

People's Administration Services Limited

Annual Report and Financial Statements
for the year ended 31 March 2025

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Company Information

Directors	Non-Executive Independent Chair: V Oak
	Non-Executive Directors: P Billingham D Lamble
	Executive Directors: P Heath-Lay (resigned 9 May 2025) S Hunter (resigned 1 June 2024) K Smith (appointed 6 February 2025) A Staral (appointed 9 May 2025)
Registered office	Manor Royal Crawley West Sussex RH10 9QP
Company number	02207140 (England and Wales)
Independent auditor	KPMG LLP Chartered Accountants and Statutory Auditor 15 Canada Square London E14 5GL
Banker	HSBC Bank plc 60 Queen Victoria St London EC4N 4TR
Solicitor	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF

Strategic Report

The directors present the Strategic Report of People's Administration Services Limited for the year ended 31 March 2025.

Business review and principal activities

During the year, People's Administration Services Limited ("PASL" or the "Company") was a wholly owned direct subsidiary of People's Partnership Limited (the "Parent Company"), which in turn was owned by People's Partnership Holdings Limited (the "Ultimate Parent Company"). People's Partnership Holdings Limited and all its subsidiaries are collectively known as "People's Partnership" or the "Group". Until 30 September 2024, the Ultimate Parent Company was the sole employer within the Group and paid for the majority of Group costs which were then recharged, as deemed appropriate by management, to PASL. Following a restructure within the Group, from 1 October 2024 the Parent Company took on the role of sole employer within the Group, and paid for the majority of Group costs, continuing the same recharge process as the Ultimate Parent Company for the remainder of the year.

The main activity of the Company is to provide pension administration services to The People's Pension (the "Scheme" or "TPP"), onboarding new employers joining the Scheme and administering other financial products on behalf of the Group.

The Scheme is an award-winning master trust pension that is growing rapidly by volume of assets under management ("AuM") and number of members. The Company expects the Scheme to continue to grow and to deliver financial growth to the Company over the long term.

The Company is also the promotional and marketing arm of the Group.

Key performance indicators

Key performance indicators for the Group are set and monitored at a Group level. The ones that apply to the Company are:

1. The customer.

We strive to ensure that TPP's 7m members (2024: 6.6m) have the best possible experience. Despite significant increases in the volume of both transactions and customer contact, customer satisfaction rates increased to 84.5%, marginally bettering the current year target of 84% (2024: 83%).

Customer service metrics were behind the annual target of 95%, at 90.1% (2024: 92.9%) for the year. Service levels have, however, continued to be over 90% for the past two years, significantly ahead of service levels achieved in the four years prior. Further, the independent Trustee Board concluded, in line with last year, in its latest annual report that the Scheme continues to offer good value for money to the membership. A key consideration in the Trustee's assessment was the member charge rebate which has resulted in £32m (2024: £21m) of the annual management charge being returned to members over the year, an increase of over 50% from that paid in 2024.

2. Operational efficiency / investment.

Overall, our operational costs have risen over the financial year, largely driven by an increase in head count from 865 in 2024 to 971 in 2025.

Strategic investment is key to realising our growth ambition and improving our service and members' experience, which is continually being developed. Last year, TPP introduced scheme-specific pricing to improve attractiveness in the market, which has strengthened our proposition and advanced our competitiveness. TPP continues to be the only provider to offer a best price guarantee. This means that if a member has an existing pension and returns to TPP with a different employer, all their savings will be in one pot and charged at the lowest rate available to them.

We are proud of the significant enhancements we've made to our proposition over the last year. Our members continue to benefit from enhanced functionality within our member app, including a new rewards platform giving access to exclusive discounts on a wide range of items and experiences. Personalised video statements are now helping our members engage with their pension benefits in new ways, while a new charge comparison tool on our website is helping our members make better informed decisions about consolidating their pensions. We will continue to focus on delivering a proposition centred on good member outcomes.

