

People's Partnership Limited

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





Introduction

People's Partnership was founded for social good more than **80 years ago**. We're a different kind of financial services business because we don't have shareholders, so we can put our customers first. Every year, we reinvest our profits to benefit them and achieve better financial outcomes for everyone – it leads change in the pensions industry to make sure that pensions work for people across the UK.

We're best known as the provider of...

The People's Pension Scheme

("TPP" or "the Scheme"), our award-winning workplace pension.

Through TPP, we help...

One in five*

 UK workers

Some

7 million people

to save for a better retirement.

*Applies to people aged 22 and over with a workplace pension.





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Strategic Report

for the year ended
31 March 2025





Who we are and why we're here

People's Partnership has provided millions of people with greater financial security for more than eight decades. From our roots offering benefits to construction workers, we've transformed our business into one of the UK's leading pension providers. We've grown rapidly since we launched TPP in 2012 and as at 31 March 2025 have over **£31bn of assets under management ("AuM")**, with TPP now recognised as the UK's largest independent master trust.

Helping people live financially stronger lives

The UK is home to nearly 70 million people and every one of us deserves to feel confident about our future. However, six in ten people* are unsure if they'll have enough money for retirement. We believe that's an issue worth solving.

That's why:

01 **Our purpose**
is to help people to build financial foundations for life.

Our vision
is for the UK to be a place where millions of people lead financially stronger lives because of their trust in us.

03 **Our mission**
is to use our profits to provide straightforward, accessible, trusted financial products and support that help people become financially stronger.

People's Partnership Limited ("PPL" or the "Company") is a wholly owned subsidiary of People's Partnership Holdings Limited. For more information on our group, please see How We Are Structured on [page 23](#).

* Source: Retirement crisis predicted as Generation X aren't saving enough | People's Partnership

How we're different

In our industry, many companies offer products and services that can be hard to tell apart. We recognise that to really stand out and make a difference for our customers, how we do things is at least as important as what we do.

Products and services for everyone

We provide high-quality, straightforward and accessible products and services that can benefit everyone, no matter how much they're able to save. TPP is available to all employers, from those with just a few employees to those with a payroll of thousands.

Customers first

Putting customers at the heart of what we do means we prioritise their needs ahead of making money. One example of this is our charging structure, which rewards members for saving more. Through a rebate on their management charge, we've cumulatively paid back almost £78 million to our members up to 31 March 2025, including nearly £32 million in the last year alone, and in July 2025 we passed the £100m threshold for cumulative management charges returned to our members.

Trusted for life

Reinvesting our profits means we can provide an award-winning Scheme and customer service. We make it easy for customers to interact with us in the way that's best for them, whether that's by phone, email, online or through our app. This helps us build long-term relationships with our customers and earn their trust, as we live our values and vision.

Better for society

As a purpose-driven organisation, we feel a responsibility to improve our industry by championing better financial outcomes for people. This includes producing research and insights, to influence the industry for the better. We also think it's important to contribute to people and communities who need support.

The values we live by

Our values make up who we are, from the products we create, to how we communicate with our members and the way we work together to meet their needs.

Our core values are:

Understanding People

We understand people by putting ourselves in their shoes

We understand people by:

1. Asking questions
2. Actively listening
3. Learning from feedback

Creating Simplicity

We strip out complications and remove obstacles

We create simplicity by:

1. Challenging to improve
2. Working together
3. Creating straightforward solutions

Keeping our Promises

We always do what we say we will do

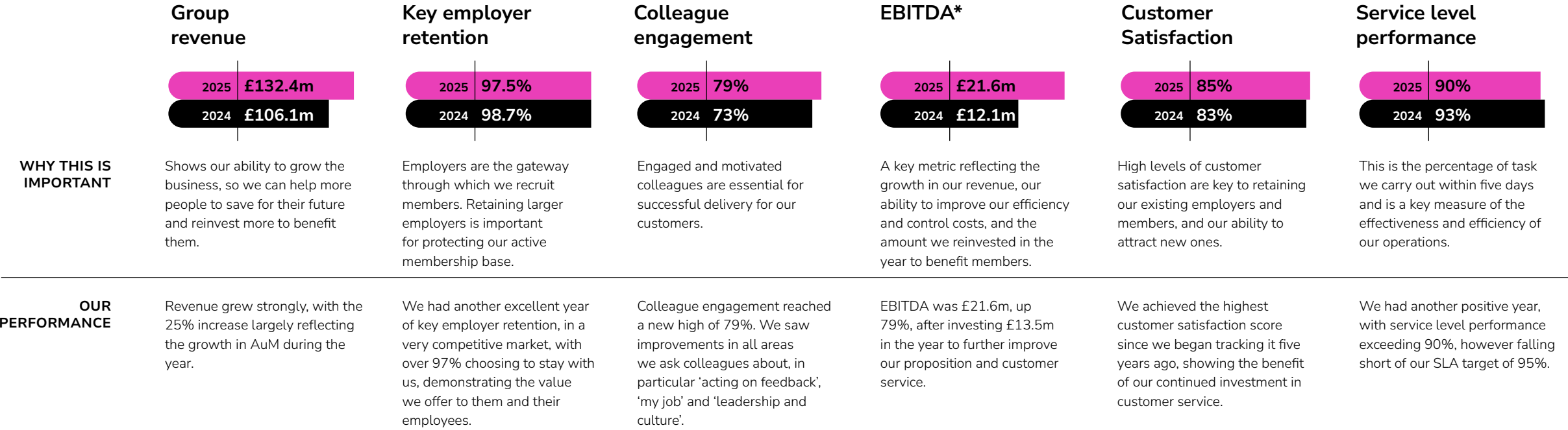
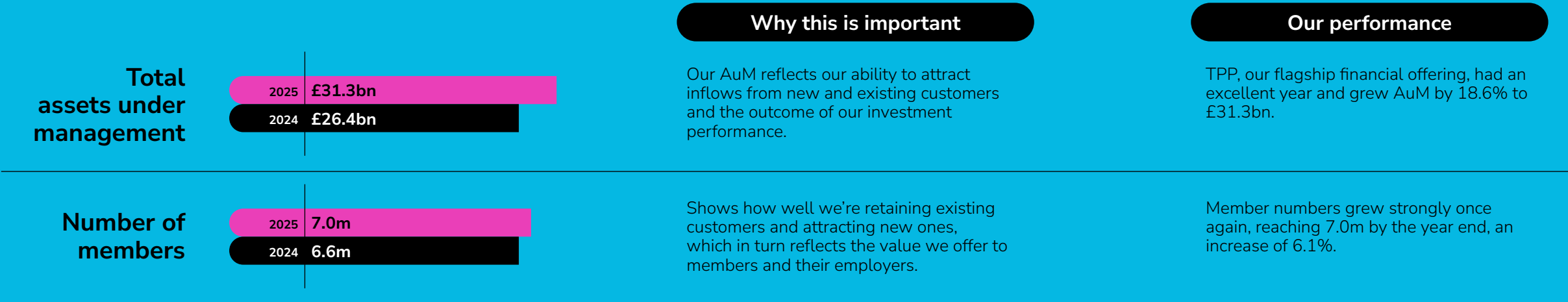
We keep our promises by:

1. Taking ownership to deliver
2. Setting clear expectations
3. Respecting others



The highlights of our year

We use the following key performance indicators to track how we're performing against our strategic objectives and the outcomes we want to achieve.



*Earnings before finance interest expense, tax, depreciation and amortisation



The highlights of our year (continued)

Our strategic KPI and other highlights in the year

We made further strong progress with our strategic priorities in the year, with the highlights including:

Winning in workplace pensions

- ✓ We onboarded 3,303 new employers to TPP (30% increase vs previous year) combined with excellent key employer retention, showed the benefit of our ongoing investment in our workplace pension proposition.
- ✓ Our annual target for new on-boarded annual contributions was far exceeded, with a result of £25.9m far in excess of the annual target of £9.0m.
- ✓ Launched further enhancements to our proposition to improve member engagement with their pensions and progressed on new services to support members reaching retirement. Our mobile app, video statements and our first financial wellbeing guidance proposition are some of the highlights.

Achieving world-class investment returns

- ✓ Launched new responsible investment policy to help drive sustainable investment returns.
- ✓ Aligned investment management to the policy by appointing Amundi and Invesco to run £28bn of funds.
- ✓ Continued to grow our in-house Investment Team, which was appointed primary investment adviser to TPP's Trustee.
- ✓ Over the year TPP as a Scheme returned an AuM market growth of £1.5bn, or 4.9% on opening net AuM.
- ✓ Our strong performance over the year also closed the performance gap relative to our peer group of Master Trusts, where our relative deficits on the 5-year average returns for our default fund reduced. We anticipate a continuation of our success in this area over the forthcoming year.
- ✓ Investment-related cost basis points (bps) assessment at March 2025 was favourable to the year end target, demonstrating that we are running an efficient and cost-effective operation which is likely better and cheaper than an outsourced alternative.

Delivering operational excellence

- ✓ Strong customer satisfaction and service level performance resulted from our ongoing investment in our people and systems, including a new contact centre solution and further digitalisation and automation.
- ✓ Our operational service efficiency target customer transactions per operational staff member per annum was significantly exceeded, enabled by our new automation programme.
- ✓ Our underlying surplus for the year, being the measure of profitability available to focus on strategic spend, was some £6.2m ahead of the planned position at the year end, at £35.3m.

For more information on our strategic priorities, see [page 11](#).





Chair's Statement

People's Partnership has gone from strength to strength over the last 12 months, as the highlights on the previous pages clearly show. We remain one of the UK's fastest-growing asset owners, with further increases this year in our member numbers, assets under management and our revenue and profit, which we've reinvested to deliver continued improvements in customer satisfaction and service.

This success reflects what we have long believed – that there is an important role in our industry for a provider that is purely focused on what is best for its customers, and that doesn't have to make profit-motivated decisions to generate dividends for shareholders. Our obsession with offering value for our members is truly part of our DNA. Our business was created over 80 years ago to support construction workers at a time when employee benefits were hard to come by, and we've been known for our innovative and pioneering approach ever since.

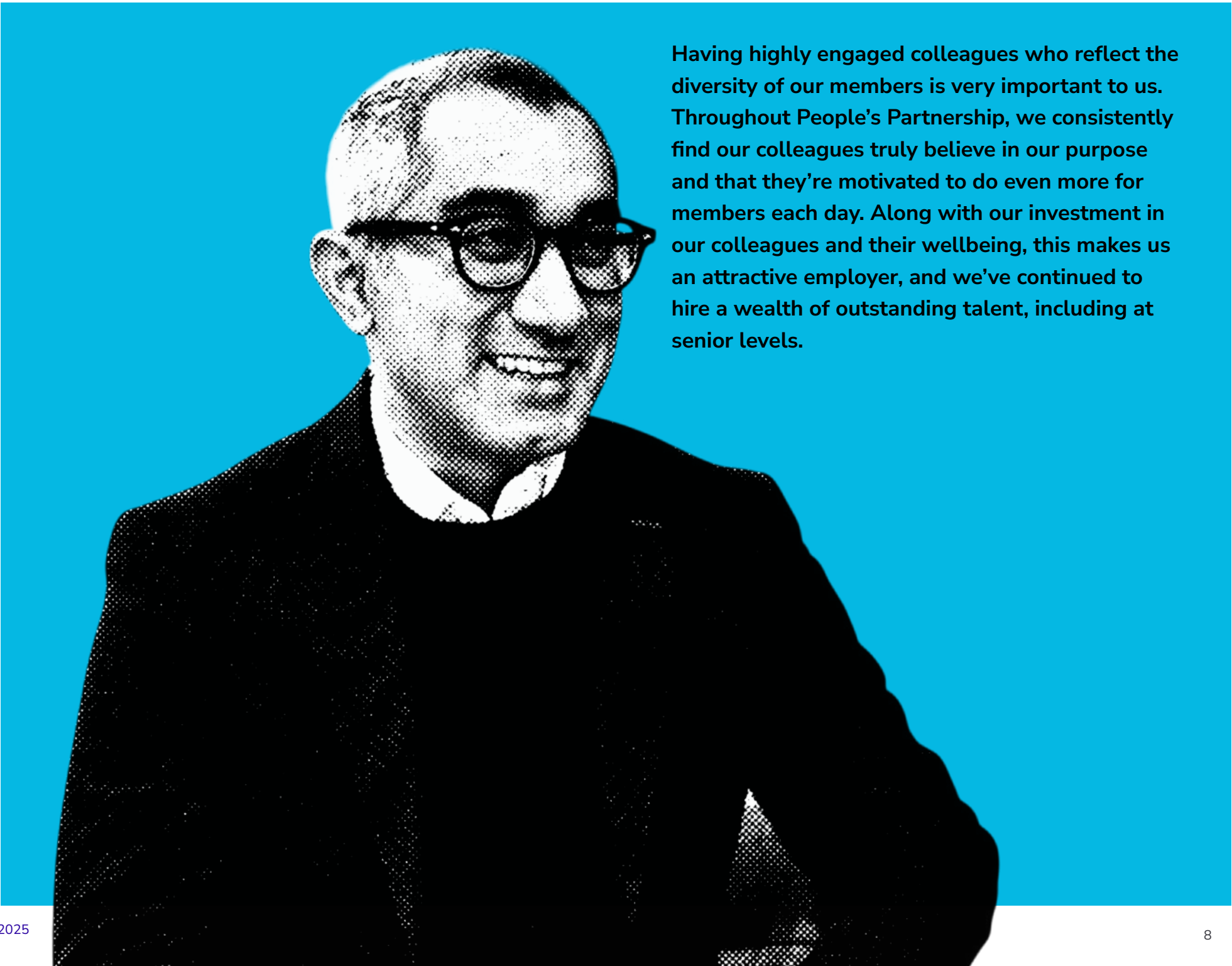
Throughout this report, you'll find details of the many things we've done this year to make our business even more effective at achieving its purpose. We know that many people find pensions daunting and complex, which can lead them to avoid the subject altogether. This means that we – and the industry as a whole – have a responsibility to offer them great products that are easy to understand, so they can take control of their financial futures. With this in mind, we've further improved our offering in workplace pensions throughout the last 12 months, including new tools and financial education services to help members make informed decisions that are right for them. The Board has also continued to oversee the major ongoing investment in the business, which is transforming how we operate and making us even fitter for the future.

As our CEO Patrick Heath-Lay discusses in his review, we have strong opinions on the importance of investing responsibly, not least because we think this leads to better returns for members. To this end, over the latter stages of the year, we moved the large majority of our funds to new asset managers, who support our responsible investment ethos.

At Board level, we were delighted to welcome Kay Smith, replacing Sue Hunter as our new Chief Finance Officer in December 2024, and Kay was appointed Executive Director to PPL Board from February 2025. She has a great track record of leading the financial strategies of large businesses and she's already making a difference to both the Board and the business.

I'd like to thank all my colleagues on the Board and across the business, who work tirelessly to benefit our members. Their efforts have put us in an excellent position to continue building a secure future for our members.

Jim Islam
Chair



Having highly engaged colleagues who reflect the diversity of our members is very important to us. Throughout People's Partnership, we consistently find our colleagues truly believe in our purpose and that they're motivated to do even more for members each day. Along with our investment in our colleagues and their wellbeing, this makes us an attractive employer, and we've continued to hire a wealth of outstanding talent, including at senior levels.



From our Chief Executive Officer

People's Partnership has a unique place in the UK financial services industry, as a truly purpose-driven business that firmly believes in delivering high-quality products and great value for everyone, no matter how much they're able to save for the future.

Continuing to improve our workplace pension offering

As we explain in more detail on [page 11](#), recent legislation is driving our industry to evolve rapidly in the coming years, with the introduction of a "mega-funds" framework, value for money metrics and small pots consolidation. We're focussed on transforming our business at pace, so we can be at the heart of that change. To better drive the strategic objectives of the People's Partnership Group, we undertook a strategic reorganisation in September 2024, as detailed on [page 14](#). We've seen the benefit this year of our continued investment in our proposition, with our new flexible pricing capability driving an increase in transfers in and new employer wins. Our aim, first and foremost, is to improve outcomes for members, while establishing ourselves as a strong competitor in the workplace pensions market, to drive our purpose of allowing as many people as possible to build financial foundations for life. We refreshed our brand in the year, and there is significant forward activity to drive our brand promotion. Our model of reinvestment in our proposition, as well as members, allows us to continually reinvest in the business and return substantial amounts to members through fee rebates, which cumulatively exceeded £100m in July 2025. The value we add for our customers helped member numbers and AuM reach new highs during the year. Our drive to enhance our offering will continue into 2026 and 2027 with the development of a number of significant new propositional enhancements, including a self-managed drawdown and guided retirement options for members.

