Operating leases

At 31 March 2024, the Group had the following future minimum lease payments, including VAT, under non-cancellable operating leases:

	Group		Company	
Payments due	2024 £000	2023 £000	2024 £000	2023 £000
Not later than one year	1,222	774	1,222	774
Later than one year and not later than five years	3,483	1,185	3,483	1,185
	4,705	1,959	4,705	1,959

During the year, £1.0m was recognised as an expense in the Statement of Comprehensive Income in respect of operating leases (2023: £817k).

20. Related party transactions

During the year, the Group and Company incurred transactions with the following entities, who have common directors with directors of PPHL and are therefore Related Parties. The amounts below are inclusive of value added tax (VAT), with industrial organisations in respect of sponsorships at award functions and similar events as follows:

	Charge for the year		Balance outstanding	
Industrial organisation	2024 £000	2023 £000	2024 £000	2023 £000
Civil Engineering Contractors Association	-	1	–	–
Federation of Master Builders	-	20	–	–

During the year, the Group and Company paid £0.4m to the Group's own defined benefit pension scheme (2023: £0.4m) and £4.2m to the Group's own defined contribution pension scheme, TPP (2023: £3.1m).

All Directors (shown on page 28) and members of the Executive Leadership Team (shown on page 11) are considered key management personnel. During the year the Group and Company paid £2.4m (2023: £2.5m) compensation to key management personnel, including £0.1m to those that left during the year (2023: £0.4m).

There are no other related party transactions requiring disclosure in this year's Financial Statements in accordance with Section 33 of FRS 102.

The Group and Company have taken advantage of the exemption available under paragraph 33.1A of FRS 102 "Related party disclosures" not to disclose transactions and balances between Group entities that have been eliminated on consolidation.

21. Ultimate parent and controlling party

The ultimate parent of the Group is PPHL, a company incorporated and domiciled in England and Wales. PPHL is the parent of the smallest and the largest group of undertakings to consolidate these Financial Statements.

As PPHL is a company limited by guarantee, there are no shareholders, and accordingly it is considered that there is no controlling party.

Notes to the Financial Statements for the year ended 31 March 2024 continued

22. Financial risk management

This note presents information about the major financial risks to which the Group is exposed, and its objectives, policies and processes for their measurement and management.

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and policyholder liabilities. The most important components of insurance and financial risk are:

- Insurance risk
- market risk (including interest rate risk and equity price risk)
- credit risk
- liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. It manages these positions within an asset liability management framework that has been developed to achieve investment returns in excess of obligations, including those under insurance contracts.

All financial assets and liabilities are denominated in Pounds Sterling so no company within the Group is directly exposed to currency risk.

Group Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. Insurance risk only applies to InsCo, the sole insurer within the Group.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

(i) Frequency and severity of claims

The accident liability contracts frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damage suffered as a result of exposure to construction hazards. The Group manages these risks through its underwriting strategy and proactive claims handling.

The concentration of accident insurance risk accepted is wholly within the United Kingdom and the Isle of Man. The carrying amount of outstanding claims arising from the accident insurance contracts is £185k (2023: £213k).

(ii) Sources of uncertainty in the estimation of future claims payments

Claims on insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occur during the term of the contract, even if the loss is discovered after the end of the contract term. Claim events covered by insurance contracts are required to be notified to the Group within a year of the event occurring and a larger element of the claims provision relates to incurred but not reported claims ("IBNR"). There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees (for employer's liability cover). Such awards are pre-determined lump-sum payments in accordance with the policy conditions.

The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the end of the reporting period.

In calculating the estimated cost of unpaid claims (both reported and not), the Group estimation techniques are an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available.

Notes to the Financial Statements for the year ended 31 March 2024 continued

22. Financial risk management continued

Group Insurance risk continued

(iii) Sensitivity analysis

The following table presents the general business sensitivities on the insurance liabilities to movements in the assumptions used in the estimation of insurance liabilities. No discounting has been used because the run-off period is not long enough to warrant it.

	Number of IBNR claims +10% £000	Number of IBNR claims -10% £000
At 31 March 2024		
Impact on profit after tax and equity	**10**	**(10)**
At 31 March 2023		
Impact on profit after tax and equity	11	(11)

(iv) Claim development tables

There are no material individual claims and open claims over 12 months old are immaterial. As a result, the Company has elected not to disclose claims development tables on the life business as the uncertainty about the amount and timing of the claims payments is typically resolved within one year.