Strategic Report (continued)

Key performance indicators (continued)

3. Value creation.

We create value by generating profits that we can reinvest to improve our propositions and overall service. Profits come mainly from the administration of TPP. Revenue comes from two charges which are set annually. The first charge is a management charge taken monthly, based on the value of TPP members' pension pots and the second is the single annual charge of £4.50 made once a year on those TPP members subject to the charge. TPP-related revenue, which this year totalled £128m (2024: £101m), is therefore closely linked to the performance of the AuM in TPP. On 31 March 2025, AuM were £31.3bn (2024: £26.4bn), an increase of 19%, of which £1.5bn came from investment growth, with the rest from increased net contributions.

These key performance indicators are reviewed at a Group level by People's Partnership's Executive Leadership Team and representatives of the Board of PASL.

Key developments

TPP, our flagship product, continued to grow its membership and AuM, as described above.

During the year, we have continued to add features to TPP to enhance the value it offers members and maintain and improve its competitiveness in the workplace pension market. As previously noted, this included further enhancements to our member app, a member rewards programme, personalised video statements, providing access to a personalised financial wellness digital platform, and a simplified transfer journey to support members with decision making when consolidating their pensions.

We have also started to roll out scheme-specific pricing to employer customers with a 'best-price guarantee'. This means that when members return to TPP (for instance, after changing employer) their pension savings go into a single pot, charged at the best rate available to them.

Results

The results and financial position for the financial year are on pages 15 and 16. Profit after tax for the financial year was £13.0m (2024: £8.8m profit) and net assets as at 31 March 2025 were £65.2m (2024: £52.1m).

Revenue for the year increased by £26.4m to £132.0m (2024: £105.6m) driven by the increased single annual charge and increased management fees from the administration of TPP as AuM grew.

Operating expenses have increased by £20.5m to £118.0m (2024: £97.5m) as the Group has grown, investing in people to service this growth and to deliver the investment of £13.5m in product enhancements and digitisation of services to members of TPP including delivering Scheme Specific pricing, member app, microsites, financial wellbeing products and related tools.

PASL is subject to The Pensions Regulator's ("TPR") requirements and has held the necessary capital to meet its obligations throughout the financial year. At 31 March 2025, 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 Trustee 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 Trustee of TPP.

Throughout the year, PASL more than covered its FCA capital requirement of £20k (2024: £20k).

Strategic Report (continued)

Future developments

PASL will continue to act as the Administrator for TPP. We are anticipating that AuM for TPP will continue to grow, driven primarily by new contributions from existing employer customers.

We have planned more enhancements for members over the coming year, including new options for using pension pots at retirement, and a new pension finder service to support members who want to consolidate their pensions. This will help retain existing employer clients and members, and better position TPP to win new business.

We have also decided to waive employer fees for clients joining TPP via an intermediary (previously charged at £300) to reduce barriers to new clients joining the scheme.

Risk management

Risk management framework

Our Group-wide risk management process supports the achievement of our strategy by enabling informed decision-making through a clear understanding of risks and their potential impact on our objectives. We are committed to identifying, assessing, and managing risks, while implementing control measures to mitigate significant risks to acceptable levels. Defined risk appetites, tolerances, and limits are established at the Group level for each risk category. To fulfil its responsibility, the Group has adopted risk policies, approved by the Board of Directors and regularly reviewed by management.

We operate under the '3 Lines of Defence' risk governance model:

1. **Business Functions:** Responsible for identifying, assessing, and managing risks within the risk framework.
2. **Risk Team:** Under the Chief Risk Officer (CRO), this team works with leaders to review risk management efforts, maintains the Group Risk Register, and ensures risks are mitigated. Risks are monitored year-round, with executive owners overseeing each, and the Chief Executive Officer (CEO) holds overall accountability, while the Board is ultimately responsible.
3. **Internal Audit:** Provides independent assurance on the effectiveness of the risk management framework.

The Group Risk Register is reviewed regularly by senior management, the Executive Leadership Team, the Group Audit and Risk Committee, and the Board.