Partnering with world-class and responsible investment managers

Ultimately, creating value for members requires us to produce sustainable investment returns for an appropriate fee. We made some significant changes to our investment approach this year, starting with a refresh of our responsible investment policy. We have clear convictions about the way we should invest and a responsibility to help secure people's futures, given we can look after our members' money for 30 to 40 years. Our approach aims to achieve better returns for our members and ensure we're playing our part in countering risks to their future, such as climate change, so they can retire into a healthy and prosperous world.

As part of this, we want to have partners who support our members in the right way. During the year we moved £28bn of members' money to Amundi and Invesco, two world-class asset managers who align with our responsible investment policy. We'll be looking to add more managers, as the next part of our journey will include investing up to 10% of AuM in private assets by 2030. We see good long-term returns for members here, while bolstering the UK economy by investing in its infrastructure.

Over the last two years, we've built a sizeable Investment Team, giving us in-house expertise in key asset classes. Now as primary investment advisor for TPP, we can increase agility to identify and take investment opportunities in a timely way to benefit members.

Investing in support and service

Operational excellence is a core part of our strategy. Our investment in our people and systems has allowed us to deliver strong service levels and the best customer satisfaction we've recorded to date. We've launched two major platforms into the customer servicing team and implemented automation processes to facilitate greater efficiency. We delivered a full migration of our IT platform to the Cloud in the year, with zero operational disruption, and we obtained ISO 27001 accreditation, which is an important recognition of the ongoing IT control environment and its conformance both to ISO standards and CIS controls framework. Increasing efficiency also leaves more profit to reinvest and frees up our people's time to support members at their most critical moments. While we track metrics such as the time we take to answer the phone (60 seconds on average in FY25, against our target of 120 seconds), we don't rush members to finish the call. We're there to provide the support and guidance they need, so they can make good decisions. Our multi-channel capability means members can choose how they interact with us and, as one example, we've had great feedback on our webchat. We're investing in our other digital channels, including adding functionality to our highly popular app, which has been downloaded 312,000 times in just over a year, and we've seen growth in the number of members now reviewing their pension online, with online registrations up to 40%.

Working for a better industry

Our scale and focus on our members mean we have the credibility to advocate for industry reforms on behalf of savers. We've played an important role in influencing Government policy and we're encouraged by the recent Pensions Bill, which includes many measures that require providers to deliver better outcomes for savers. We've also campaigned on other issues, such as the transfer market, which contributed to the regulator starting further consultations in this area. In addition, we've continued to produce research and reports into important topics such as the potential in private markets, the possible impact of pensions dashboards and how to encourage people to engage with their pensions savings.

We continue to support our legacy construction industry products, including our employee life and accident cover products, and our B&CE Benefits Scheme, together servicing over 430,000 members.

In conclusion, I'd like to thank everyone at People's Partnership for their hard work and contribution to another successful year, for both our members and our Group.

Patrick Heath-Lay
Chief Executive Officer

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Our Business Model

Members' needs are at the heart of our business model, reflecting the purpose of our organisation (see [page 5](#)).

The foundations of our business

Our business has the following strengths and key assets, which are fundamental to our ability to create value for members:

People and culture

As at 31 March 2025 we had employed 1,005 highly committed people, who come into work every day determined to deliver our purpose.

Specialist knowledge

We have deep in-house expertise across our business, including specialists in propositions, customer engagement, distribution, operations and our rapidly growing Investment Team, underpinned by highly experienced colleagues in our central functions.

Scale

As the provider of the UK's largest master trust, we have the scale to attract great talent and to reinvest significant amounts each year for the benefit of customers.

Financial strength

We're well-capitalised and financially strong, with the resources to invest and to remain resilient in an uncertain economic environment.

Well-invested infrastructure

Our cloud-based systems provide a high-quality platform to deliver ongoing improvements to our customer service and operational performance.

How our business works

- ✓ We build products and services with everyone in mind. This means our products are simple, accessible and high quality, so our members can understand their pensions and feel confident in engaging with them.
- ✓ We continually invest in our products and services, to improve members' experience and outcomes.
- ✓ We focus on delivering our savings promise to members, through strong and sustainable investment performance. Our Investment Team advises TPP's Trustee directly on key issues, such as selecting investment managers and asset allocation, and is spearheading TPP's drive into new investment markets.
- ✓ We look to deliver excellent customer service, which includes acting transparently and providing clear information and guidance, so our members can make the right decisions.
- ✓ We invest in our colleagues, to make PPL an even better place to work, help them achieve their potential and deliver for customers.
- ✓ We aim for operational excellence, which supports great customer service, gives us the capacity to grow and increases our efficiency, so we earn more profit to reinvest.

The value we create

Value for customers

The value we provide to customers takes many forms but the most important elements are the investment returns we deliver and the fees we charge. As we don't have shareholders, we return a substantial amount of our management charges to members – some £77.6m to date and £31.6m in the last year alone. Most significantly, in July 2025 we passed the £100m threshold for cumulative management charges returned to our members. We also offer members a unique best price guarantee (see [page 12](#)), and a growing range of complementary services at no extra charge.

Value for our colleagues

We offer colleagues attractive rewards and benefits, the opportunity to learn and develop, and actively support their career progression and wellbeing. See [pages 15 to 16](#) for more.

Value for our community

Our focus on local recruitment supports the regional economy and reduces commuting. We also help the community through volunteering days and our work with charities (see [pages 16 to 17](#)).

Value for society

We make an important contribution to society by supporting the financial wellbeing of our 7 million members and their families. In addition, we work to create positive change in our industry which benefits everyone.



How our industry is changing

The pensions industry is rapidly changing, with the Government and regulators looking to reform the industry to ensure it delivers for savers. The Government also recognises the role pension funds can play in boosting economic growth and people's living standards, by investing in the UK's critical infrastructure.

Pension reform with long-term ambitions

The Pension Schemes Bill introduced in June 2025 represents the most significant reform of UK workplace pensions since automatic enrolment. It charts a path toward a more consolidated, transparent and outcome-driven system, where scale and performance based on value are no longer optional but essential.

For defined contribution schemes such as TPP, the Bill's highlights include:

- ✓ **The introduction of a “mega-funds” framework.** To continue to receive auto-enrolment contributions, schemes will need at least £25bn of assets by 2030. There will also be rules setting out the minimum percentages that schemes must invest in specified asset classes. This proposal recognises that larger schemes are better positioned to deliver value through efficient administration, economies of scale and investment in private markets. It will likely drive schemes to consolidate, resulting in fewer but much larger providers, who will invest in the UK, overseas and in private assets.
- ✓ **The introduction of value for money metrics for workplace pensions.** Scheme trustees and managers will have to assess the value they provide to members and publish the result and the underlying data. The rating will broadly reflect three metrics – costs and charges, service quality and investment performance – shifting away from the current focus on cost.
- ✓ **A legal framework to enable the consolidation of small, deferred pension pots.** When people change jobs, they typically join a new pension scheme. This can result in them having many small pension pots sitting dormant in their previous schemes. The proposed “default consolidator” model would automatically consolidate these pots into a smaller number of authorised schemes. This could offer a practical, scalable way to address the problem, reducing inefficiency and helping savers build more meaningful balances.
- ✓ **A new duty on schemes and trustees to offer a default retirement product.** Savers reaching retirement face complex decisions about what to do with their pension savings, which can have major implications for their financial security. The requirement to have a default retirement product will give them a straightforward option and a regular income.

What these changes mean for us and our members

We see much to welcome in the Bill's direction. It aligns with principles we've built our business on, and we're determined to step up to the challenge as the industry transforms. We'll continue to use our unique model to channel the value we create into better outcomes for savers.

TPP already exceeds the minimum size requirement and we expect our AuM to be larger still by 2030. In a consolidating market, we're a fantastic home for peoples' pensions and we've long understood the benefits of scale and remaining a market leader. We're well placed to succeed because we don't have legacy systems or products to hold us back, or have the complexity of offering multiple different policies to our members.

Our strategic priorities, which are set out in more detail on the following page, reflect the actions we need to take so we flourish as the industry evolves. For example:

- ✓ We're continuing to add products and services, to ensure we have a compelling proposition in workplace pensions;
- ✓ We already have the expertise and strategy in place to invest in private markets, as part of our focus on delivering strong and sustainable investment returns; and
- ✓ We're continuing to invest in our business, so we can deliver even better value for our customers.

As part of this, we recognise that the needs of individual members will become increasingly important over the years ahead, with the introduction of pension dashboards and the focus on retirement solutions. In addition to ensuring we have the products, services and guidance they need, we'll be raising the profile of our brand, so individuals really understand our difference in this market and choose us to support them through their retirement.



Our strategic priorities

We have a clear strategy, which aims to grow the business, generate strong investment returns and continually improve our operational performance, so we can deliver even better value for an increasing number of members.

See [page 6](#) for more information on our KPIs and our performance in the year. Our priorities are set out below:

Strategic priority	Measuring success - our KPIs
Winning in workplace pensions We'll continue to invest in new products and services, to broaden and deepen our relationships with members, and ensure TPP is attractive to employers and their advisers. We'll boost recognition of our brand and what we stand for, so our difference is well understood across our market.	Total assets under management Member numbers Key employer retention
Achieving world-class investment returns We'll continue to leverage our in-house investment expertise, so we can provide timely advice and insights and boost investment returns. We'll partner with world-class investment managers, who have the capability to deliver strong returns while aligning with our responsible investment ethos.	Out-performing our peer Group returns for our default and pre-retirement Funds by the end of FY28 Investment-related cost basis points (bps) assessment
Delivering operational excellence We'll continue to invest in our people and systems, using automation, digitisation and self-service channels to further improve customer service and increase our efficiency and effectiveness, while developing and engaging our people.	Service Level Achievement relative to TPP Trustee-set KPIs Customer satisfaction score Colleague engagement score Service level performance
Successful delivery of our strategic priorities will contribute to strong financial performance, giving us the funds to reinvest in our strategic initiatives and return to members through rebates.	Group revenue EBITDA



Operational review and business update

We made further strong progress with our strategic priorities in the year, as we continued our rapid transformation of the business.

Winning in workplace pensions

Growing The People's Pension Scheme

Our flagship financial product had another good year, with TPP's membership increasing by 6% from 6.6m to 7.0m. Our retention of key employers remained very positive, with a 97.5% success rate (2024: 98.7%). We also achieved a large increase in new business wins, which were up 30% (3,303 new employers vs 2,539 previous year). This included both employers switching to us from other providers and success with those offering pensions to their workforce for the first time. More members also consolidated their pension pots with us with £551k of transfers in recorded in 2025, a 30% increase on 2024.

Over the year, TPP's AUM grew from £26.4bn to £31.3bn, with positive investment performance contributing £1.5bn of this increase.

TPP's continued growth reflects the value we offer to members and their employers. We've seen the benefit of changes we've made to our proposition over the last couple of years, such as introducing scheme-specific pricing. This allows us to tailor cost to support our competitiveness in the market. We also have a unique best price guarantee for members. This means that if members have more than one pension pot with us for example because they've switched employers and pension schemes and then come back to us, we'll charge them the lowest-available management fee on all of their holdings with us.

Launching new products and services

We want to stand out as the workplace pension provider that gives members the help and guidance they need to manage their money, plan for retirement and get the best possible outcome for their savings. We do this by offering tools and guidance alongside TPP, adding value for both employers and members, at no extra cost to them.

We published research* in May 2024 which showed just how important it is to make it easy for people to understand their pension savings. We found that one fifth of people have never checked their pensions and nearly one third don't know how much they have in all their pension pots, making it much more difficult for them to plan for their futures. Our survey also found that while nine in ten people use a banking app, only one in ten have an app for their pension. Nearly two thirds would check their pension savings more regularly with an app.

To address this, we're continuing to make a major investment in digitalisation, so we can better engage members with their pensions and communicate with them more personally. The app we released in FY24 is an important part of this and we've seen an excellent take-up, with 312,000 members now having downloaded it. The app allows members to quickly understand their pension and use our portal, for example to transfer in their other pensions or tell us who their beneficiaries are. They can also access our member rewards, with a range of great offers such as discounted tickets for attractions, and find educational content to help them understand and manage their finances. We've continued to develop the app during the year and will add more functions over time. In addition, we've had significant interest in the retirement planning tool we launched in FY24, with around 140,000 members having used it so far.

This year's initiatives to benefit our members included:

- ✓ Introducing personalised video statements. These complement the annual statement members receive and simplify pensions for them, by giving them essential information about their savings in an easily accessible and more-engaging format.
- ✓ Launching a new partnership with nudge Global, to provide impartial and personalised financial education to our members and support their financial wellbeing. This partnership will also give us valuable insights into the topics our members are interested in, so we can provide more of the information they need.
- ✓ Releasing a pension consolidation calculator, to help pension savers understand the long-term impact of different charges when they're considering transferring their pensions. This gives them transparent information so they can make an informed decision.

We're currently working on initiatives to support members once they reach retirement. Retirees can face extremely complex decisions about how best to access and use their pension savings, which can have a major impact on how long their savings will last and how much tax they'll have to pay, among other things. To help them navigate this, we'll provide support services digitally and through our contact centre. These will include a tool to help people understand the relationship between how much they can regularly draw from their pension and how long their pot will last. We're also developing a default retirement solution, which will give our members a straightforward option for managing their pension pot and their income from it during retirement.

In addition to this, we're reviewing our self-select investment fund range to ensure that members who want to make their own investment decisions have the right choices available to them.

Developing our branding

During the year, we refreshed and repositioned our brand. This will help us communicate the purpose of our organisation clearly and consistently, so potential customers understand why we're different and what they'll gain by joining us – we're a business with no shareholders, reinvesting profits to improve financial outcomes for its members. We'll be running our first consumer campaign in the first half of our 2026 financial year.

Maintaining legacy construction industry schemes and products

We constantly review all our products and services – 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 offerings, namely the B&CE Benefits Scheme (comprising of Lump Sum Retirement Benefit ("LSRB") and Additional Voluntary Contribution ("AVC"), still serves 329k members (2024: 340k). In addition, the Employee Life Cover from B&CE Scheme and Employee Accident Cover product still serve 108k members (2024: 113k).

Achieving world-class investment returns

In April 2024, we announced our new Responsible Investment Policy, which strengthens our expectations of TPP's investment managers. The Policy's main objective is to achieve better investment returns for members, by encouraging investee companies to behave responsibly and sustainably. Our minimum requirements of our investment managers include a commitment to net zero and devoting sufficient resources to stewardship, so they can effectively engage with the companies they invest in on our members' behalf. Climate change, nature and human rights are our three stewardship priorities.

Following an extensive process run by our Investment Team, in February 2025 the Trustee approved our recommendation to appoint Amundi and Invesco to manage £28bn of TPP's funds. Both managers bring exceptional expertise and share our commitment to responsible investment, reflecting our responsibility to deliver strong and sustainable investment returns for members. We awarded a £20bn mandate to Amundi for passive developed-market equities, while Invesco has taken on more than £8bn in fixed income investments.

To support TPP's long-term investment performance, we've continued to strengthen our in-house Investment Team, which increased from 17 to 21 FTE staff during the financial year. This included adding further specialist skills, with our new hires bringing expertise and experience across banking, hedge funds, asset management, asset owners and consulting.

As part of this, we've built our capability in private markets and recruited Co-Heads of Real Assets, who joined us after the year end. This allows us to broaden TPP's assets into sectors such as infrastructure and real estate, which we expect to benefit both our members and the UK economy.

Another key development in the year was our subsidiary People's Investments Limited becoming the primary investment adviser to TPP's Trustee. This reflects the significant expertise we've built up in our Investment Team, which we've put together specifically with the needs of the Trustee and members in mind. Advising the Trustee directly will enable us to find and implement new ideas more quickly and efficiently, leaving more value in members' hands.

*For the published research click [here](#) or visit: <https://peoplespartnership.co.uk/media-centre/press-releases/one-in-five-savers-have-never-checked-their-pensions-research-by-the-peoples-pension-reveals/>



Operational review and business update (continued)

Driving operational excellence

Our continued investment in improving customer service contributed to the highest customer satisfaction we've achieved since we started tracking it five years ago. Our score this year was 85% (2024: 83%), while our service level performance – the percentage of tasks we carry out within five days – was 90% (2024: 93%). Call volumes increased by 11% in the year and on average it took us 60 seconds to answer them (2024: 77 seconds).

Both employers and members continue to rate us highly. They particularly appreciate our phone and web chat, and we're looking for ways to make email an equally engaging channel. During the year we rolled out Genesys, a cloud-based contact centre software solution, which really helps our agents to engage better with customers. Its features include Agent Assist, which provides knowledge prompts and automated note summarisation. We're also focusing on local automation, to make it quicker to satisfy customer requests. These tools leave more time for our colleagues to have valuable conversations with customers, as well as increasing colleague engagement by taking on repetitive tasks for them. In addition, we're using AI to understand customer sentiment and their reasons for contacting us, so we can better tailor our service to what they need.