Market risk – Group and Company

Market risk is the risk of an adverse financial impact resulting, directly or indirectly, from fluctuations from equity prices or interest rates. Market risk arises in the Group's operations due to the possibility that fluctuations in the value of liabilities are not offset by fluctuations in the value of investments held.

Interest rate risk

Interest rate risk arises primarily from investments in fixed interest securities. In addition, to the extent that claims inflation is correlated to interest rates, liabilities to policyholders are exposed to interest rate risk. The Group is exposed to interest rate risk in fixed interest securities due to its holdings in Sterling Liquidity Funds, which mainly invest in Government and corporate bonds. These assets are generally fairly liquid, considerably reducing sensitivity to significant movements in interest rates compared to less liquid assets. The Directors consider that the exposure to interest rate risk of cash and cash equivalents balances is immaterial for the purposes of sensitivity analysis. The Company is not exposed to interest rate risk.

A 1% increase in interest rates would have the below impact on profit after tax and equity from the investments in debt securities within listed funds without the Group disinvesting:

	2024 £000	2023 £000
Decrease in profit after tax and equity	**(167)**	(173)

Foreign exchange risk

Given the nature of the Group's operations, there is no direct exposure to foreign exchange risk. The Group, however, is exposed to indirect foreign exchange risk due to the composition of the Sterling Liquidity Funds in which the Group invests.

Equity price risk

InsCo no longer holds equity securities so is not exposed to equity securities price risk.

Notes to the Financial Statements for the year ended 31 March 2024 continued

22. Financial risk management continued

Credit risk – Group and Company

Credit risk is the risk of loss resulting from the failure of a counterparty to honour its financial or contractual obligations to the Group. The Group's credit risk exposure is largely concentrated to the following key areas:

- trade receivables of PASL
- amounts owed by Group undertakings.

The Group manages the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to regular review. Limits on the level of credit risk by category and territory are approved monthly by the Capital Committee.

TPP is the largest customer and trade receivable of PASL. Administration fees are normally collected monthly in arrears shortly after each month-end which mitigates credit risk to an acceptable level.

Throughout the year, Group undertakings could owe amounts to either the Company, other Group undertakings or both. Each month the Group prepares inter-company reconciliations to ensure the correct recording of these balances across the Group. Furthermore, there are regular transfers of funds between Group companies to ensure that inter-company balances are settled during the following month. The main exception is the £64.1m (2023: £64.1m) due to the Company from PPL which is repayable on demand but not expected to be repaid within 12 months.

The assets bearing credit risk are summarised below, together with an analysis by credit rating:

Group	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Financial instruments – fair value through profit or loss				
Current investments	-	5,618	-	-
Financial instruments - amortised cost				
Trade receivables	9,143	6,245	76	1
Other receivables	596	418	290	145
Non-financial instruments				
Cash & cash equivalents	131,729	112,107	58,947	55,744
Total assets bearing credit risk	141,468	124,388	59,313	55,890
AAAm	47,557	40,025	20,635	25,935
AA-	84,172	77,700	38,312	29,809
Below BBB or not rated	9,739	6,663	366	146
Total assets bearing credit risk	141,468	124,388	59,313	55,890

No Group credit limits were exceeded during the year (2023: nil). No Group financial assets are past due or impaired at the reporting date (2023: nil) and management expects no significant losses from non-performance by these counterparties (2023: nil).

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost.

The primary liquidity risks of the Group are the obligation of the Company to pay suppliers and, to a lesser extent, of InsCo to pay claims to policy holders as they fall due. The projected settlement of the insurance liabilities is modelled, on a regular basis, using actuarial techniques. The Board sets limits on the minimum proportion of maturing funds available to meet such calls to cover anticipated liabilities and unexpected levels of demand. The table below analyses the maturity of the Group's financial liabilities and outstanding claims. All liabilities are presented on a contractual cash flow basis.

The amounts disclosed in the tables represent undiscounted cash flows.