Principal risks and uncertainties

Whilst taking risks is necessary, we are committed to proactively managing these risks through robust oversight, strategic planning, and ongoing adaptation. By maintaining a forward-looking approach, we are focused on ensuring the long-term financial stability of our organisation and safeguarding the futures of our members, while continuing to deliver value and maintain stakeholder confidence.

The Group and Company are exposed to a comparable range of risks as in previous years, and we've identified and detailed the principal ones below as at the date of this report – not in priority order. We monitor the broader risk environment continuously and, when we need to, implement specific strategies to defend against or mitigate risks to a level we find acceptable. Our approach integrates concepts of strategic planning and operational management into these framework elements, all with a focus on customer outcomes:

Strategic Report (continued)

Principal risks and uncertainties (continued)

Principal risks and uncertainties	Strategies to defend and protect against risks
Enterprise Operational People Capacity and Capability: We now employ over 1,000 people who are vital to the success of our business, the costs of whom are recharged to PASL to provide the administration services of the Company to its customers, of which the main one is TPP. Customer Service Delivery: Human or system error give rise to a material failure in business processes resulting in the service provided falling below acceptable levels. Outsourcing and Suppliers: With an increasing reliance on 3 rd parties to deliver our strategy we look to mitigate the impact of a failure of an outsourced service provider or supplier to fulfil, or continue to fulfil, their obligations.	a. We maintain employment policies and remuneration and benefits packages which are regularly reviewed. We also provide our people with fulfilling career opportunities. b. We monitor and review performance and feedback, to understand the nature of our changing processes and the specific skill set that people require to deliver their objectives. a. Our risk, compliance and internal audit functions have undertaken reviews to ensure that our core control processes continue to operate effectively. b. We have appropriate controls in place to maintain control over our processes which seek to ensure we meet our service level agreements and compliance with relevant legislation and regulation. c. Conduct is considered a key element of all these operational risks. a. We ensure all suppliers and outsource partners are selected through a rigorous due diligence process based on tiering, and contractual review. This includes from specialist functions such as IT security, legal and compliance. b. Continuous monitoring of supplier services levels is undertaken throughout the contract period.
Enterprise Technology and Resilience Technology: The impairment or impediment of IT systems and infrastructure that can efficiently process transactions to the required degree of accuracy. This is managed by having controls in place to ensure the integrity and efficiency of systems. Cyber Security: The likelihood and impact of this risk is mitigated through investment in staff training, IT security, IT systems and IT governance.	a. We work continually to ensure that systems remain suitable for both our strategic needs and the risk environment. b. 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. c. We ensure that robust testing is completed before introducing a system change. d. We invest in our technology platforms to maintain/improve performance and resilience. a. We're committed to safeguarding data and invest regularly in maintaining strong and reliable threat monitoring tools. b. We monitor operations to defend and protect against the threat of a malicious electronic attack. This is regularly reviewed and documented. c. 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. d. We train our colleagues in how to identify potential attacks and what to do if they are suspicious.
Business Change Change Management: Failure to deliver the anticipated benefits of the change programme which may include increases in new business volumes, cost reduction, increased capacity etc.	a. We operate a robust change methodology and portfolio management process to enable delivery of change projects. b. The change portfolio is monitored and reported through specially set up internal review committees, which operate under appropriate delegated authority, and any residual risks are transferred to the business in accordance with the risk framework.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Principal risks and uncertainties	Strategies to defend and protect against risks
Operational Resilience Operational Resilience: Measures are in place and are tested, to limit the impact of an event which prevents the Group from delivering the core processes required to maintain the business.	a. Our robust crisis management process is laid out in our Business Continuity and Crisis Management documentation and is designed to enable the business to: i. Quickly and efficiently identify, classify, and escalate an incident. ii. Respond to an incident whilst maintaining operations with as little member impact as possible. iii. Recover back to normal operations after an incident in an efficient manner.
Regulatory and Legal Legal: 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. Data Management. 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.	a. We continually scan the legislative, regulatory and policy landscapes for potential change. This allows us to identify change at the earliest possible stage. b. We actively engage with regulators and government bodies, often with our stakeholders, to support and develop the industry and the interests of our customers. c. 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. a. 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. b. The business assurance function and internal audit provide regular guidance, control reviews and monitoring to ensure our risk measures are appropriate.
Financial Crime External Fraud: A third party or member commits a fraud either against the company or another member or beneficiary Internal Fraud: A member of staff commits a fraud, or works with a third party to enable fraud, either against the company/employer or our members.	a. We continuously evaluate and enhance our security measures to identify and prevent potential external fraud events. b. We implement robust fraud detection systems, flagging suspicious activity for immediate review. c. We conduct regular audits and control reviews to ensure that our people, processes and systems remain effective to detect fraudulent activity. a. We foster a culture of transparency and accountability, ensuring that all employees understand their responsibilities and the consequences of fraudulent behaviour. b. We have implemented controls and monitoring systems to detect and prevent attempts at internal fraud across finance and other high-risk areas. c. We conduct regular audits and control reviews to ensure that our people, processes and systems remain effective to detect fraudulent activity.