Many members prefer to interact with us digitally at a time that suits them, so we're continuing to expand the self-service capabilities we offer. Following the launch of our app and further improvements to our customer portal, we've introduced a completely new claims journey, with excellent customer feedback so far. We're now working to similarly improve the experience for customers transferring in.

Our investment in technology is key to increasing our efficiency, so we can service a growing business and continue to offer great value for customers. We've rolled out a workflow solution called Verint across all our operations, enabling us to better manage our capacity and giving us improved insights into our performance. Moving all our databases and applications into the cloud has also had a positive impact on our resilience and performance. Other initiatives include introducing a tool that helps us to rapidly confirm a customer's identity and their bank details.

Great customer service and operational efficiency need engaged and motivated colleagues. We're halfway through a £5m project to refurbish our headquarters building and turn it into an inspiring, engaging and inclusive environment. The space is designed specifically to cater for different needs. For example, we've designed the layout of the contact centre to improve connection between our teams.

Training is also high on our agenda. We've created an Operations Leadership Development Academy, geared to developing our people's capacity to deal with the sometimes unique challenges of leading in an operational environment. We've also begun a multi-skilling programme, to improve service and our resilience. This means we can respond to an increase in customer requests in one area, for example, by swapping people between teams. The programme also supports our growth aspirations and colleague development. In addition, we've focused on vulnerable customer training across the Group, to ensure our colleagues are well-equipped to understand and help members with additional needs.

We aim to continuously improve how we do things and we've introduced Continuous Improvement champions to help us embed this in our culture, with the aim of empowering our people to make their own improvements to the way they work day-to-day. This sits alongside our formal continuous improvement initiatives, as we look to further simplify our processes and procedures wherever we can.

Engaging with the regulatory agenda is an important part of our role. Throughout the last year, we've worked closely with the Government's Pension Dashboard programme and we successfully connected to the dashboard in September 2025.

In the year ahead, our focus will be on increasing automation, digitisation and self-service. We're also aiming to incrementally improve our first-contact resolution rate, ensuring more customers get the help they need the first time they get in touch.





Chief Finance Officer's Statement

I am honoured to have been appointed as Chief Finance Officer to the Board of the People's Partnership this year and am pleased to present the financial results for People's Partnership Limited ("PPL") Group for the year ended 31 March 2025. This year, we've continued to put our members at the heart of everything we do, delivering strong financial results, navigating uncertainty with care, and making meaningful progress in how we support our members now and for the long term.

People's Partnership Group strategic reorganisation

During the current year, we undertook a strategic reorganisation of the People's Partnership Holdings Limited ("PPHL") Group, and on 30 September 2024, under the terms of a Business Transfer Agreement ("BTA"), moved the majority of the trade and net assets from PPHL to PPL. As part of this transfer, all supplier and PPHL Group employment contracts were novated from PPHL to PPL, to allow PPL to better drive the strategic objectives of the Group. Further, the intercompany debt of £64m between PPL and PPHL was capitalised, and a further capital injection made from PPHL to PPL of £19m. These transactions were all funded by PPL issuing new share capital to PPHL for £101m. The resultant transfer of net assets under the BTA, the capitalising of intercompany debt and the profit for the year, have all contributed to an increase of the net assets of PPL Group by over £108m.

Due to the significance of the impact of the transition from PPHL to PPL on PPL's Consolidated Statement of Financial Position, to aid the readers' understanding of the Financial Statements and for comparability purposes year on year, the transfer has been accounted for using merger accounting, whereby the transfer of assets and trade under the BTA has been accounted for as if they had always been reported within PPL Group.

Consequently the Financial Statements of PPL Group have been restated for 2024. Refer to note 3 and note 26 of the Group Financial Statements on pages 42-43 and 60 onwards for more information. The application of merger accounting is only a presentational adjustment to the Financial Statements of PPL Group, and does not affect the full PPHL Group consolidated Financial Statements.

Financial review

We delivered a strong financial performance in the year. Revenue increased by £26.4m or 24.9% to £132.4m (2024: £106.0m), driven primarily by growth in AuM during the year. Our core product The People's Pension Scheme is going from strength to strength with 7.0m members and over £31.3bn AuM underpinned by strong member contributions and improved investment performance.

AuM at the year end was £31.3bn (31 March 2024: £26.4bn), and the average AuM during the year was £29.6bn (2024: £22.7bn). Growth in TPP's AuM is determined by 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 5.8% during the year, against a performance objective of 5.2%. The number of new contributing members in the year to 31 March 2025 exceeded 575,000 (2024: over 630,000), with 3,303 new Employers joining the Scheme in 2025 (2024: 2,539). Our annual contributions received were in excess of £4bn for the first time, at £4,225m for 2025, increasing from £3,991m in 2024. In a competitive transfer market, transfers out were 40% higher than switches into the Scheme in 2025. Overall, the average member contribution grew by more than 7% during the year, to £2,297 per member.

Net operating expenses increased broadly in line with revenue and were 18.5% or £18.3m higher at £117.1m (2024 restated*: £98.8m). This reflects our continued investment in people to service our growth and to deliver the investment of £13.5m (2024: £18.0m) in product enhancements and digitisation of services to TPP members, as described in the operational sections on page 12. In the coming years, we intend to continue to reinvest to support our strategic priorities, as set out on page 11.

Finance income increased to £5.5m (2024 restated*: £4.3m) due to the continued higher interest rate environment and our active management of our cash balances, to generate increased returns.

Our EBITDA for the year of £21.6m (2024 restated*: £12.1m) demonstrates the success of our strong business model.

The consolidated profit for the financial year was £15.4m (2024 restated*: £11.6m). More information on our financial performance can be found in the Group Consolidated Financial Statements from page 33.

Our solid financial performance as a Group allows us to invest for the benefit of our members, whether that is in strengthening our investment capabilities to enhance performance of the scheme or in continuing to develop our products further for the benefit of our members.

Strategic Progress

During the year, we made significant strides in advancing our strategic priorities:

- ✓ **Customer focus:** we enhanced our digital platforms to improve member experience and accessibility.
- ✓ **Sustainable growth:** we expanded our product offerings and deepened relationships with key partners.
- ✓ **Operational excellence:** we continued to invest in technology and process improvements to drive efficiency and resilience.

These changes are building a stronger, more agile organisation. One that is ready to respond to a changing world while staying true to our values.

Capital

The Group has capital reserving requirements as follows:

People's Administration Services Limited ("PASL") as the Scheme Funder for TPP (and in compliance with Master Trust supervision regime requirements), has held the necessary capital to meet its obligations throughout the financial year. At 31 March 2025, PASL held Master Trust reserves of £47.9m as calculated in the Costs, Assets and Liquidity Plan ("CALP") and including a £0.5m contingency, 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 the Trustee of TPP has a legal charge applied to the capital held in this account.

PASL is regulated by the Financial Conduct Authority ("FCA"). Throughout the year PASL more than covered its FCA capital requirement of £20k (2024: £20k).

B&CE Insurance Limited ("InsCo") is regulated by both the FCA and the Prudential Regulation Authority ("PRA"). It has held the necessary capital to meet its obligations throughout the financial year, being £5m, split between £3m for the Long-Term Fund, and £2m for the General Fund. These amounts remain unchanged since the prior year.

People's Investments Limited ("PIL") obtained FCA Regulated status in October 2024, and has maintained Capital to cover its Capital requirement of £1 from the date of approval.

Risk and Resilience

We also strengthened our approach to managing financial and operational risks, particularly considering inflationary pressures and market volatility. Our diversified investment approach and strong risk management framework have helped us maintain stability and protect member interests.

Outlook

While economic uncertainty persists, we are well-positioned to adapt and grow. As we look to the future, our priorities are clear; continue driving efficiency, investing in innovation and keep delivering long-term value for members.

Acknowledgements

I'd like to thank my colleagues across the organisation for their warm welcome and continued dedication this year. And to our members, thank you for your trust. It's a privilege to play a part in delivering our shared purpose.

Kay Smith
Chief Finance Officer

* Refer to note 26 for details.



Risk management

Risk management framework

Our Group risk management framework enables a holistic risk-based approach to managing our business. It integrates concepts of strategic planning and operational management into the following risk management framework elements, all with a focus on customer outcomes:

- ✓ Risk Appetite
- ✓ Risk Governance
- ✓ Three Lines Model, Roles and Responsibilities
- ✓ Risk Management Process, including identification and assessment of current, horizon and emerging risks.

Risks and controls are key components of the risk management framework. The Company's success is dependent on the proper identification, assessment, and ongoing management of risk. Risks are managed at the Group level and People's Partnership has established a framework of policies, procedures and internal controls that apply to subsidiary companies over the process of risk management and acceptance.

All risk policies are subject to the PPL Board of Directors' approval and ongoing review by management and the risk management team. The complete PPHL Group risk management framework is disclosed in the consolidated Financial Statements of PPHL, of which this sub-consolidation is part of.

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 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.

Risk appetite

The Board of PPL 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 risk management 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 under the '3 Lines of Defence' risk governance model:

01 Business Functions: Responsible for identifying, assessing, and managing risks within the risk management framework.

02 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 risk, and the Chief Executive Officer (CEO) holds overall accountability, while the Board is ultimately responsible.

03 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 PPL Board.

Our people

Our colleagues remain central to delivering the products and services that support our members' to build financial foundations for life. We continue to embed a strong focus on equity and belonging, meaningful development and inclusive leadership within our people strategy. By leveraging our established approach to recruitment, management, and development, we're seeing sustained benefits from investing in an inclusive workplace.

At year-end, our workforce grew to 1,005 colleagues, with a gender split of 57% female and 43% male. Most colleagues (88%) work full-time, and we continue to recruit locally to support the regional economy and reduce commuting. Our London office, opened in early 2024, has become a successful hub for our Investment team and other business functions.

Rewarding and Recognising Our People

We continue to leverage our competitive total reward package, including salary, bonus, benefits, and non-financial incentives to attract and retain talented people. As a Living Wage Employer, we align pay with the Real Living Wage Foundation's recommendations and offer pension contributions of up to 14%, reflecting our advocacy for stronger employer provision in auto-enrolment schemes.

All colleagues are eligible for a bonus plan, which is linked to both company performance and individual objectives. We've modernised our reward programme with a digital platform that provides insights into benefit preferences and allows mid-year changes. Initiatives like our electric car leasing scheme and targeted pensions awareness campaign have seen strong uptake. Adjustments to entry-level salaries in Customer Operations reflect our response to local market conditions and cost-of-living pressures.



Developing Our People

We continue to support colleagues in building fulfilling careers through tailored development programmes. This year, we launched "Aspire" for new and aspiring managers, equipping over 30 participants with essential leadership skills. We also introduced Insights Discovery psychometric training, with 470 colleagues participating to enhance self-awareness, team dynamics, and inclusive collaboration. The tool has also supported our commitment to inclusion, helping our colleagues better understand different perspectives and working styles.

Carolyn, Service Transition Manager in our IT Services team, gave us her thoughts on the impact of attending an Insights Discovery session:

"Insights is probably the most valuable training that I have ever undertaken in my working life. As an autistic person, communication is not my forte, but Insights has given me more tools to try and communicate better with those I work with than anything else I have ever tried! The people behind this may not be aware of what a powerful tool this is for those of us who are neurodivergent, as most of us have spent more time being misunderstood than understood, so what it gives us is amazing."

Senior leaders completed our "Elevate" programme, culminating in a leadership event that introduced new behaviours aligned with our values and strategic goals. Our mentoring partnership with the Pensions Management Institute also supports cross-sector development and knowledge sharing. We continue to leverage apprenticeships through the Government's Levy, funding leadership, technical, and specialist programmes across departments.

Steve, who leads our Financial Planning & Analysis Team, has benefitted from attending the Cranfield MBA this year, part-funded through the apprenticeship levy. Steve says:

"The MBA has been a transformative experience, opening my mind to new perspectives and ideas that I had not previously considered. It has helped me understand myself better, from my leadership style to my professional aspirations, allowing me to approach challenges with greater self-awareness. The opportunity to meet people from diverse backgrounds, geographies, and industries has enriched my understanding of how different sectors operate and collaborate, offering valuable insights into best-in-class practices."





Our people (continued)

Driving Engagement

We've continued to strengthen colleague engagement, achieving a 1-star Best Companies accreditation for the second year, reflecting 'very good' levels of workplace engagement. Our February 2025 survey showed a record-high engagement score of 79%, with improvements across all themes, especially in leadership, culture, and responsiveness to feedback.

To support connection and alignment, we held our first all-colleague offsite in over five years, focused on purpose and future plans. We also hosted a senior leadership event and maintained regular communication through quarterly business updates and open Q&A sessions, ensuring transparency and involvement across the organisation.

We launched Spark! an online suggestion platform, to encourage idea-sharing and continuous improvement. Colleagues have embraced the opportunity, with feedback received such as:

"I have submitted several Spark suggestions; it is quick and easy to submit. Each time I've received a quick acknowledgement to say my idea has been passed to the relevant person, which is then followed up with a response. Throughout your working day, if you come across a niggle, instead of putting up with it, log it on Spark. You don't need to investigate who to send it to; all that will be done for you". - Kelly, Member Services Technician

Spark! has already led to enhancements in processes, facilities, and training. We also introduced The People's Awards, a new annual recognition programme celebrating a wide range of contributions, from innovation to leadership and community impact.

Wellbeing Support

Supporting colleague wellbeing remains a priority, with a comprehensive programme addressing physical, mental, and financial health. Resources include mental health first aiders, menopause champions, an employee assistance programme, and healthcare plans through Westfield Health and Bupa.

Our wellbeing portal offers accessible guidance and tools, while events throughout the year—ranging from meditation workshops to financial planning webinars—have helped colleagues stay informed and supported. Social activities like summer barbecues and team-building events also contribute to a positive and connected workplace culture.

Embedding Inclusion, Diversity, and Equality

We remain committed to embedding an inclusive culture where everyone feels respected and valued. Our Inclusion, Diversity & Equality Policy ensures fair and consistent practices, supported by mandatory training and our Colleague Promise. Survey results show continued progress, with 93% of colleagues feeling respected and 91% viewing us as an inclusive employer.

To deepen this commitment, we introduced Speak Up Champions—representatives across the business who facilitate feedback and support inclusive practices. We've also enhanced manager guidance and partnered with specialists to improve diverse talent pipelines, resulting in 40% female representation in senior leadership—meeting our 2024 target and outperforming industry averages.

Our six Colleague Networks continue to evolve, supported by Executive sponsors and internal teams. These networks play a vital role in shaping our culture and providing spaces for education, connection, and advocacy across diverse communities. Kerry, a team leader in our Customer Service Delivery department, joined our networks this year. Kerry says:

"Looking after a team of people, I often heard myself saying 'Am I diverse and inclusive? Is there anything more I could do?' I want my team and the people I work with to be comfortable around me, for them to feel included, and most of all valued. So, to educate myself on what being diverse and inclusive means, I joined the Gender Diversity network. It hasn't just been an education; it's been an absolute joy. I've met so many amazing people with a multitude of perspectives, experiences, and backgrounds!"

Being a corporate socially responsible business

Serving the community

People's Partnership has provided millions of people with greater security and better prospects, for more than 80 years. As an organisation without shareholders, we can always put people first, reinvesting our profits to help build stronger financial foundations for our members, deeper social foundations for the UK and a world with more sustainable foundations for everyone.

We represent the underserved in society and strive to create opportunities for individuals facing challenges in sustaining or entering employment. Our Charitable Trust (see below) is an important part of our approach.

We support people in the local community through staff volunteering days and collaborate with charities such as Crawley Open House, which provides help for homeless people, and the Dare to Dream initiative mentoring programme. As part of fostering an inclusive environment for our colleagues, we provide them with opportunities to give back to causes they care about, including raising £12,000 for our Charity of the Year, Age UK West Sussex Brighton & Hove.

Through our partnership with the Good Things Foundation, we donate our repurposed IT equipment to help the digitally excluded get online. We also support the initiative by championing the cause and encouraging other companies to follow our lead.

People's Partnership has a social responsibility and makes a commitment to providing a meaningful difference in society. We work alongside local charities that offer volunteering opportunities that our colleagues can support by providing a helping hand.

At the end of FY25, our colleagues had taken a total of 192 volunteering days.