Group	No contractual maturity date £000	< 6 months or on demand £000	Between 6 months and 1 year £000	Total and carrying value £000
Financial liabilities				
Trade creditors	-	1,781	-	1,781
Other payables	2,400	30,362	-	32,762
Accruals	-	12,217	-	12,217
Financial liabilities at 31 March 2024	2,400	44,360	-	46,760

Group	No contractual maturity date £000	< 6 months or on demand £000	Between 6 months and 1 year £000	Total and carrying value £000
Financial liabilities				
Amounts owed to Group undertakings	-	2	-	2
Trade creditors	-	1,662	-	1,662
Other payables	2,680	30,324	-	33,004
Accruals	-	7,649	-	7,649
Financial liabilities at 31 March 2023	2,680	39,637	-	42,317

Notes to the Financial Statements for the year ended 31 March 2024 continued

22. Financial risk management continued

Liquidity risk continued

Company	No contractual maturity date £000	< 6 months or on demand £000	Between 6 months and 1 year £000	Total and carrying value £000
Financial liabilities				
Amounts owed to Group undertakings	-	1	-	1
Trade creditors	-	1,700	-	1,700
Other payables	-	30,339	-	30,339
Accruals	-	9,301	-	9,301
Financial liabilities at 31 March 2024	-	**41,341**	-	**41,341**

Company	No contractual maturity date £000	< 6 months or on demand £000	Between 6 months and 1 year £000	Total and carrying value £000
Financial liabilities				
Amounts owed to Group undertakings	-	3	-	3
Trade creditors	-	1,615	-	1,615
Other payables	-	30,301	-	30,301
Accruals	-	6,507	-	6,507
Financial liabilities at 31 March 2023	**-**	**38,426**	**-**	**38,426**

Capital management

The Insurance Company is reporting under the Non-Solvency II firms sector of the PRA Rulebook (referred to as the "NDR" regime).

In reporting our financial strength, capital and solvency are measured using the regulations prescribed by the PRA under the NDR regime. Under NDR regime regulations, based on the Base Capital Resources Requirement ("CRR") for Long-Term and General Insurance business, the CRR for the Insurance Company is £5m which is made up of £3m for the Long-Term Fund ("LTF") and £2m for the General Fund ("GF"), as set by the PRA rulebook.

The capital held within the shareholder funds is generally available to meet any requirements. From 1 April 2023 through to 22 June 2023, the LTF did not meet its capital requirements with a Financial Strength Ratio ("FSR") of 50% - this was a technical breach due to an insufficient allocation of assets into the long-term fund; across both funds combined there were sufficient resources to meet the combined capital resources requirement of the two funds. The asset allocation issue was rectified following a transfer of assets from the GF on 22 June 2023 and we subsequently updated our governance and control environment. As at 31 March 2024, both funds met their individual capital requirements with the long-term fund FSR of 161% and the general fund FSR of 731%.

PASL is subject to TPR requirements and has held the necessary capital to meet its obligations throughout the financial year. At 31 March 2024, PASL held Master Trust reserves as calculated within the CALP and including a £0.5m buffer, as required by the FSU deed agreed with the Trustees of TPP in May 2022. As stipulated in the FSU, Master Trust Reserves have been held in separate ring-fenced accounts throughout the financial year and subject to floating charges in favour of the Trustees of TPP.

Throughout the year PASL more than covered its FCA capital requirement of £20k (2023: £20k).

Fair value estimation

Fair value is the amount for which an asset or liability could be exchanged between willing parties in an arm's length transaction at the reporting date.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into a three-level fair value hierarchy as follows:

- Level 1 fair value measurements are quoted prices (unadjusted) in active markets for identical assets. An active market is one in which transactions for the asset occurs with sufficient frequency and volume to provide pricing information on an on-going basis.
- Level 2 fair value measurements are those derived from data other than quoted prices included within level 1 that are observable either directly (as prices) or indirectly (derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include significant inputs for the asset or liability valuation that are not based on observable market data (unobservable inputs). The Group did not have any such instruments.

Investments carried at fair value have been categorised using a fair value hierarchy as follows:

Group

As at 31 March 2024	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial instruments – FVTPL	-	–	–	-
Total	**-**	**–**	**–**	**-**

As at 31 March 2023	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial instruments – FVTPL	5,618	–	–	5,618
Total	**5,618**	**–**	**–**	**5,618**

The Group regularly assesses the classification of its assets.

People's Partnership Limited
Manor Royal, Crawley, West Sussex, RH10 9QP. Tel 0300 2000 555. www.peoplespartnership.co.uk

FR MT 0001.0924