Strategic Report (continued)

Section 172(1) statement

The directors of PASL believe, both individually and collectively, that they have acted in good faith in a manner most likely to promote the success of the Company for the benefit of members of the schemes it administers. 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 has been significant investment in developing new features for members and customers of TPP. They include an app that will make 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 2025/26. It is expected that these initiatives will have minimal short-term impact on revenues, with great improvements to enhance customers' and members' experience in a way that helps us increase retention and grow our customer base to, in turn, increase revenues in the longer term.

TPP conducted a comprehensive review of its investment strategy with the Trustee approving moving over £15 billion of equity assets into new climate aware index funds. The Trustee, supported by TPP Investment Team, believe that over the long-term this will produce similar returns for TPP members but will reduce the level of climate risk of these assets. Mark Condron chair of the TPP Trustees said "this is a hugely significant moment for TPP and its 7 million members as it reinforces our commitment to tackling climate change through investing. Our members can be confident their savings are working towards achieving Net Zero targets and not against it."

b) The interests of the Company's employees

The Company has no employees as the Ultimate Parent Company/Parent Company is the sole employer within the Group. The Strategic Report within the Group Annual Report and Financial Statements includes a section on employees.

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

Supplier relationships are mostly managed at a Group level and information on these can be found within the Strategic Report of the Group Annual Report and Financial Statements. The Company derives the majority of its income from providing administrations services to TPP, with additional fees from a number of other schemes and products.

The directors are aware of the importance of all the Company's customer and supplier relationships. Various KPI measurements are used to ensure that the Company continues to provide a first-class service to all the employers and members who participate in the various schemes and products.

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

As part of a Group which does not pay profits to shareholders, we give back to TPP members and local community. The Strategic Report within the Group Annual Report and Financial Statements includes sections on measures we have taken to care for the environment, our support for our local community, our Charitable Trust and the efforts we make to support our own people. Since the Building & Civil Engineering Charitable Trust was set up in 1991 it has helped thousands of people and hundreds of employers as well as funded research into occupational 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 our customers and TPP and other scheme and product members first and providing good quality 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 employees' day-to-day work. The Company is regulated by the Financial Conduct Authority ("FCA") and the directors are aware and fully supportive of their requirements. All Group employees 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.

Strategic Report (continued)

Section 172(1) statement (continued)

- f) The need to act fairly between members of the Company

The Company has one member, People's Partnership Limited, which is the sole shareholder, hence acting fairly between members does not require consideration.

The Strategic Report was approved by the Board of Directors on 23 July 2025 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'V Oak', followed by a period.

Veronica Oak
Director
23 July 2025

Directors' Report

The directors present their report and the audited Financial Statements of the Company for the year ended 31 March 2025.