Being a corporate socially responsible business (continued)

Protecting our planet

To become more sustainable, we've:

- ✓ Begun refurbishing our headquarters, to improve energy efficiency by installing LED lighting, a heat source recovery system and water-saving initiatives.
- ✓ Committed to purchasing green energy for our property estate.
- ✓ Introduced a cycle-to-work scheme, cash incentives for public transport use, an electric car scheme and EV charging points.
- ✓ Created natural habitats for pollinators and installed bug hotels.
- ✓ Planted over 10,000 trees in Africa, in partnerships with Fruitful Office and OnHand, our volunteering platform.
- ✓ Supported our mail carrier's initiative to reduce emissions by using renewable HVO fuel.
- ✓ Partnered with TOTM to offer colleagues plastic-free period products, removed plastics from our canteen/ vending machines and switched to plastic-friendly cleaning products.
- ✓ Supported deforestation prevention with paper that's Forestry Stewardship Certified.
- ✓ Partnered with Olio to donate excess food to local communities.
- ✓ Partnered with a zero-to-landfill supplier, which recycles all our waste into reusable products, including our non-recyclable food waste which is converted into biofuel.
- ✓ Strengthened our Responsible Investment policy, setting expectations for our fund managers to commit to our net zero strategy and show adequate stewardship resourcing (see [page 12](#) for more information)



Standing up for savers

In 2024, our Pension Transfer Outcomes Index revealed UK savers could lose £1.2bn a year due to uninformed decisions. To raise awareness, we ran an advocacy campaign. This generated over 200 media mentions, including in The Sun and Daily Mail. Additionally, we created tools to help members make confident pension choices.

To further support our members, we give a rebate on our management charge. As their savings grow, they pay less in charges. By 31 March 2025 we are now giving back almost £3m a month.

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 FY25, we supported the Charitable Trust with resources and volunteers, as well as donations and grants of £315,399 from the Group (2024: £392,907).



Section 172(1) statement

The Directors of People’s Partnership Limited 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 matters into consideration:

a The likely consequences of any decision in the long term

Pensions are inherently long-term products, so the Board must take a long-term perspective in its decisions. The Board is assisted in this by our focus on reinvesting profits to improve financial outcomes for its members, which means the Directors do not need to make decisions that aim to maximise profits in the short term, which is a key consideration for shareholder-owned businesses.

During 2024/25, the Directors reviewed and reaffirmed the Company’s strategy, as well as the five-year plan and the detailed two-year annual budget that provides the resources necessary to successfully implement the strategy. The strategy is designed to deliver long-term growth for the business, while continuing to enhance service and the product offering for members.

b The interests of the Company’s colleagues

Our people are critical to the success of our business and a core component of our business model. The Board receives regular reports and presentations from management on employee issues and pays close attention to key metrics such as engagement levels and employee attrition. The CEO and CFO also regularly meet employees at all levels throughout the business, giving them the opportunity to understand their perspectives, which are fed back to the other Board members as necessary. Members of the Board also meet colleagues throughout the year to support with learning and development programmes. Further details and examples of activities with colleagues are provided on [pages 15 to 16](#) of this Strategic Report.

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

Members and their employers are central to the Board-approved strategy, and the Board therefore carefully considers their interests in its decisions. The Board receives regular reports and presentations on the Company’s progress with fostering relationships with employers and members, including KPIs such as key employer retention, customer satisfaction and service level performance. Further details and examples of activities with colleagues are provided on [pages 15 to 16](#) of this Strategic Report.

The Company has a dedicated Procurement function which aims to create mutually beneficial supplier relationships across the business. The Board was not required to make any specific decisions relating to suppliers during the year.

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

As part of a Group that reinvests profits to improve financial outcomes for its members, we give back to our members and community. [Page 17](#) of this Strategic Report includes sections on the environment, on our support for the community, our Charitable Trust, and how we put our people first.

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

Our reputation for putting members first and providing good quality financial products has been hard won. Central to this is a desire to keep high standards of business conduct at the forefront of our colleagues’ day-to-day work, in line with our values. The Company has subsidiaries that are regulated by the FCA and the PRA and the Directors are aware of and fully support their requirements. PPL and PASL play key roles in the operation and running of TPP, which is authorised and regulated by The Pensions Regulator (“TPR”). Individuals involved with PPL and PASL, and members of People’s Partnership’s Executive Committee, 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.

The Board received reports from the Group Audit and Risk Committee on the effectiveness of the Group Whistleblowing arrangements.

f The need to act fairly between members of the Company

The Company is wholly owned by the ultimate holding company for the Group, People’s Partnership Holdings Limited, so this matter does not apply.

Supporting the Directors to meet their s172 duties

From the start of the 2025/26 financial year, we’ve enhanced our Board papers so that each paper highlights the relevant s172 considerations and the stakeholders concerned. This will help to ensure the Directors have their s172 duties at the front of their minds when reviewing Board papers and during their subsequent discussions and decisions.

The Strategic Report was approved by the Board of Directors on 18 November 2025 and signed on its behalf by:

Jim Islam

Jim Islam
Director
18 November 2025
Company number: 10267951 (England and Wales)

Registered office:
Manor Royal
Crawley
West Sussex
RH10 9QP





Directors' Report

for the year ended
31 March 2025





Board of Directors of PPL

Unless otherwise stated, all the Directors listed here served throughout the financial year and up to the date of signing the Financial Statements. Read the biographies of all our current Directors [here](#).

Non-Executive Directors



Jim Islam, Non-Executive Independent Chair
Appointed to the Board: 1 Sep 2018

Jim is Chair of the Board and the Remuneration & Nominations Committee. He is an actuary with extensive board-level leadership experience in insurance, investment management and the 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. He is also an RNLI Trustee, the charity that saves lives at sea, and serves on the Board of OneFamily.



John Allott, Non-Executive Director
Appointed to the Board: 14 Nov 2016

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, having chaired the Joint Industry for Plumbing Mechanical Engineering Services for England and Wales and 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.



Ciarán Barr, Non-Executive Director
Appointed to the Board: 1 Dec 2021

As well as serving on our Board, Ciarán is Chair of our subsidiary PIL and a member of the Remuneration & Nominations Committee. Ciarán is an investment professional with over 25 years' experience 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. He is currently a Board member at LGPS Central and the Railway Benefit Fund, and a Director and Finance & Audit Committee Chair at Studio Wayne McGregor Ltd.



Pat Billingham, Non-Executive Director
Appointed to the Board: 20 Jul 2018

Pat is Chair of the Group Audit & Risk Committee and InsCo, as well as being a Non-Executive Director of PASL and Senior Independent Director. Pat's Executive career was as a tax specialist, both as an Inspector of Taxes and as a tax partner at EY. She has strong financial services credentials, including her understanding of regulated businesses and the governance associated with regulation. She is an experienced non-executive director, including chairing Boards and Audit and Risk Committees. 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 Senior Independent Director and Chair of the Risk and Remuneration Committees.



Laura Chappell, Non-Executive Director
Appointed to the Board: 6 June 2023

Laura is a prominent pensions industry figure and is currently Chief Executive of Brunel Pension Partnership. She has over 25 years' experience within asset management. Having worked in 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.



Kyla Farmer, Non-Executive Director
Appointed to the Board: 1 Apr 2022

Kyla represents the Construction Industry Employer Groups. She is 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.



Board of Directors of PPL (continued)

Non-Executive Directors



Dean Lamble, Non-Executive Director
Appointed to the Board: 1 Sep 2022, resigned 1 Sep 2025

Dean is a Non-Executive Director of InsCo and PASL. He also serves on our Group Audit & Risk Committee. Dean is CEO of Pure Cremation, a private equity backed disruptor in the later life and funeral sector. He was previously Chief Executive Officer 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.



Jim McKinnon, Non-Executive Director
Appointed to the Board: 1 Aug 2018

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 being a voluntary business mentor with The King's Trust.



John Neal, Non-Executive Director
Appointed to the Board: 1 Apr 2022

John represents Construction Industry Employee Groups. He is the National Pensions Officer for Unite the Union, providing support and advice to Unite members and officers on collective issues relating to pensions. He has been a trustee of Unite's pension scheme for ten years, leading the board on environmental, social, and governance (ESG) matters. John is a scheme advisory board member for the Local Government Pension Scheme, the NHS Pensions Scheme and a Joint Superannuation Committee member for the Civil Service Pension Scheme. He 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.



Veronica Oak, Non-Executive Director
Appointed to the Board: 1 Apr 2022

Veronica is Chair of the administration board, PASL. She 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 and new products and services. 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, and a trade body that represents the interests of life assurance and investment providers.



Rupert Perkins, Non-Executive Director
Appointed to the Board: 1 Apr 2022

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 CITB Industry Funding Committee.



Patrick Heath-Lay, Chief Executive Officer
Appointed to the Board: 7 Jul 2016

Patrick became Chief Executive Officer in 2012 and has brought a wealth of experience to a range of financial and customer service focused roles within the company. He is responsible for driving the Group's strategy and was instrumental in the launch of The People's Pension Scheme, which now serves around 7 million people across the UK. Patrick is passionate about bringing simplicity to the complex world of financial services, providing straightforward and accessible products for everybody. He remains driven to ensure that we, as a company, strive to do what's best for our members and help people across the UK build stronger financial lives.



Kay Smith, Chief Finance Officer
Appointed to the Board: 30 Jan 2025

Kay has over 20 years' experience in financial services and brings a wealth of expertise to her role. Her career has spanned high-growth, high-change organisations where she has consistently demonstrated her ability to enhance financial performance and operational efficiency. As an executive director at People's Partnership, Kay works closely with the board of trustees, executive team and external partners to develop and implement financial strategies that support our goals.

Post year end, Richard Dallas joined the Board of People's Partnership Limited as a Non-Executive Director on 1 October 2025 and a member on the Group Audit and Risk Committee.

Richard is also the Non-Executive Chair of two financial services-focused fintechs (Aurem and Sparq) operating in adjacent markets in the Middle East and UK. Richard is also a mentor and coach, and is committed to fostering continued development.

With a distinguished 30-year executive career, Richard brings deep commercial, product, and technology expertise from across pensions, financial services and fintech. Known for driving growth, new business models and transformation, Richard has successfully navigated major regulatory and industry changes at prominent companies, including Smart Pension, Aegon, Lloyds Banking Group, Sage Group, and Charles Schwab Inc.

Former Directors who served during the year

Sue Hunter

Sue was Chief Finance Officer and left People's Partnership on 1 June 2024.



Executive Leadership Team

In addition to Patrick Heath-Lay (Chief Executive Officer) and Kay Smith (Chief Finance Officer), whose biographies are on [page 21](#), our Executive Leadership Team comprises:



Deborah Finlayson
Chief People Officer

Deborah became Chief People Officer in November 2022, bringing over 20 years' experience in HR. She has worked across a variety of financial services organisations, including FinTech. Her focus is on strategy, culture, talent and performance, creating business growth by aligning business ambitions with the way people work.



David Meliveo
Chief Commercial Officer

David brings over 20 years of experience to his role as Chief Commercial Officer, from senior positions in companies such as Royal London, the AA, Saga, Autoglass, easyJet and Glaxosmithkline. He is responsible for product development, distribution, marketing, and customer experience. He looks to foster enduring relationships and his expertise in identifying market trends and his commitment to commercial delivery have been pivotal to his career.



Dan Mikulsis
Chief Investment Officer

Dan leads our investment team, driving forward the investment strategy of The People's Pension Scheme using a collaborative model focused on deep partnerships with a select group of high-quality asset managers. Dan has worked in the investment sector since 2003, with prior experience in investment consulting at Lane Clark & Peacock (LCP), where he was a partner, as well as at Redington and Mercer.



Nigel Rodgers
Chief Information Officer

Nigel is responsible for our group information technology and digital estate. He has two decades of experience working in dual-regulated financial services businesses, as chief information officer. His previous roles include leading IT, change and commercial property.



Angela Staral
Chief Operating Officer

Angela is responsible for all customer operations and servicing across the Group. She brings over 20 years of experience in the financial services industry to her role, from companies such as Goldman Sachs, HSBC and ING. Her focus is on delivering operational excellence and driving the continued improvement of our service for members.

Post year end, Jose Morago joined the Executive Leadership Team as the new Chief Risk Officer on 1 July 2025, replacing the previous Chief Risk Officer Dominic Fielding, who left the business on 17 April 2025.

Jose has over 25 years of professional experience in financial services, primarily in the insurance sector, spanning both life and non-life. Jose has extensive hands-on expertise in all aspects of risk management, compliance, and regulation and a proven ability to develop and implement risk strategies and frameworks for leading insurers, ensuring effective oversight of key enterprise risks and regulatory confidence.

Former Executive Leadership Team members who served in the year and post year end

Dominic Fielding

Dominic was Chief Risk Officer and left People's Partnership on 17 April 2025.

Vicki Skipper

Vicki was Director of Corporate Strategic Development and left People's Partnership on 31 March 2025.

Directors

The Directors who were in office during the year and up to the date of signing this report are shown on [pages 20 and 21](#).

The Board of PPL is the strategic Board of the Group, taking decisions over our business objectives and where we will deploy investment. The PPL Board consists of founding director seats occupied by representatives of employer industrial parties (“Employer IPs”) and Trade Union industrial parties (“Operative IPs”) and specialists (including senior Executive Directors and Non-Executive Directors) with diverse skills. The PPL Board structure is designed to bring a diverse range of skills and experience in order to drive People’s Partnership’s strategic priorities.

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

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).

Corporate governance

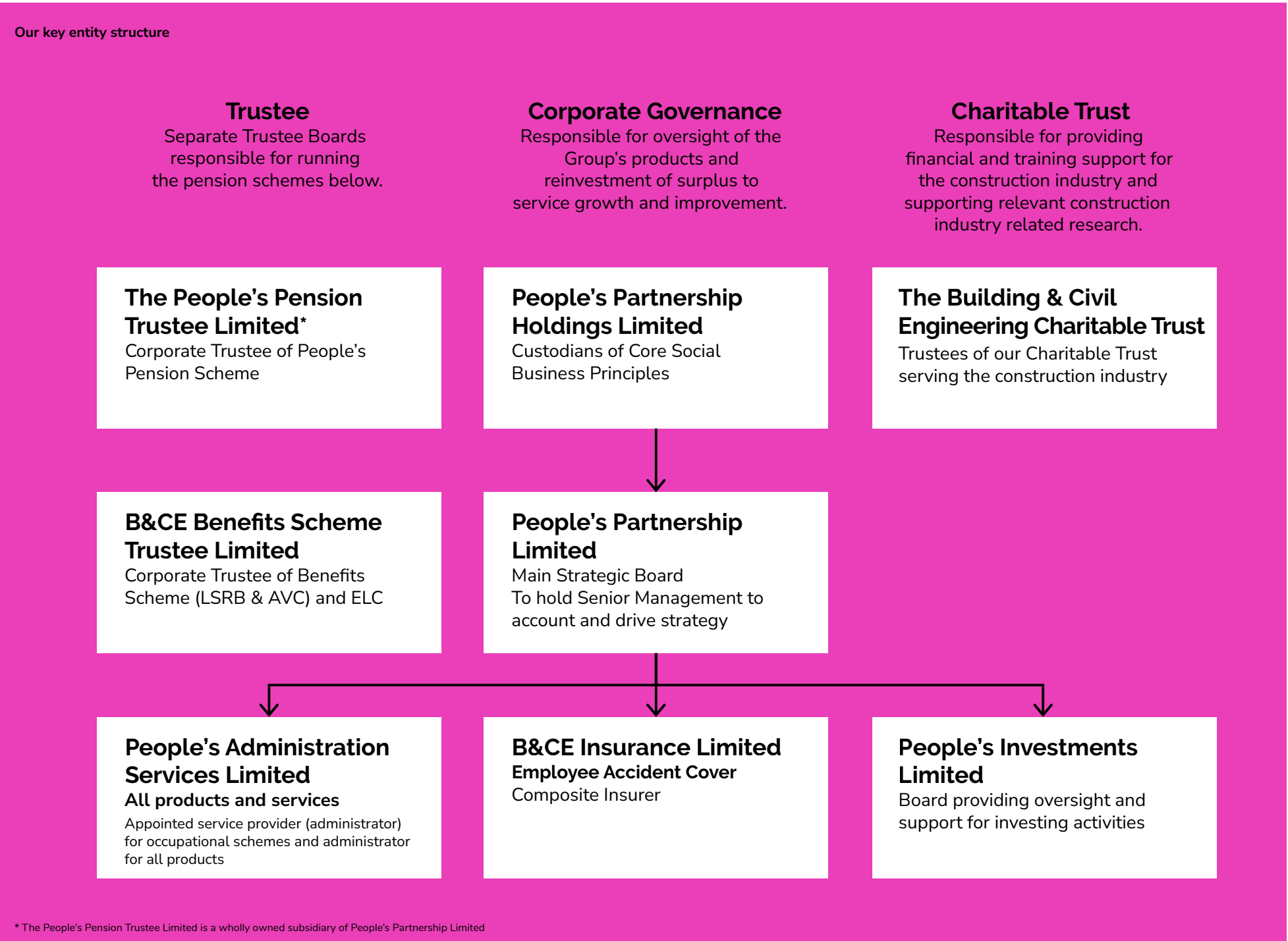
How we’re structured

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” or the “Company”) 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. Collectively PPL and its subsidiaries are known as the “Group”.