Directors

The directors who held office during the year and up to the date of signing this report are shown on page 1.

Directors' liability insurance

The directors have the benefit of an indemnity. This is a qualifying third-party indemnity provision 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.

Dividends

No dividends were paid to the Parent Company during the year (2024: nil). The directors do not recommend the payment of a final dividend (2024: nil).

Regulator

The Company is regulated by the FCA for certain regulated activities. The products and services provided by the Company may be regulated by other regulators (in the case of the Scheme, the regulator is TPR). As the Company is involved in the operation and running of TPP, which is authorised and supervised by TPR, individuals who are performing core functions in relation to PASL's administration of the Scheme must satisfy TPR's fitness and propriety criteria. A core function includes an executive or management role carried out in respect of, or on behalf of, a person subject to the fit and proper assessment.

Charitable donations

Building & 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.

The Company made charitable donations of £215,313 to the Charitable Trust during the year (2024: £324,874).

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2024: nil).

Auditor

Pursuant to Section 487 of the Companies Act 2006, the incumbent 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 has adequate resources to continue in operational existence 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. See the summary of significant accounting policies note on page 18 for further information.

Directors' Report (continued)

Greenhouse gas disclosure exemption

The Company has taken the exemption under paragraph 20A of Part 7A to Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018). Disclosures regarding greenhouse gas emissions and energy consumption are included in the consolidated Financial Statements of the Company's Ultimate Parent undertaking, People's Partnership Holdings Limited.

Financial risk management

The Company's investments expose it to a variety of financial risks that include the effect of:

- Credit risk

The Company's sterling cash deposits and trading transactions with customers expose it to the risk that the counterparty may not repay the amounts owed. For sterling cash deposits, the Company only deals with a list of highly rated UK counterparties to reduce the risk that the counterparty will not repay the deposit. Regarding the risk of a counterparty defaulting, the Parent Company manages this risk on behalf of the Group by active credit control. Counterparty risk may also arise from revenue that can't be recovered from products provided by the Company. This risk is managed through credit control and cashflow monitoring.

- Liquidity risk

The Company maintains a short-term sterling cash deposit facility to address liquidity. Cash management maintained by the Company includes operating on-demand sterling cash deposits designed to ensure the Group has sufficient available liquid funds for operations.

- Market risk – interest rate

The short-term sterling cash deposits are sensitive to interest rate changes, but the Company is not reliant on interest receivable for its income. The Company has access to fixed-term notice accounts to try to increase interest earned on cash deposits. In relation to interest risk on liabilities, the Company does not have any interest-bearing loans.

- Market risk – price and currency

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

Future developments

An indication of likely future developments in the business of the Company is given in the Strategic Report.

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; and
- 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 23 July 2025 and signed on its behalf by:



Veronica Oak
Director
23 July 2025
Company number: 02207140

Statement of Directors' Responsibilities in respect of the Financial Statements

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

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

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

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

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

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 member of People's Administration Services Limited

Opinion

We have audited the Financial Statements of People's Administration Services Limited ("the Company") for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- enquiring of directors, the Group Audit and Risk Committee, internal audit, legal, risk and compliance and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company'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;
- 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.

Independent auditor's report to the member of People's Administration Services Limited (continued)

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

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 and those posted with unusual account combinations.

Identifying and responding to risks of material misstatement related to 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 Company's regulatory and legal correspondence and have discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company 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.

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

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

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, and GDPR compliance, recognising the regulated nature of the Company'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.

Independent auditor's report to the member of People's Administration Services Limited (continued)

Strategic Report and Directors' Report (continued)

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 11, the directors are responsible for: the preparation of the Financial Statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

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

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.



Daniel Rutter (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada square
London
E14 5GL

23 July 2025

Statement of Comprehensive Income for the year ended 31 March 2025

	Note	2025 £000	2024 £000
Revenue	3	131,956	105,643
Operating expenses	5	(117,731)	(97,532)
Other income/(expenses)		-	(215)
Profit before interest and taxation		14,225	7,896
Finance income		3,317	2,345
Profit before taxation		17,542	10,241
Tax charge on profit	6	(4,498)	(1,445)
Profit and comprehensive income for the financial year		13,044	8,796

The notes and information on pages 18 to 25 form part of these Financial Statements.