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

In addition, 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.





Corporate governance (continued)

Corporate governance and overall framework

The Company's Board is made up of Non-Executive Directors, along with 2 Executive Directors (Chief Executive Officer and Chief Finance Officer). 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 is to drive the delivery of the strategic objectives of the Group.

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 or supplier 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.

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 cannot be recovered from financial products administered by the Group. This risk is managed through active credit control and cashflow monitoring.
- ✓ **Liquidity risk**
Cash management maintained by the Group includes operating on-demand sterling cash deposits designed to ensure the Group has sufficient available liquid 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 direct 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.

The Board of the Company is the Board that is responsible for the strategic direction of the Group. The Group is exposed to a number of risks that will be managed by the Board, the details of which can be found in the Annual Report and Financial Statements of the Parent Company.

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 (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 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 (“SECR”)

This section of the report sets out the energy and carbon data required by SECR.

We recognise our responsibility to contribute as much as we can to protecting the environment. As a financial services business, our main environmental impacts are consuming resources and producing emissions from the energy we use at our premises and through travel. We look to minimise our impact by reducing waste where possible and applying sensible policies and initiatives.

Our Environmental Policy and undertaking to achieve Net Zero by 2050 shows our commitment to managing our environmental impacts. Our partnership with a Net Zero consultancy brings people together from across the business to develop an initial 3-year roadmap, using our Carbon Balance Sheet to create a short, medium and longer term decarbonisation action plan and wider Responsible Business Action Plan. Our key focus will be on identifying potential opportunities to decrease costs and increase operational efficiency, identifying new market opportunities for developing goods and services to reduce our Scope 3 emissions. Alongside this, we will continue to look at additional sustainable opportunities to create efficiencies within our Scope 1 & 2 emissions.



By the end of the year, we will have completed a major refurbishment of our Manor Royal headquarters building. Its energy saving features include replacing boilers with a heat recovery system, sensor taps, sensor flushes and energy-efficient passive LED lighting. We have also actively engaged with REMR (Re-Energise Manor Royal), a local initiative working alongside BHESCO (Brighton and Hove Energy Services Co-operative) to deliver solar PV to our premises as part of a Government funded opportunity scheme. Alongside our commitment to the purchase of 100% green energy across our estate, we have also switched our pool vehicles to fully electric, launched an employee Electric Car Scheme and installed EV charges across our sites.

Our SECR carbon emissions for the year to 31 March 2025 increased by 6% to 275.1 tCO₂e, with 73% of the total arising from electricity consumption.

This calculation (location-based) assumes that the mix of electricity we consume is the same as the mix provided by the electricity grid, which comes from a combination of renewable sources and fossil-fuel generation.

However, we source 100% of electricity from green sources across all our buildings. Taking this into account, there are no emissions related to our electricity consumption. On this basis (known as market-based), our emissions increased by 18% to 73.7tCO₂e.

Emissions from natural gas and other fuels were 31% higher overall. This is largely due to us obtaining a full repairing and insuring lease on the Manhattan building. This has given us full

control of utilities, so we now have more accurate usage data as well as occupancy of the whole site. Transport emissions increased by 1.5% during the year.

In addition to our absolute performance, we measure our emissions relative to the revenue we generate. Our relative location-based performance improved by 21% and our market-based performance improved by 17%, showing that we can grow the business without a corresponding increase in our emissions.

The table below summarises our energy consumption and greenhouse gas emissions for the year ended 31 March 2025, all of which took place in the UK. 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.

	Unit	2024-25	2023-24	% change
Energy consumption	kWh	1,349,654	1,260,110	
Scope 1 - Direct emissions	tCO ₂ e	50.1	38.1	
Scope 2 - Energy indirect emissions - location-based	tCO ₂ e	201.3	197.1	
Scope 2 - Energy indirect emissions - market-based	tCO ₂ e	-	1.3	
Scope 3 - Other indirect emissions	tCO ₂ e	23.7	22.0	
Total emissions - location-based	tCO ₂ e	275.1	258.5	6.4%
Relative emissions - location-based	tCO ₂ e/£m	1.9	2.4	(20.8%)
Taking into account green energy purchased				
Total emissions - market-based	tCO ₂ e	73.7	62.6	17.7%
Relative emissions - market-based	tCO ₂ e/£m	0.5	0.6	(16.7%)

While the total emissions in 2024 remain consistent with the total reported last year, based on 2025 supplier allocations between the scopes, minor adjustments to the scope allocations for certain suppliers have be made for 2024 to align with 2025 classifications.



Streamlined Energy and Carbon Reporting (“SECR”) (continued)

SECR emissions calculations – methodology

We calculated our emissions using the GHG Protocol – A Corporate Accounting and Reporting Standard (World Resources Institute and World Business Council for Sustainable Development, 2004); Greenhouse Gas Protocol – Scope 2 Guidance (World Resources Institute, 2015); ISO 14064-1 and ISO 14064-2 (ISO, 2018; ISO, 2019); Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019).

We used the Government Emissions Factor Database 2024 version 1.1, utilising the published kWh gross Calorific Value (CV) and kgCO₂e emissions factors relevant for the reporting period 1 April 2024 to 31 March 2025.

We made some estimations to cover missing billing periods for properties, which we calculated on a kWh/day pro-rata basis at the meter level. The estimations were applied to two electricity supplies and one gas supply. All estimations equated to 6.26% of reported consumption.

We calculated market-based emissions using REGO-backed electricity contracts for our Manor Royal and Manhattan buildings, resulting in an emission factor of 0 tCO₂/kWh.

Further information can be found on [page 16](#) 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 18 November 2025 and signed on its behalf by:

Jim Islam
Director

18 November 2025

Company number: 10267951 (England and Wales)

Registered office:
Manor Royal
Crawley
West Sussex
RH10 9QP



A black and white photograph of a hand with the index finger pointing towards the title 'Financial Statements'.

Financial Statements

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Independent Auditor's Report	30
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Statement of Directors' Responsibilities

for the year ended 31 March 2025





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 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 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 Company and of the Group’s profit or loss for that period. In preparing each of the Group and 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 Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern;

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 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 Group and 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

for the year ended 31 March 2025





Independent Auditor’s Report to the member of People’s Partnership Limited

Opinion

We have audited the Financial Statements of People’s Partnership Limited (“the Company”) for the year ended 31 March 2025 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 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 2025 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; and

- We have not identified, and concur with the directors’ assessment that there is no 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

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 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 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 Group’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 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.

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.



Independent Auditor’s Report to the member of People’s Partnership Limited (continued)

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 29](#), 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/auditors_responsibilities.

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

This report is made solely to the Company’s member, 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 member 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 member, as a body, for our audit work, for this report, or for the opinions we have formed.

Approval

The report was approved by the Trustee and signed on its behalf by:

Daniel Rutter

**Daniel Rutter (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Signed on 18 November 2025**



Financial Statements

for the year ended 31 March 2025





Consolidated Statement of Comprehensive Income for the year ended 31 March 2025

	Note	2025 £000	2024 £000 Restated*
Revenue	4	132,397	106,003
Net operating expenses	6	(117,082)	(98,839)
Losses from financial instruments	5	-	(100)
Profit before interest and taxation		15,315	7,064
Finance income	5	5,502	4,278
Profit before taxation		20,817	11,342
Tax (charge)/credit on profit	8	(5,392)	251
Profit for the financial year		15,425	11,593
Other comprehensive income			
Actuarial gain on Pension Scheme	19	259	76
Deferred tax (charge)/credit on Pension Scheme surplus		(65)	235
Other comprehensive income for the year, net of income tax		194	311
Total comprehensive income for the year		15,619	11,904

* Refer to note 26 for details.

The above amounts derive from continuing activities.

The notes and information on pages 39 to 68 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 2025

		Group		Company	
	Note	2025 £000	2024 £000 Restated*	2025 £000	2024 £000
Non-current assets					
Tangible assets	10	4,601	3,016	4,601	-
Investments in subsidiaries	11	-	-	80,055	80,050
Deferred tax asset	17	1,787	3,251	988	-
Pension Scheme surplus	19	4,708	4,121	4,708	-
		11,096	10,388	90,352	80,050
Current assets					
Trade and other receivables	12	17,239	13,128	17,975	-
Deferred tax asset	17	-	1,871	-	-
Reinsurers share of technical provisions	13	15	15	-	-
Cash and cash equivalents	14	122,312	72,782	28,993	-
		139,566	87,796	46,968	-

* Refer to note 26 for details.

The notes and information on pages 39 to 68 form part of these Financial Statements. The Financial Statements were approved by the Board of Directors on 18 November 2025 and were signed on its behalf by:

Jim Islam
Director
18 November 2025
Company number: 10267951

		Group		Company	
	Note	2025 £000	2024 £000 Restated*	2025 £000	2024 £000
Current liabilities					
Trade and other payables	15	27,406	19,496	19,615	-
Net current assets		112,160	68,300	27,353	-
Total assets less current liabilities		123,256	78,688	117,705	80,050
Non-current liabilities					
Deferred tax liability	17	1,301	1,030	1,301	-
Amount due to Parent Company	16	-	64,050	-	64,050
		1,301	65,080	1,301	64,050
Net assets		121,955	13,608	116,404	16,000
Equity					
Called-up share capital	21	106,050	22,599	106,050	5,000
Retained earnings		33,504	8,608	12,324	11,000
Merger Reserve	26	(17,599)	(17,599)	(1,970)	-
Total Equity		121,955	13,608	116,404	16,000



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

Group	Called-up share capital £000	Retained earnings £000	Merger reserve £000	Total £000
Balance as at 1 April 2023 - restated*	22,599	172	(17,599)	5,172
Profit for the financial year - restated*	-	11,593	-	11,593
Other comprehensive income for the year - restated*	-	311	-	311
Total comprehensive income for the year - restated*	-	11,904	-	11,904
Net assets movement due to group reconstruction - restated*	-	(3,468)	-	(3,468)
Total reserves movement - restated*	-	(3,468)	-	(3,468)
Balance as at 31 March 2024 - restated*	22,599	8,608	(17,599)	13,608
Balance as at 1 April 2024 - restated*	22,599	8,608	(17,599)	13,608
Profit for the financial year	-	15,425	-	15,425
Other comprehensive income for the year	-	194	-	194
Total comprehensive income for the year	-	15,619	-	15,619
Proceeds from issue of ordinary shares	83,451	-	-	83,451
Total transactions with owners recognised directly in equity	83,451	-	-	83,451
Net assets movement due to group reconstruction	-	9,277	-	9,277
Total reserves movement	-	9,277	-	9,277
Balance as at 31 March 2025	106,050	33,504	(17,599)	121,955

* Refer to note 26 for details.

The notes and information on pages 39 to 68 form part of these Financial Statements.



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

Company	Called-up share capital £000	Retained earnings £000	Merger reserve £000	Total £000
Balance as at 1 April 2023	5,000	11,000	-	16,000
Profit for the financial year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Balance as at 31 March 2024	5,000	11,000	-	16,000
Balance as at 1 April 2024	5,000	11,000	-	16,000
Profit for the financial year	-	1,227	-	1,227
Other comprehensive income for the year	-	97	-	97
Total comprehensive income for the year	-	1,324	-	1,324
Proceeds from issue of ordinary shares	101,050	-	-	101,050
Total transactions with owners recognised directly in equity	101,050	-	-	101,050
Merger reserve movement	-	-	(1,970)	(1,970)
Total reserves movement	-	-	(1,970)	(1,970)
Balance as at 31 March 2025	106,050	12,324	(1,970)	116,404

The notes and information on pages 39 to 68 form part of these Financial Statements.



Notes to the Financial Statements

for the year ended 31 March 2025





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

01

General information

People's Partnership Limited (the "Company") is a private company, limited by shares. The Company 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 Holdings Limited ("the Ultimate Parent Company" or "PPHL") during the year.

The Company is a wholly owned subsidiary and is exempt from the requirement to prepare Group Financial Statements by virtue of Section 400 of the Companies Act 2006. However, the Directors have elected to prepare Group Financial Statements, and these consolidated Financial Statements represent a sub-consolidation of the wider group of companies, headed by PPHL, which are publicly available.

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

02

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 accounting judgements and key sources of estimation uncertainty" on [page 42](#).

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.

Where merger accounting has been applied, the carrying value of assets transferred has been used, rather than fair value. Refer to note 26 for further details.

Income from shares in group undertakings

Dividend income from investments in group undertakings is recognised when the shareholder's rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Exemption for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemption, subject to certain conditions under FRS 102 paragraphs 1.8 to 1.12, which need to be 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. These consolidated Financial Statements represent a sub-consolidation of the wider group of companies, headed by PPHL. The Company is a wholly owned subsidiary of PPHL, and the Company and Group are included within the consolidated accounts of PPHL. Therefore, the Group and Company represent qualifying entities, and comply with the required conditions, except one subsidiary, B&CE Insurance Company Limited ("InsCo"), which is a financial institution. Accordingly, exemptions regarding financial instrument disclosures required by sections 11 and 12 of FRS 102 are not available in respect of InsCo.

The following relevant exemptions available under FRS 102 in respect of certain disclosures for the Company and Group Financial Statements have been applied:

- > The requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102
- > The requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102 (exemption not available for InsCo)
- > 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 (if applicable), 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 inception during the year. All general business written is United Kingdom accident insurance. Premiums, gross of commission (if applicable) and net of insurance premium tax, are recognised when they become payable.
- > **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.

Research and development expenditure

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



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

02

Summary of significant accounting policies (continued)

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 Group 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 employee defined benefit pension scheme closed to new entrants in January 2014, the Group 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 Group 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

As disclosed in note 3, following a PPHL Group reorganisation, from 1 October 2024 the Company became the Principal Employer of the Group employee defined benefit scheme ("Pension Scheme") following the transfer of the Pension Scheme's assets and liabilities from PPHL to PPL via a flexible apportionment agreement ("FAA"). From the date of the FAA, PPHL ceased to participate in the Pension Scheme and PPL took on all responsibility for the liabilities of the Pension Scheme. The PPL Group now operates the 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 Pension Scheme closed to new members from 3 January 2014 and closed to future accrual at the end of September 2024.

As disclosed in note 26, the PPL Group comparatives have been restated as a result of treating the PPHL Group reorganisation in line with merger accounting. Therefore, for the PPL Group, the Pension Scheme is presented as if PPL Group had always operated the Pension Scheme.

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 Scheme expected to arise from colleague service in the period is charged to net operating expenses. The expected return on the Pension Scheme's assets and the increase during the year in the present value of the Pension Scheme's 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 Scheme 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.

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 - IT equipment	33.3
Leasehold improvements*	10.0	Office machinery - office equipment	20.0

* Leasehold improvements depreciated over the term of the lease from the date of acquisition.

Subsequent costs are included in the asset's 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'.



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

02

Summary of significant accounting policies (continued)

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 39 and disclosure requirements of sections 11 and 12 of FRS 102 in respect of financial instruments, but only with regards to financial instruments held within InsCo. As InsCo is a financial institution, no exemptions from financial instrument disclosures are available where their financial instruments are material to these Group Financial Statements.

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.

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.



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

02

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:

➤ 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, inflation, 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.

➤ Future claims

There is uncertainty about the future claims experience in the general business provision. InsCo's actuaries provide recommended assumptions for InsCo to consider and agree for use in formulating the provision amounts.

There are no critical accounting judgements, except as disclosed in note 26 relating to the composition of historical retained earnings reserve accounted for under merger accounting.

Future changes to FRS 102 impacting the PPL Group

The Financial Reporting Council ("FRC") have introduced significant amendments to FRS 102, as part of its 2024 periodic review. These changes aim to bring FRS 102 closer to IFRS, particularly IFRS 15 (Revenue) and IFRS 16 (Leases), and will be effective for accounting periods beginning on or after 1 January 2026, with early adoption permitted. For PPL Group, such changes will be effective for the 2027 Financial Statements.

The key future change to the PPL Group Financial Statements will be the requirement to bring operating leases on balance sheet under FRS 102 Section 20 as updated. As at the 2025 year end, the Group had future minimum lease payments of £7.3m, which under the new standard would require an asset and liability to be recorded at present value, and lease expenses will be split into depreciation and interest, rather than a single rental expense. No restatement of comparatives will be required.

It is not expected that the changes to the revenue recognition standard (FRS 102 Section 23) will result in a change to the way the Group records revenue.

03

PPHL Group restructuring

The PPHL Group undertook a restructuring in September 2024, which involved:

- i the capitalisation of the intercompany loan payable to PPHL on 17 September 2024; followed by
- ii the transfer of the trade and assets of PPHL to PPL, including existing employee contracts, under the Business Transfer Agreement;
- iii the issue of ordinary shares for cash consideration; and
- iv PPL becoming the principal employer of the Group DB scheme.