Statement of Financial Position as at 31 March 2025

	Note	2025 £000	2024 £000
Non-current assets			
Deferred tax asset	10	-	1,950
		-	1,950
Current assets			
Trade and other receivables	8	12,464	9,270
Deferred tax asset	10	799	1,872
Cash and cash equivalents	7	71,603	50,467
		84,866	61,609
Current liabilities			
Trade and other payables	9	(19,679)	(11,416)
		(19,679)	(11,416)
Net current assets		65,187	50,193
Total assets less current liabilities		65,187	52,143
Net assets		65,187	52,143
Equity			
Called-up share capital	11	36,079	36,079
Share premium account		28,971	28,971
Profit and loss account		137	(12,907)
Total Equity		65,187	52,143

The notes and information on pages 18 to 25 form part of these Financial Statements.

The Financial Statements on pages 15 to 25 were approved by the Board of Directors on 23 July 2025 and were signed on its behalf by:



Veronica Oak
Director
 23 July 2025

Company number: 02207140

Statement of Changes in Equity for the year ended 31 March 2025

	Called-up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance as at 31 March 2023	36,079	28,971	(21,703)	43,347
Profit and Comprehensive profit for the financial year	-	-	8,796	8,796
Balance as at 31 March 2024	36,079	28,971	(12,907)	52,143
Profit and Comprehensive income for the financial year	-	-	13,044	13,044
Balance as at 31 March 2025	36,079	28,971	137	65,187

The notes and information on pages 18 to 25 form part of these Financial Statements.

Notes to the Financial Statements for the year ended 31 March 2025

1. General information

People's Administration Services Limited (the "Company") is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Manor Royal, Crawley, West Sussex, RH10 9QP. The Company was a wholly owned direct subsidiary of People's Partnership Limited (the "Parent Company") during the year. Collectively People's Partnership Holdings Limited (the "Ultimate Parent 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. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These Financial Statements are prepared under the historical cost convention.

The preparation of Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in 'Critical accounting judgements and key sources of estimation uncertainty' on page 20.

Going concern

The directors have a reasonable expectation that the Company 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, including its cash position, for a period of at least 12 months from the date of signing of these Financial Statements. The directors have also considered the effect upon the Company'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 will be able to operate at adequate levels of liquidity for at least the next 12 months. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

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 that member is consolidated. The Company is a qualifying entity as its results are consolidated into the Financial Statements of People's Partnership Holdings Limited which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions in its individual Financial Statements from the requirement to:

- (i) prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102
- (ii) present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102
- (iii) disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

2. Summary of significant accounting policies (continued)

Revenue

Revenue represents administration, registrar and referral fees, and employer charges measured at fair value of the services provided, net of VAT (if applicable), and accounted for on an accrual basis when the right to consideration has been earned. Revenue is recognised to the extent that services have been provided in the year.

Operating expenses

All overhead costs in relation to the Company, including recharges from the Ultimate Parent Company, are reported under operating expenses. This is considered to be the most appropriate allocation for disclosure purposes and understanding of the financial results.

Taxation

The tax expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the 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 tax assets and liabilities are not discounted.

- *Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated based on tax rates and laws that have been enacted or substantively enacted by the period end.

- *Deferred tax*

Deferred tax arises from timing differences between the taxable profits/losses and total comprehensive income as stated in the Financial Statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in Financial Statements.

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's probable that they'll 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.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

2. Summary of significant accounting policies (continued)

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:

- *Deferred tax assets*

Deferred tax assets are assessed based on the current trading performance and expected future taxable profits of the Company. The Company 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 3 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.

Judgements:

There are no critical accounting judgements.