Further details of these are set out below.

i The capitalisation of the intercompany loan payable from PPL to PPHL

As part of the Group restructuring, on 17 September 2024 the intercompany debt of £64,050,000 owed from PPL to PPHL was capitalised as equity via PPL issuing 64,050,000 £1 ordinary shares to PPHL.

ii The transfer of the trade and assets of PPHL to PPL, including existing employee contracts, under the Business Transfer Agreement;

PPHL entered into a Business Transfer Agreement ("BTA") on 30 September 2024 with PPL.

The carrying value of the assets and liabilities transferred to PPL from PPHL on 30 September 2024 comprised:

	£000
Tangible assets:	
Freehold land and buildings	1,218
IT equipment	630
Office equipment	234
Dilapidations provision	790
Tangible assets subtotal	2,872
Deferred tax asset (trading losses)	1,262
Deferred tax liability (accelerated capital allowances)	(167)
Deferred tax liability (on Pension Scheme surplus)	(1,119)
Pension Scheme net surplus	4,475
Trade and other receivables	18,776
Trade and other payables	(10,470)
Carrying value of assets and liabilities transferred	15,629



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

03

PPHL Group restructuring (continued)

As part of the BTA, all existing employment contracts with employees of PPHL, and all third-party trading and lease contracts held with PPHL, were novated to PPL.

The consideration paid for the transfer of the business was the issue of 17,599,094 ordinary £1 shares by PPL to PPHL. All assets and liabilities as transferred were reflected in PPL Company’s Statement of Financial Position from the date of transfer. See note 26 for further details.

The difference between the consideration paid by PPL and the final BTA net assets carrying value has been accounted for as a merger reserve of £1,970k within equity for PPL Company.

iii The issue of ordinary shares for cash consideration

On 30 September 2024, PPL issued a further 19,400,906 ordinary £1 shares to PPHL, issued at par. These were issued as a capital injection to PPL, settled with cash.

In total, PPL issued an aggregate 37,000,000 £1 ordinary shares to PPHL, issued at par.

iv PPL becoming the principal employer of the Group DB scheme

On 30 September 2024, the defined benefit pension scheme (the “Pension Scheme”) operated by the Group novated the Principal Employer from PPHL to PPL, following the transfer of the Pensions Scheme’s assets and liabilities from PPHL to PPL via a flexible apportionment agreement (“FAA”) on 30 September 2024. From the date of the FAA, PPHL ceased to participate in the Pension Scheme and PPL took on all responsibility for the liabilities of the Pension Scheme. This has resulted in the Pension Scheme being fully reported in the Financial Statements of PPL Company from 30 September 2024 onwards. Refer to note 19 for more details.

Accounting treatment of the BTA

PPL Group

The BTA has been assessed and determined that it meets the definition of a business as transferred and, therefore, is a Group Reconstruction under Section 19 of FRS 102 and, consequently, has been accounted for using merger accounting.

As disclosed in note 26, the PPL Group Consolidated Statement of Financial Position comparatives for 2024 have been restated as a result of treating the PPHL Group reorganisation in line with merger accounting. Therefore, for the PPL Group, all the net assets as transferred above are presented as if PPL Group had always held those assets and liabilities.

Further, the PPL Group Consolidated Statement of Comprehensive Income has also been restated to account for the trading results related to the trade as transferred as part of the BTA, therefore the trading results of PPHL Company have been reflected in the PPL Group Consolidated Statement of Comprehensive Income for 2024, and for the first half of 2025 until the date of the Group reorganisation.

PPL Company

The difference between the consideration paid by PPL and the final BTA net assets carrying value has been accounted for as a merger reserve of £1,970k within equity for PPL Company. Refer to note 26 for further details.

04

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:

Group	2025			2024		
Revenue						
	Admin services £000	Other services £000	Group total £000	Admin services £000	Other services £000	Group total £000
Management fees	131,104	-	131,104	104,503	-	104,503
Insurance premiums / income	-	559	559	-	574	574
Other revenue	734	-	734	926	-	926
	131,838	559	132,397	105,429	574	106,003

* Refer to note 26 for details.

05

Losses on financial instruments and finance income

Group	2025 £000	2024 £000 Restated*
Losses from financial instruments		
Income/(expense) from financial instruments	-	(132)
Realised profit on financial instruments	-	32
	-	(100)
Finance income		
Interest	5,293	4,278
Other finance income	209	-
	5,502	4,278

* Refer to note 26 for details.

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

06

Operating expenses and auditor’s remuneration

Included in Consolidated Statement of Comprehensive Income are the following:

Group	2025 £000	2024 £000 Restated*
Staff costs (note 7)	60,912	48,893
Directors’ remuneration (note 7)	1,352	1,025
Operating lease charges (note 20)	1,743	1,000
Depreciation of tangible assets (note 10)	761	790
Dilapidations charge (note 10)	50	13

* All of the 2024 restated balances presented in the above note relate to updated disclosures resulting from the application of merger accounting. The balances were not present in the PPL Group Financial Statements for 2024 and, therefore, were not required to be disclosed. Refer to note 26 for details.

Group	2025 £000	2024 £000
Fees payable to the Company’s auditor for the audit of the Company and the Group’s consolidated Financial Statements	85	32
Fees payable to the Company’s auditor and their associates for other services:		
The audit of the Company’s subsidiaries	157	167
Audit-related assurance services	63	107

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. Fees payable to the Company’s auditor for the audit of the Company is paid by PPL and not recharged.

07

Employee information and directors’ remuneration

Group	2025 £000	2024 £000 Restated*
Wages and salaries	48,788	39,630
Social security costs	5,405	4,227
Other defined benefit pension costs** (note 19)	112	244
Employer defined contribution pension costs	5,215	4,182
Restructure costs	1,392	610
	60,912	48,893

* All of the 2024 restated balances presented in the above note relate to updated disclosures resulting from the application of merger accounting. The balances were not present in the PPL Group Financial Statements for 2024 and, therefore, were not required to be disclosed. Refer to note 26 for details.

**As disclosed in note 3, PPL became the Principal Employer of the Group defined benefit Pension Scheme from 1 October 2024. As the Pension Scheme closed to future accrual of benefits from the date of transfer, 30 September 2024, and the Pension Scheme is fully funded, no employer contributions were paid after the transfer date. The amounts disclosed above represent the Pension Scheme costs in PPHL, accounted for under merger accounting as detailed in note 26.

Other defined contribution pension costs are in respect of employees who are not members of the defined benefit Pension Scheme and are members of TPP.

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

07

Employee information and directors' remuneration (continued)

Group	2025 £000	2024 £000 Restated*
The average monthly number of staff employed during the year was:	971	865
These were split across the following departments:		
Business Operations	690	618
Marketing, Sales & Innovation	132	123
Business Support Functions	130	113
Executive Leadership Office	19	11
	971	865

* All of the 2024 restated balances presented in the above note relate to updated disclosures resulting from the application of merger accounting. The balances were not present in the PPL Group Financial Statements for 2024 and, therefore, were not required to be disclosed. Refer to note 26 for details.

The Group had no employees to 30 September 2024. Prior to this date, all Group employees were remunerated by PPHL, and a proportion of PPHL's employee costs in relation to the Group's activities was recharged to the Group. The employees were transferred from PPHL to PPL on 30 September 2024 as disclosed in note 3.

The Directors of the Company who were in office during the year are listed on pages 20 to 21. The directors' remuneration in respect of their services for the PPL Group, and Company during the year was:

Group	2025 £000	2024 £000 Restated*
Aggregate remuneration	1,144	988
Pension contributions paid in the year	208	37
	1,352	1,025

*The calculation of the director remuneration disclosure was reassessed in the current year and 2024 has been restated for comparability purposes. 2024 was previously stated as £309k.

The figures above comprise Non-Executive Director fixed remuneration in respect of services to the Company and Group, and Executive Directors' remuneration (a combination of fixed salary, variable bonus and pension contributions) in respect of their services to the Group during the year.

The Executive Directors remuneration in respect of the Company is fully apportioned to subsidiary companies within the Group, except a payment for compensation for loss of office for one director of £175k, which was paid into their money purchase pension scheme. Non-Executive Directors remuneration is apportioned across the Company and subsidiary companies in line with their services to the relevant entity during the year.

The Group had no employees during the year ended 31 March 2024. All remuneration was paid by the Ultimate Parent Company until 30 September 2024, and a proportion of PPHL's employee costs in relation to the Group's activities was recharged to the Group. From 1 October 2024, following the Group reorganisation disclosed in note 3, the Company has paid all remuneration.

The aggregate remuneration for the highest paid director in the Group was:

Group	2025 £000	2024 £000 Restated*
Aggregate remuneration	503	456
Pension contributions paid in the year	19	37
	522	493

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

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

* The aggregate remuneration of directors above has been disclosed in 2025, and the equivalent 2024 figures have been included for comparative purposes.

08

Taxation

Group	2025 £000	2024 £000 Restated*
Analysis of tax charge/(credit) on profit for the year		
Current tax:		
Current tax	1,798	625
Current tax charge in respect of prior periods	51	502
Total current tax charge	1,849	1,127
Deferred Tax:		
Origination and reversal of timing differences	-	239
Impact of deferred tax asset recognition	-	(1,617)
Utilisation of deferred tax asset against trading profits	3,433	-
Tax charge in respect of prior periods	110	-
Total deferred tax charge/(credit)	3,543	(1,378)
Total tax charge/(credit)	5,392	(251)

* Refer to note 26 for details.



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

08

Taxation (continued)

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

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

Group	2025 £000	2024 £000 Restated*
Profit before tax	20,817	11,342
Profit before taxation multiplied by the standard rate of tax in the UK of 25% (2024: 25%)	5,204	2,836
Effects of:		
Adjustment in respect of previous periods	161	502
Expenses not deductible	27	94
Pension Scheme adjustments	-	(107)
Impact of deferred tax asset recognition	-	(3,483)
Effect of other reliefs	-	(93)
Total tax charge for the year	5,392	(251)

* Refer to note 26 for details.

b Deferred tax

The Group has recognised deferred tax assets of £1.8m (2024: £3.8m), in respect of trading losses carried forward.

The assets have been recognised and are calculated using a tax rate of 25%.

c Factors affecting future tax changes

The main rate of corporation tax for the year ended 31 March 2025 is 25%, and this is expected to continue for the foreseeable future.

The Group has trading tax losses of £7.1m (2024: £20.9m) available for offset against future trading profits.

09

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 £1,324k (2024: £Nil).



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

10

Tangible assets

Group	Freehold land and buildings £000	IT equipment £000	Office furniture £000	Dilapidation provision £000	HQ refurbishment £000	Total £000
Cost						
As at 1 April 2024 - restated*	6,688	4,609	907	500	-	12,704
Additions	45	330	41	-	1,980	2,396
Disposals	-	-	-	-	-	-
As at 31 March 2025	6,733	4,939	948	500	1,980	15,100
Accumulated depreciation						
As at 1 April 2024 - restated*	5,096	3,880	699	13	-	9,688
Charge for the year	199	488	74	50	-	811
Disposals	-	-	-	-	-	-
As at 31 March 2025	5,295	4,368	773	63	-	10,499
Net book value						
As at 31 March 2025	1,438	571	175	437	1,980	4,601
As at 31 March 2024 - restated*	1,592	729	208	487	-	3,016

* All of the 2024 restated balances presented in the above note relate to updated disclosures resulting from the application of merger accounting. The balances were not present in the PPL Group Financial Statements for 2024 and, therefore, were not required to be disclosed. Refer to note 26 for details.

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

10

Tangible assets (continued)

Company	Freehold land and buildings £000	IT equipment £000	Office furniture £000	Dilapidation provision £000	HQ refurbishment £000	Total £000
Cost						
As at 1 April 2024	-	-	-	-	-	-
Transfer from PPHL*	6,733	4,810	918	500	-	12,961
Additions	-	129	30	-	1,980	2,139
Disposals	-	-	-	-	-	-
As at 31 March 2025	6,733	4,939	948	500	1,980	15,100
Accumulated depreciation						
As at 1 April 2024	-	-	-	-	-	-
Transfer from PPHL*	5,195	4,119	737	38	-	10,089
Charge for the year	100	249	36	25	-	410
Disposals	-	-	-	-	-	-
As at 31 March 2025	5,295	4,368	773	63	-	10,499
Net book value						
As at 31 March 2025	1,438	571	175	437	1,980	4,601
As at 31 March 2024	-	-	-	-	-	-

* As disclosed in note 3, PPHL entered into a Business Transfer Agreement ("BTA") on 30 September 2024, which provided for the transfer of the majority of its assets and liabilities to its wholly owned subsidiary, PPL. The tangible assets were transferred from PPHL to PPL at historical cost net of accumulated depreciation of £2,872k. The classification of the assets in the BTA slightly differs to the accounting classifications noted above, however the total value transferred is consistent.

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

11

Investments in subsidiaries – Company only

Investment in subsidiaries as at 31 March 2025 and 31 March 2024

Name	Principle activity	Ownership	Class of shares	Holding	2025 Value of investment £	2024 Value of investment £
People's Administration Services Limited	Provider for the Group	Direct	Ordinary	100%	65,050,000	65,050,000
B&CE Insurance Limited	Composite insurer	Direct	Ordinary	100%	15,000,000	15,000,000
The People's Pension Trustee Limited	Dormant corporate trustee	Direct	Ordinary	100%	1	1
People's Investments Limited	Investment advisor to the Group	Direct	Ordinary	100%	5,000	1
People's Health Limited	Dormant company	Direct	Ordinary	100%	2	2
B&CE Financial Services Limited	Dormant company	Direct	Ordinary	100%	1	1
People's Insurance Limited	Dormant company	Direct	Ordinary	100%	1	1
People's Financial Services Limited	Dormant company	Direct	Ordinary	100%	1	1
					80,055,006	80,050,007

All of the subsidiaries in the table to the left are included in the Group consolidated Financial Statements.

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.

Following a restructure within the PPHL Group as disclosed in note 3, from 1 October 2024 PPL took on the role of sole employer within the Group, and paid for the majority of Group costs, continuing the same recharge process as PPHL for the remainder of the year.

People's Investments Limited was dormant in the previous financial year and commenced trading on 1 April 2024. PPL Members granted a parental guarantee to People's Investments Limited, in support of the available exemption from audit under s479 of the Companies Act for the year ended 31 March 2025.



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

12

Trade and other receivables

	Group		Company	
	2025 £000	2024 £000 Restated*	2025 £000	2024 £000
Amounts owed by Group undertakings	-	-	13,055	-
Trade receivables	11,953	9,143	-	-
Other receivables	43	18	36	-
Prepayments and accrued income	5,243	3,967	4,884	-
	17,239	13,128	17,975	-

* Refer to note 26 for details.

13

Reinsurers' share of technical provisions

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Reinsurers' share of technical provisions for:				
Term assurance	15	15	-	-

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Cash and cash equivalents

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Cash at bank and in hand	36,664	8,709	28,993	-
Short term deposits	85,648	64,073	-	-
	122,312	72,782	28,993	-

Included in cash and cash equivalents is £47.9m (2024: £40.9m) of ring-fenced Master Trust reserves (see note 25).





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

15

Trade and other payables

	Group		Company	
	2025 £000	2024 £000 Restated*	2025 £000	2024 £000
Trade creditors	2,850	1,781	2,819	-
Amounts due to Parent Company	1,051	-	1,013	-
Corporation tax	885	320	105	-
Other taxation and social security	1,167	1,548	1,649	-
Other payables	1,052	3,631	-	-
Accruals and deferred income	20,401	12,216	14,029	-
	27,406	19,496	19,615	-

* Refer to note 26 for details.

Amounts due to Parent Company are unsecured, interest free and payable on demand.

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Amounts due to Parent Company

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Amounts due to Parent Company	-	64,050	-	64,050

Amounts due to Parent Company were unsecured, interest free and payable on demand.

As disclosed in note 3, as part of the Group reorganisation, the intercompany debt as above of £64,050,000 was capitalised in PPL via the issue of 64,050,000 ordinary £1 shares at par during the year.