3. Revenue

	2025 £000	2024 £000
Administration fees	131,223	104,610
Employer on-boarding charges	733	1,033
	<u>131,956</u>	<u>105,643</u>

The origin and destination of all revenue is within the UK.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

4. Employee information and Directors' remuneration

The Company had no employees during the year (2024: nil).

The directors of the Company who were in office during the year are listed on page 1. The directors' remuneration in respect of their services for the Company during the year was:

	2025 £000	2024 £000
Aggregate remuneration	<u>684</u>	<u>791</u>

The figures above comprise an apportionment of Non-Executive and Executive Directors' remuneration in respect of their services to the Company during the year, all of which is paid by the Ultimate Parent Company/Parent Company.

The aggregate remuneration for the highest paid director was:

	2025 £000	2024 £000
Aggregate remuneration	498	450
Pension contributions paid in the year	<u>18</u>	<u>65</u>
	<u>516</u>	<u>515</u>

The number of directors accruing pension benefits under defined benefit pension schemes was 1 (2024: 1). The accrued pension in the defined benefit scheme of the highest paid director at the year-end was £67k (2024: £65k).

The number of directors accruing pension benefits under money purchase pension schemes was 1 (2024: 1).

5. Operating expenses and auditor's remuneration

Included in Operating expenses are the following:

	2025 £000	2024 £000
Services provided by the Company's auditor:		
Audit of the Company's Financial Statements	73	73
Audit-related assurance services*	<u>24</u>	<u>24</u>
	<u>97</u>	<u>97</u>

* Audit-related assurance services are for the CASS limited assurance opinion.

The Ultimate Parent Company paid most of the overheads of the Group until 30 September 2024 when, after a Group restructuring, the responsibility for paying such costs was transferred to the Parent Company. Both the Ultimate Parent Company (until 30 September 2024), and the Parent Company (from 1 October 2024) recharged a proportion of those costs to its subsidiaries. The total recharge for the Company for the year amounted to £98.6m (2024: £85.8m), reflecting an increase in Group costs driven by continued investment in growth.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

6. Tax on profit

	2025 £000	2024 £000
Corporation tax charge	1,425	1,021
Current tax charge in respect of previous periods	50	502
Total corporation tax charge	<u>1,475</u>	<u>1,523</u>
Deferred tax charge	2,961	1,539
Impact of deferred tax asset recognition	62	(1,617)
Total deferred tax credit	<u>3,023</u>	<u>(78)</u>
Total current tax charge	<u>4,498</u>	<u>1,445</u>

The effective tax rate for the year is higher (2024: lower) than the standard rate of corporation tax in the UK for the year of 25% (2024: 25%). The differences are explained below:

	2025 £000	2024 £000
Profit before taxation	<u>17,542</u>	<u>10,241</u>
Profit multiplied by standard rate of corporation tax in the United Kingdom 25% (2024: 25%)	4,385	2,560
Effect of:		
Tax charge/(credit) in respect of previous periods	113	(1,115)
Total current tax charge	<u>4,498</u>	<u>1,445</u>

The Company has trading tax losses at the year end of £3.2m (2024: £15.3m).

A deferred tax asset of £799k has been recognised in respect of the trading losses carried forward (2024: £3.8m). The asset has been recognised and is calculated using a tax rate of 25%.

Factors affecting future tax changes

The main rate of corporation tax for the year ended 31 March 2025 is 25%.

7. Cash and cash equivalents

	2025 £000	2024 £000
Cash at bank and in hand	806	745
Short term deposits	70,797	49,722
	<u>71,603</u>	<u>50,467</u>

Included in cash and cash equivalents is £47.9m (2024: £40.9m) of ring-fenced Master Trust reserves (see note 14).