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

17

Deferred tax assets and liabilities

	Group		Company	
	2025 £000	2024 £000 Restated*	2025 £000	2024 £000
Deferred tax assets				
Tangible asset timing differences	-	(93)	-	-
Tax losses carried forward	1,787	5,215	988	-
	1,787	5,122	988	-
Deferred tax asset movement analysis:				
As at 1 April	5,122	3,744	-	-
Transferred as part of Group reorganisation	-	-	1,095	-
Transfer of deferred tax asset to deferred tax liability	168	-	167	-
Adjustment in respect of prior years	(21)	-	-	-
Credit/(charge) to income statement for the year	(3,482)	1,378	(274)	-
As at 31 March	1,787	5,122	988	-
Included on the Consolidated Statement of Financial Position as:				
Non-current assets	1,787	3,251	988	-
Current assets	-	1,871	-	-
	1,787	5,122	988	-

* Refer to note 26 for details

	Group		Company	
	2025 £000	2024 £000 Restated*	2025 £000	2024 £000
Deferred tax liabilities				
Staff Pension Scheme	1,177	1,030	1,177	-
Accelerated capital allowances	124	-	124	-
	1,301	1,030	1,301	-
Deferred tax liability movement analysis:				
As at 1 April	1,030	1,266	-	-
Transferred as part of Group reorganisation	-	-	1,119	-
Transfer of deferred tax asset to deferred tax liability	168	-	168	-
Adjustment in respect of prior years	87	-	-	-
(Credit) to income statement for the year	(49)	(1)	(18)	-
Charge/(credit) to other comprehensive income for the year	65	(235)	32	-
As at 31 March	1,301	1,030	1,301	-
Included on the Consolidated Statement of Financial Position as:				
Non-current liabilities	1,301	1,030	1,301	-
Current liabilities	-	-	-	-
	1,301	1,030	1,301	-



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

17

Deferred tax assets and liabilities (continued)

PPL Company

As disclosed in note 3, PPHL entered into a Business Transfer Agreement on 30 September 2024 which provided for the transfer of the majority of its assets and liabilities to its wholly owned subsidiary, PPL. As part of this, a net deferred tax asset of £1,095k (comprising £1,262k relating to trading losses and a deferred tax liability of £167k relating to accelerated capital allowances), and a deferred tax liability of £1,119k relating to the Pension Scheme Surplus, were all transferred from PPHL to PPL.

PPL Group

As disclosed in note 26, in accordance with merger accounting the elements of deferred tax transferred as part of the Business Transfer Agreement have been reflected as if they had always been included in the PPL Group accounts.

Deferred tax recognition and sensitivities

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 PPL Group and Company deferred tax asset on losses carried forward is sensitive to assumptions in respect of forecast profits. Based on the current PPL Group trading forecast, the deferred tax asset based on carried forward trading losses will be fully utilised during the 2028 financial year.

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 the revenue scenario, £0.7m of the deferred tax asset would not be utilised by the end of the 2028 financial year. However, this would be fully utilised in the 2029 financial year. Under the cost scenario, 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 4.9%, or costs increase by 6.6%, before any impairment of the deferred tax asset would be required.

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.

Before the Business Transfer Agreement between PPHL and PPL, PPL Company had no deferred tax assets in 2024, therefore no sensitivity analysis has been presented for 2024.

* Refer to note 26 for details.

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Financial instruments

The Group had the following financial instruments held in relation to B&CE Insurance Company Limited, as a qualifying entity for financial instruments disclosures. The remaining entities consolidated within these Group accounts have taken the exemption available due to them being qualifying entities, as disclosed in the accounting policies in note 2, and those disclosures relating to the other Group entities are included in the consolidated Financial Statements of PPHL, which are publicly available.

The carrying values of the financial instruments are summarised below:

	2025 £000	2024 £000
Financial assets measured at amortised cost		
Other receivables	78	88
Financial liabilities measured at amortised cost		
Amounts owed to Group undertakings	285	286
Trade creditors	200	224
Other payables	762	2,200
Accruals	227	205

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 £17k (2024: £17k) are not financial instruments as there is no contractual obligation in place.

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

As disclosed in note 26, financial instrument disclosures are unaffected by the impact of merger accounting.

19

Pension commitments

PPL Company

As disclosed in note 3, PPHL entered into a Business Transfer Agreement on 30 September 2024 which provided for the transfer of the majority of its assets and liabilities to its wholly owned subsidiary, PPL. As part of this, the Principal Employer of the Group operated occupational defined benefit pension scheme known as the B&CE Staff Pension Scheme (“Pension Scheme”), was changed from PPHL to PPL. As such, there is now a requirement to disclose the Pension commitments relating to the Pension Scheme in PPL.

The fair value of the Pension Scheme surplus at the transfer date of 30 September 2024 was £4,475k, split as follows:

Fair value of Pension Scheme assets at date of transfer	£49,529
Fair value of Pension Scheme liabilities at date of transfer	£45,054
Fair value of Pension Scheme at date of transfer	£4,475

Accordingly, there are no comparatives for the Pension Scheme disclosures for PPL Company for 2024, as these were reported in the financial statements of PPHL Company. However, this note shows the 2024 comparatives for the purposes of merger accounting for the PPL Group.

PPL Group

As disclosed in note 26, in accordance with merger accounting the Pension Scheme, along with its associated assets and liabilities, transferred as part of the Business Transfer Agreement have been reflected as if they had always been included in the PPL Group accounts. Therefore, all 2024 comparatives in this note are presented for the first time to reflect merger accounting for the PPL Group.

Pension Scheme background

The Pension Scheme 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 weighted average duration of the defined benefit obligation at the end of the reporting period is 13 years (2024: 14 years).

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.



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

19

Pension commitments (continued)

Pension Scheme background (continued)

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.

On 3 January 2014, the Pension Scheme closed to new entrants and all non-member employees were offered membership into TPP in its place. The Pension Scheme closed to future accrual of benefits at the end of September 2024. Up to the end of September 2024, combined contributions continued to be 31% of pensionable salaries. Since 1 June 2018, the employee contribution had been up to 9% and the Group implemented a salary sacrifice scheme. Employees could either contribute 9% of their salary to the Pension Scheme or sacrifice the equivalent amount of salary, so the Group could 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 Pension Scheme is 104% funded at 31 December 2022 (2019: 100%). The technical provisions funding position has improved since the 2019 valuation, moving from a nil deficit position at the 2019 valuation to a surplus of £1.9m at the 2022 valuation. The increase in gilt yields over the period has reduced the magnitude of both the Pension Scheme's assets and liabilities, due to the Liability-Driven Investments assets in place, which match the change in value of the liabilities.

Pension Scheme year end disclosures – Group and Company

The Company estimates that the projected pension credit for the year to 31 March 2026 is £273k.

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 2025 % p.a.	31 March 2024 % p.a. Restated*
Discount rate	5.80	4.85
Rate of increase in salaries	2.55	2.65
Price inflation (RPI)	3.15	3.25
Consumer price inflation (CPI)	2.55	2.65

* Restated - 2024 comparatives for the purposes of merger accounting for the PPL Group.

Sensitivity analysis

The surplus on 31 March 2025 was £4,708,000. The following shows what the increase/ (reduction) of surplus would have been if the actuarial assumptions used were changed:

	Surplus on 31 March 2025 £000	Surplus on 31 March 2024 £000 Restated*
0.5% decrease in discount rate	(2,641)	(3,319)
1 year increase in member life expectation	(1,694)	(1,903)
0.5% increase in salary increases	(200)	(264)
0.5% increase in inflation	(1,186)	(662)

* Restated - 2024 comparatives for the purposes of merger accounting for the PPL Group.'

	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	30.5

Pension Scheme assets and liabilities – Group and Company

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 as follows.

	Value at 31 March 2025 £000	Value at 31 March 2024 £000 Restated*
Equity securities	14,113	6,521
Debt securities - government	13,790	15,448
Debt securities - corporate	12,316	14,186
Diversified growth fund	-	7,559
Cash and cash equivalents	6,825	7,988
Total market value assets	47,044	51,702
Present value of Pension Scheme liabilities	(42,336)	(47,581)
Surplus in the Pension Scheme	4,708	4,121

* Restated - 2024 comparatives for the purposes of merger accounting for the PPL Group.

Recoverable surplus

The Group's and Company'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 and Company do recognise any such surplus at the year-end.



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

19

Pension commitments (continued)

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.

	Group		Company	
	2025 £000	2024 £000 Restated*	2025 £000	2024 £000
Analysis of amounts recognised in the Consolidated Statement of Comprehensive Income:				
Analysis of the amount charged to net operating expenses				
Current service cost	(112)	(244)	-	-
Total operating charge	(112)	(244)	-	-
Analysis of the amounts credited to finance income				
Interest income on Pension Scheme assets	2,472	2,524	1,236	-
Interest on Pension Scheme liabilities	(2,263)	(2,338)	(1,132)	-
Net return	209	186	104	-
Amount recognised in the Consolidated Statement of Comprehensive Income	97	(58)	104	-
Analysis of amounts recognised in other comprehensive income ("OCI"):				
Actual return on assets excluding amounts included in net interest	(5,305)	(2,578)	(2,653)	-
Actuarial gain on Pension Scheme obligations	5,564	2,654	2,782	-
Actuarial gain recognised in OCI	259	76	129	-

	Group		Company	
	2025 £000	2024 £000 Restated*	2025 £000	2024 £000
Reconciliation of present value of Pension Scheme liabilities:				
1 April	47,581	49,682	-	-
Fair value of liabilities on transfer	-	-	45,054	-
Current service cost	112	244	-	-
Interest cost	2,263	2,338	1,132	-
Contributions paid by members	7	15	-	-
Actuarial gains	(5,564)	(2,654)	(2,782)	-
Benefits paid	(2,063)	(2,044)	(1,068)	-
31 March	42,336	47,581	42,336	-
Reconciliation of fair value of Pension Scheme assets:				
1 April	51,702	53,298	49,529	-
Interest income on Pension Scheme assets	2,472	2,524	1,236	-
Contributions paid by members	7	15	-	-
Contributions paid by employer	231	487	-	-
Actuarial return on assets	(5,305)	(2,578)	(2,653)	-
Benefits paid	(2,063)	(2,044)	(1,068)	-
31 March	47,044	51,702	47,044	-

* All of the 2024 restated balances presented in the above note relate to updated disclosures resulting from the application of merger accounting. The balances were not present in the PPL Group Financial Statements for 2024 and, therefore, were not required to be disclosed. Refer to note 26 for details.

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

19

Pension commitments – Group and Company (continued)

Virgin Media Case

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. On 5 June 2025, the Department for Work and Pensions (“DWP”) announced that the Government will introduce legislation to give pension schemes affected by the Virgin Media ruling the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

Following the DWP’s announcement, the Directors do not expect the Virgin Media ruling to give rise to any additional liabilities and so the defined benefit obligation has not been adjusted and continues to reflect the benefits currently being administered.

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Operating leases

At 31 March 2025, the Group and Company had the following future minimum lease payments, including VAT, under non-cancellable operating leases:

Payments due	Group		Company	
	2025 £000	2024 £000 Restated*	2025 £000	2024 £000
Not later than one year	1,787	1,222	1,787	-
Later than one year and not later than five years	5,518	3,483	5,518	-
	7,305	4,705	7,305	-

* All of the 2024 restated balances presented in the above note relate to updated disclosures resulting from the application of merger accounting. The balances were not present in the PPL Group Financial Statements for 2024 and, therefore, were not required to be disclosed. Refer to note 26 for details.

Group:

During the year, £1.7m was recognised as an expense in the Consolidated Statement of Comprehensive Income in respect of operating leases (2024 restated*: £1.0m). This included £162k relating to the employee electric vehicle scheme, where the operating lease expenditure is offset by employee salary sacrifice agreements (2024: £nil).

As disclosed in note 3, PPHL entered into a Business Transfer Agreement on 30 September 2024 which provided for the transfer of the bulk of its assets and liabilities to its wholly owned subsidiary, PPL. This included the notation of the obligation to settle operating lease expenditure and future obligations under the relevant lease agreement.

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Called-up share capital

Group	2025 £000	2024 £000 Restated*
Issued, allotted and fully paid		
106,050,001 (2024: 22,599,095) ordinary shares £1 each	106,050	22,599

Company	2025 £000	2024 £000
Issued, allotted and fully paid		
106,050,001 (2024: 5,000,001) ordinary shares £1 each	106,050	5,000

- The Company issued 101,050,000 ordinary £1 shares to PPHL during the year at par as follows:
- Share issue on 17 September 2024 of 64,050,000 shares for proceeds of £64,050,000, as a capitalisation of intercompany debt (refer to note 16)
 - Share issue on 30 September 2024 of 37,000,000 shares for proceeds of £37,000,000, made up of:
 - 17,599,094 shares issued in full consideration of the net assets acquired under the BTA
 - 19,400,906 shares settled by cash.

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

The legal registration of the 17,599,094 share issue occurred as part of the larger share issue of 37,000,000 in September 2024. The transaction was agreed and legally executed in 2024. However, as detailed in note 26, when applying the principles of merger accounting for PPL Group, the comparatives have been restated on the basis as if the transaction had completed prior to the start of the comparative period. Therefore, as restated, the increase in share capital for the shares issued in consideration for the net assets acquired under the BTA has been reflected in the opening Consolidated Statement of Financial Position to present a true and fair view of the Group’s financial position, as noted in note 26.



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

22

Related party transactions

As disclosed in note 3 PPHL entered into a Business Transfer Agreement on 30 September 2024 which provided for the transfer of the majority of its assets and liabilities to its wholly owned subsidiary, PPL. As part of this, PPHL transferred the liability for settling the transactions relating to certain related party relationships that were previously disclosed in PPHL.

During the year, the Group and Company incurred transactions payable to the following entities, who have common directors with Directors of PPHL. As PPHL is the ultimate parent company of the group that PPL is consolidated into, transactions paid by PPL in respect of related parties with the Directors of PPHL are considered to be related party transactions for the PPL Company and Group.

The amounts below are inclusive of value added tax (VAT):

Transactions for the year	Group		Company	
Industrial Organisation	2025 £000	2024 £000 Restated*	2025 £000	2024 £000
Build UK	26	23	13	-
Civil Engineering Contractors Association	-	7	-	-
Federation of Master Builders	24	13	12	-
National Federation of Builders	7	20	7	-
Scottish Building Federation	10	25	10	-

* All of the 2024 restated balances presented in the above note relate to updated disclosures resulting from the application of merger accounting. The balances were not present in the PPL Group Financial Statements for 2024 and, therefore, were not required to be disclosed. Refer to note 26 for details.

There were no balances outstanding to the related parties noted above at the year-end date (2024: £nil).

In accordance with paragraph 33.1A of FRS 102 “Related party disclosures”, the Company and its Group is exempt, as a wholly owned subsidiary, from the requirement to disclose transactions with entities that are part of the wider PPHL Group, or investees of that same group, qualifying as related parties.

In addition, the Group and Company have 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 Group and Company have 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.

23

Ultimate parent undertaking and controlling party

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

24

Financial risk management

This note presents information about the major financial risks to which the relevant consolidated financial assets and financial liabilities of B&CE Insurance Company Limited (“InsCo”), as a material financial institution consolidated within these Group Financial Statements, is exposed, and its objectives, policies and processes for their measurement and management.

The remaining entities consolidated within these Group accounts have taken the exemption available due to them being qualifying entities, as disclosed in the accounting policies in note 2, and those disclosures relating to the other Group entities are included in the consolidated Financial Statements of PPHL, which are publicly available.

There is exposure to a range of insurance and financial risks through the financial assets, financial liabilities, reinsurance assets and policyholder liabilities held within InsCo. The most important components of financial risk are:

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

The disclosures below, therefore, relate solely to the financial instruments held within InsCo at both the current and comparative reporting dates.

InsCo’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on InsCo’s financial performance. It manages these positions within an asset liability management (“ALM”) framework that has been developed to achieve investment returns in excess of obligations under insurance contracts.

a 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. By the very nature of an insurance contract, this risk is random and, therefore, unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that InsCo 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 InsCo has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories 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. InsCo 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 £160k (2024: £185k).

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

24

Financial risk management (continued)

a Insurance risk (continued)

ii Sources of uncertainty in the estimation of future claims payments

The sources of estimation uncertainty in establishing the ultimate liability arising from claims made under insurance contracts are discussed in the accounting policies.

Claims on insurance contracts are payable on a claims-occurrence basis. InsCo is liable for all insured events that occurred 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 InsCo 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. Such awards are pre-determined lump-sum payments in accordance with the policy conditions and the headlines rate for Employee Accident Cover product is £40,000.

InsCo takes 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 the costs of handling the claims at the end of the reporting year.

In calculating the estimated cost of unpaid claims (both reported and not), InsCo estimates its liabilities based upon actual claims experience, using standard actuarial techniques where the historic average pattern of claims settlement is used to project future cash flows from claims that have occurred but not yet been settled. Greater weight is given to actual claims experience for each older year of cover deemed to not yet be fully settled. For more recent years of cover greater weight is placed on the overall experience derived from cohorts of business that are deemed to be fully paid. Benefits were uprated in February 2021 and the data relating to claims occurring prior to that date have been adjusted for use in the estimation process.

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 InsCo, where information about the specific claim event and its nature is available.

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 2025 Impact on profit after tax and equity	12	(12)
At 31 March 2024 Impact on profit after tax and equity	10	(10)

iv Claim development tables

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

b Market risk

Interest rate risk

Interest rate risk arises primarily from investments in fixed interest securities. InsCo 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.

A sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date. The following table presents interest rate sensitivities on the investment and cash assets of InsCo.