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

8. Trade and other receivables

	2025 £000	2024 £000
Trade receivables	11,891	8,994
Amounts owed by Group undertakings	285	11
Other receivables	7	1
Prepayments and accrued income	281	264
	12,464	9,270

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

9. Trade and other payables

	2025 £000	2024 £000
Trade payables	31	65
Corporation tax	780	468
Amounts owed to Group undertakings	13,132	7,796
Other payables	5,552	2,913
Accruals and deferred income	184	174
	19,679	11,416

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

10. Deferred tax asset

	2025 £000	2024 £000
As at 1 April	3,822	3,744
Credited to Comprehensive Income Statement: Impact of deferred tax asset recognition	(62)	1,617
Charged to Comprehensive Income Statement: current year	(2,961)	(1,539)
As at 31 March	799	3,822
Included on the Statement of Financial Position as:		
Non-current assets	-	1,950
Current assets	799	1,872
	799	3,822

Deferred tax assets have been recognised on the basis that management now consider it probable that future taxable profits will be available against which this deferred tax asset can be utilised. The increase in TPP's AuM which drive the majority of growth in revenue underpinned by the continued annual single charge are driving profit projections over the next 5 years.

Key assumptions in the forecast are subject to sensitivity testing which, together with additional modelling and analysis, support management's judgment 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. Based on the current Company trading forecast, the deferred tax asset based on carried forward trading losses will be fully utilised during the 2027 financial year.

Notes to the Financial Statements for the year ended 31 March 2025 (continued)

10. Deferred tax asset (continued)

The impact of illustrative downward movements in key assumptions on the value of the UK deferred tax asset has been reviewed, for a scenario where revenue is 5% lower than forecast, and costs are 5% higher than forecast, both over a three-year time period. Under both scenarios, there remains sufficient cumulative forecast profit to fully utilise the brought forward trading losses by the end of the 2028 financial year.

It is further noted that the relative growth in AuM of TPP is an important factor in assessing a possible decline in forecast revenue. If AuM growth, rather than the modelled 4.6%-5% growth rate assumed in the forecast over the three period, was set to zero, then the 5% reduction in revenue would be realised.

Based on the current 3-year trading forecasts, revenue would have to decline by 6.0%, or costs increase by 6.2%, before any impairment of the deferred tax asset would be required.

For FY25, the 5% change in revenue or costs would fully impair the DTA provided.

The relationship between the deferred tax asset and the sensitivities is not always linear. Therefore, the cumulative impact on the deferred tax asset of combined sensitivities or longer extrapolations based on the analysis performed will be indicative only.

11. Called-up share capital

	2025 £000	2024 £000
Allotted, issued and fully paid		
36,079,000 (2024: 36,079,000) ordinary shares £1 each	<u>36,079</u>	<u>36,079</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

12. Related party transactions

In accordance with paragraph 33.1A of FRS 102, the Company is exempt, as a wholly owned subsidiary, from the requirement to disclose transactions with entities that are part of the Group or investees of the Group qualifying as related parties.

In addition, the Company has taken advantage of the exemption available under paragraph 33.1A of FRS 102 not to disclose transactions and balances between Group entities that have been eliminated on consolidation.

Further, the Company has taken advantage of the exemption for the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

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

13. Immediate and ultimate undertaking and controlling party

The immediate parent company is People's Partnership Limited, a company limited by shares, registered and domiciled in England and Wales. The Ultimate Parent and the controlling party during the year was People's Partnership Holdings Limited, a company limited by guarantee, registered and domiciled in England and Wales.

People's Partnership Limited is the smallest group the Company is consolidated in and People's Partnership Holdings Limited is the largest. The consolidated Financial Statements of both groups are available at the registered office shown on page 1.

As People's Partnership Holdings Limited is a company limited by guarantee, there are no shareholders, and accordingly there is no ultimate controlling party.

14. Financial Support Undertaking

The Company entered into a Financial Support Undertaking ("FSU") deed with TPP in May 2022 and this imposed an obligation on the Company to hold a ring-fenced CALP Reserve Amount consisting of the Master Reserve plus an additional £0.5m contingency. As part of the requirements of the FSU, TPP have a fixed and floating charge over the bank account holding the CALP Reserve held by the Company.