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

	2025 £000	2024 £000
Decrease in profit after tax and equity	(163)	(167)

Equity price risk

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

c Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The key areas where InsCo is exposed to credit risk is amounts due from corporate bond issuers.

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

	2025 £000	2024 £000
Financial instruments - amortised cost		
Other receivables	78	88
Non-financial instruments		
Cash at bank and in hand	21,713	22,315
Total assets bearing credit risk	21,791	22,403
AAAm	19,656	19,156
AA-	2,057	3,159
Below BBB or not rated	78	88
Total assets bearing credit risk	21,791	22,403

No financial assets are past due or impaired at the reporting date and the Directors expect no significant losses from non-performance by these counterparties.



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

24

Financial risk management (continued)

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 risk of InsCo is the obligation to pay claims to policyholders as they fall due. InsCo holds sufficient liquid assets to meet any general business claims that may arise and claims under long-term business are available on demand from the reinsurer. The table below analyses the maturity of InsCo's financial liabilities and outstanding claims. All liabilities are presented on a contractual cash flow basis.

The amounts disclosed in the table represent undiscounted cash flows.

Financial liabilities	< 6 months or on demand £000	Total and carrying value £000
At 31 March 2025		
Creditors	1,273	1,273
At 31 March 2024		
Creditors	2,691	2,691

The majority of the claims outstanding balance is expected to settle within one year (2024: within one year).

Capital management

InsCo maintains an efficient capital structure of equity shareholder funds, consistent with the Group's risk profile and the regulatory and market requirements of its business. The Group and the regulated entities within it are subject to several regulatory capital tests and employ a number of realistic tests to allocate capital and manage risk. The Group and the regulated entities within it have met all these requirements throughout the financial year.

The Insurance Company reports 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, the Capital Resources Requirement Fund CRR for the Insurance Company is £5m which is made up of £3m for the Long-Term Fund and £2m for the General Fund, which is based on the Base Capital Resources Requirement for Long-Term and General Insurance business respectively as set by the PRA rulebook.

The Group's objectives in managing its capital are to:

- match the profile of its assets and liabilities, taking account of the risks inherent in the business
- maintain financial strength to support new business growth
- satisfy the requirements of its policyholders, regulators and rating agencies
- retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- allocate capital efficiently to support growth.

The available capital is subject to certain restrictions as to its availability to meet capital requirements. No transfer from the long-term fund can take place without an up to date actuarial valuation.

The majority of the surplus can be distributed to the shareholder subject to meeting the requirements of the business.

The capital held within the shareholder funds is generally available to meet any requirements. As at 31 March 2025, both funds met their individual capital requirements with the long-term fund FSR of 170% (2024: 161%) and the general fund FSR of 765% (2024: 731%).

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. Fair values are determined at prices quoted in active markets. The assets held under reinsurance contracts are fair valued by the reinsurer.

InsCo held financial assets at fair value through profit or loss ("FVTPL") during the year to 31 March 2024, however these were fully disposed of in the year to 31 March 2024. Accordingly, no FVTPL assets remained at either the current or comparative year end dates and, therefore, no estimations of fair value disclosures are required.

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Financial support undertaking

PASL entered into a Financial Support Undertaking ("FSU") deed with TPP in June 2022 and this imposed an obligation on PASL to hold a ring-fenced CALP Reserve Amount consisting of the Master Trust 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 held by PASL.





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

26

Merger Accounting Restatement Analysis

As disclosed in note 3, PPHL entered into a BTA on 30 September 2024 which provided for the transfer of the majority of its assets and liabilities to its wholly owned subsidiary, PPL.

The net assets and associated trade as transferred under the BTA meets the definition of a business and, therefore, as a common control transaction it represents a group reconstruction transaction under FRS 102 section 19, to which merger accounting has been applied in accordance with the requirements of the standard. Accordingly, the acquisition by PPL Group has not been accounted for in accordance with FRS 102 Section 19 “Business Combinations and Goodwill” but has instead been accounted for using merger accounting.

The PPL Group Consolidated Statement of Financial Position comparatives for 2024 have been restated as though it had always existed in the post-BTA form, as a result of treating the PPHL Group reorganisation in line with merger accounting. Therefore, for the PPL Group, all the net assets as transferred above are presented as if PPL Group had always held those assets and liabilities.

Further, the PPL Group Consolidated Statement of Comprehensive Income has also been restated to account for the trading results related to the trade as transferred as part of the BTA, therefore the trading results of PPHL Company have been reflected in the PPL Group Income Statement for 2024, and for the first half of 2025 until the date of the Group reorganisation. These, therefore, do not reflect the actual ownership period relating to the BTA.

From the BTA date onwards, all trade was accounted for within the PPL Group.

The share issue by PPL of 17,599,094 shares relating to the consideration of the initial BTA valuation (as disclosed in note 21) has also been accounted for under merger accounting, restating the opening comparative position as at 31 March 2023.

This note outlines the impact of applying merger accounting on the restatement of the prior period for the Group, as reflected in the Financial Statements and the relevant accompanying notes.

Reserves

The impact of merger accounting has created a new “merger reserve”, which constitutes the value of the shares issued as consideration for the BTA net assets, as though these had always been in issue. This merger reserve will remain in the PPL Group Consolidated Statement of Financial Position on an ongoing basis as a result of merger accounting.

To account for the PPHL trade and assets as if they were always part of the PPL Group, the historical equivalent of the net assets value as transferred have been recognised in PPL Group retained earnings, from the opening comparative period onwards. As at 31 March 2023 these net assets had a carrying value of £7,141k.

The movement in these net assets over the period up to the settlement date of the BTA has also been recorded in equity of PPL Group, again included in retained earnings. In 2024 this was a reduction of net assets of £3,468k.

Further, the trading profit over 2024, and for the first half of 2025, relating to the trade transferred under the BTA has been included in the Statement of Comprehensive Income of PPL Group, and so added to retained earnings. In 2024 this was a profit for the financial year of £1,974k, and Other Comprehensive Income of £311k, in total an increase to PPL Group retained earnings of £2,285k.

Cash was not an asset class transferred as part of the BTA and, therefore, the net increase or decrease in cash in each restatement period was retained by PPHL. Consequently, when applying merger accounting, the difference arising from the cashflows of the transferred trade between reporting dates is captured as the “net assets movement due to group reconstruction” within the PPL Group Statement of Changes in Equity.

The table on [page 61](#) sets out the PPL Group Financial Statements for 2024 and the related notes. Where those disclosures are identified as having been subject to merger accounting restatement, the details are set out below, and a bridge of the merger accounting restatement is then set out.





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

26

Merger Accounting Restatement Analysis (continued)

Note No.	Financial Statement/ Disclosure	Merger Accounting Restatement Analysis	
	Consolidated Statement of Comprehensive Income	Yes	See below
	Consolidated and Company Statement of Financial Position	Yes	See below
	Consolidated and Company Statement of Changes in Equity	Yes	See below
1	General information		No merger accounting restatement
2	Summary of significant accounting policies		No merger accounting restatement
3	PPHL Group restructuring		N/A
4	Revenue		No merger accounting restatement
5	Losses on financial instruments and finance income	Yes	See below
6	Operating expenses and auditor's remuneration		Adjustments summarised in existing accounting note
7	Employee information and directors' remuneration		Adjustments summarised in existing accounting note
8	Taxation	Yes	See below
9	Profit for the financial year – Company only		No merger accounting restatement
10	Tangible assets		Adjustments summarised in existing accounting note
11	Investments in subsidiaries – Company only		No merger accounting restatement
12	Trade and other receivables	Yes	See below
13	Reinsurers' share of technical provisions		No merger accounting restatement required
14	Cash and cash equivalents		No merger accounting restatement required
15	Trade and other payables	Yes	See below
16	Amounts due to Parent Company		No merger accounting restatement
17	Deferred tax assets and liabilities	Yes	See below
18	Financial instruments		No merger accounting restatement
19	Pension commitments – Group and Company		Adjustments summarised in existing accounting note
20	Operating leases		Adjustments summarised in existing accounting note
21	Called-up share capital	Yes	See below
22	Related party transactions		Adjustments summarised in existing accounting note
23	Ultimate parent undertaking and controlling party		No merger accounting restatement
24	Financial risk management		No merger accounting restatement
25	Financial support undertaking		No merger accounting restatement



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

26

Merger Accounting Restatement Analysis (continued)

Restatement Analysis - Consolidated Statement of Comprehensive Income

	Note	2024 As previously stated £000	2024 Restatement adjustments £000	2024 Restated £000
Revenue	4	106,003	-	106,003
Net operating expenses	6	(97,841)	(998)	(98,839)
Losses from financial instruments	5	(100)	-	(100)
Profit before interest and taxation		8,062	(998)	7,064
Finance income	5	3,277	1,001	4,278
Profit before taxation		11,339	3	11,342
Tax (charge)/credit on profit	8	(1,720)	1,971	251
Profit for the financial year		9,619	1,974	11,593
Other comprehensive income				
Actuarial gain on Pension Scheme	19	-	76	76
Deferred tax credit on Pension Scheme surplus		-	235	235
Other comprehensive income for the year, net of income tax		-	311	311
Total comprehensive income for the year		9,619	2,285	11,904

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

26

Merger Accounting Restatement Analysis (continued)

Restatement Analysis - Consolidated Statement of Financial Position

	Note	2024 As previously stated £000	2024 Restatement adjustments £000	2024 Restated £000
Non-current assets				
Tangible assets	10	-	3,016	3,016
Investments in subsidiaries	11	-	-	-
Deferred tax asset	17	1,950	1,301	3,251
Pension Scheme surplus	19	-	4,121	4,121
		1,950	8,438	10,388
Current assets				
Trade and other receivables	12	9,418	3,710	13,128
Deferred tax asset	17	1,872	(1)	1,871
Reinsurers share of technical provisions	13	15	-	15
Cash and cash equivalents	14	72,782	-	72,782
		84,087	3,709	87,796

	Note	2024 As previously stated £000	2024 Restatement adjustments £000	2024 Restated £000
Current liabilities				
Trade and other payables	15	14,337	5,159	19,496
Net current assets		69,750	(1,450)	68,300
Total assets less current liabilities		71,700	6,988	78,688
Non-current liabilities				
Deferred tax liability	17	-	1,030	1,030
Amount due to Parent Company	16	64,050	-	64,050
		64,050	1,030	65,080
Net assets		7,650	5,958	13,608
Equity				
Called-up share capital	21	5,000	17,599	22,599
Retained earnings		2,650	5,958	8,608
Merger reserve	26	-	(17,599)	(17,599)
Total Equity		7,650	5,958	13,608



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

26

Merger Accounting Restatement Analysis (continued)

Restatement Analysis - Consolidated Statement of Changes in Equity

	Called-up share capital £000	Retained earnings £000	Merger reserve £000	Total £000
Balance as at 1 April 2023 as previously stated	5,000	(6,969)	-	(1,969)
Balance as at 1 April 2023 restatement adjustment	17,599	7,141	(17,599)	7,141
Balance as at 1 April 2023 restated	22,599	172	(17,599)	5,172
Profit for the financial year as previously stated	-	9,619	-	9,619
Profit for the financial year restatement adjustment	-	1,974	-	1,974
Profit for the financial year restated	-	11,593	-	11,593
Other comprehensive income for the year as previously stated	-	-	-	-
Other comprehensive income for the year restatement adjustment	-	311	-	311
Other comprehensive income for the year restated	-	311	-	311
Total comprehensive income for the year as previously stated	-	9,619	-	9,619
Total comprehensive income for the year restatement adjustment	-	2,285	-	2,285
Total comprehensive income for the year restated	-	11,904	-	11,904
Net assets movement due to group reconstruction as previously stated	-	-	-	-
Net assets movement due to group reconstruction restatement adjustment	-	(3,468)	-	(3,468)
Net assets movement due to group reconstruction restated	-	(3,468)	-	(3,468)
Balance as at 31 March 2024 as previously stated	5,000	2,650	-	7,650
Balance as at 31 March 2024 restatement adjustment	17,599	5,958	(17,599)	5,958
Balance as at 31 March 2024 restated	22,599	8,608	(17,599)	13,608



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

26

Merger Accounting Restatement Analysis (continued)

Restatement Analysis – Note 5, losses on financial instruments and finance income

	2024 As previously stated £000	2024 Restatement adjustments £000	2024 Restated £000
Losses from financial instruments			
Income/(expense) from financial instruments	(132)	-	(132)
Realised profit on financial instruments	32	-	32
	(100)	-	(100)
Finance income			
Interest	3,277	1,001	4,278
	3,277	1,001	4,278

Restatement Analysis – Note 8, taxation

	2024 As previously stated £000	2024 Restatement adjustments £000	2024 Restated £000
Current tax	1,296	(671)	625
Current tax charge in respect of previous periods	502	-	502
Total current tax charge/(credit)	1,798	(671)	1,127
Origination and reversal of timing differences	1,539	(1,300)	239
Impact of deferred tax asset recognition	(1,617)	-	(1,617)
Total deferred tax charge/(credit)	(78)	(1,300)	(1,378)
Total tax charge/(credit)	1,720	(1,971)	(251)

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 25%.

The differences are explained below:

	2024 As previously stated £000	2024 Restatement adjustments* £000	2024 Restated* £000
Profit before tax	11,339	3	11,342
Profit before taxation multiplied by the standard rate of tax in the UK of 25%	2,835	1	2,836
Effects of:			
Tax credit in respect of previous periods	(1,115)	1,617	502
Expenses not deductible	-	94	94
Pension Scheme adjustments	-	(107)	(107)
Impact of deferred tax asset recognition	-	(3,483)	(3,483)
Effect of other reliefs	-	(93)	(93)
Total tax charge/(credit) for the year	1,720	(1,971)	(251)

* In addition to the restatements as a result of merger accounting, the factors effecting the tax charge in 2024 have been updated to reflect that there was an impact of deferred tax recognition to be disclosed for £1,617k, which was previously netted off against 'tax credit in respect of previous periods'.

b Deferred tax

	2024 As previously stated £m	2024 Restatement adjustments £m	2024 Restated £m
Deferred tax asset in respect of trading losses carried forward	3.8	1.4	5.2



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

26

Merger Accounting Restatement Analysis (continued)

Restatement Analysis – Note 12, trade and other receivables

	2024 As previously stated £000	2024 Restatement adjustments £000	2024 Restated £000
Trade receivables	9,067	76	9,143
Other receivables	1	17	18
Prepayments and accrued income	350	3,617	3,967
	9,418	3,710	13,128

Restatement Analysis – Note 15, trade and other payables

	2024 As previously stated £000	2024 Restatement adjustments £000	2024 Restated £000
Trade creditors	81	1,700	1,781
Amounts due to Parent Company	8,071	(8,071)	-
Corporation tax	468	(148)	320
Other taxation and social security	378	1,170	1,548
Other payables	2,422	1,209	3,631
Accruals and deferred income	2,917	9,299	12,216
	14,337	5,159	19,496





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

26

Merger Accounting Restatement Analysis (continued)

Restatement Analysis – Note 17, deferred tax assets and liabilities

	2024 As previously stated £000	2024 Restatement adjustments £000	2024 Restated £000
Deferred tax assets			
Tangible asset timing differences	-	(93)	(93)
Tax losses carried forward	3,822	1,393	5,215
	3,822	1,300	5,122
As at 1 April	3,744	-	3,744
Credit to income statement for the period	78	1,300	1,378
As at 31 March	3,822	1,300	5,122
Included on the Consolidated Statement of Financial Position as:			
Non-current assets	1,950	1,301	3,251
Current assets	1,872	(1)	1,871
	3,822	1,300	5,122

	2024 As previously stated £000	2024 Restatement adjustments £000	2024 Restated £000
Deferred tax liabilities			
Staff Pension Scheme	-	1,030	1,030
	-	1,030	1,030
As at 1 April		1,266	1,266
(Credit) to income statement for the period	-	(1)	(1)
(Credit) to other comprehensive income for the period	-	(235)	(235)
As at 31 March	-	1,030	1,030
Included on the Consolidated Statement of Financial Position as:			
Non-current liabilities	-	1,030	1,030
Current liabilities	-	-	-
	-	1,030	1,030

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

26

Merger Accounting Restatement Analysis (continued)

Restatement Analysis – Note 21, called-up share capital

	2024 As previously stated £000	2024 Restatement adjustments £000	2024 Restated £000
Issued, allotted and fully paid			
5,000,001 ordinary shares £1 each	5,000		
Issue of 17,599,094 ordinary shares £1 each		17,599	
22,599,095 ordinary shares £1 each			22,599

Merger Accounting – PPL Company

As disclosed in note 3, PPHL entered into a BTA on 30 September 2024 which provided for the transfer of the majority of its assets and liabilities to its wholly owned subsidiary, PPL.

The net assets and associated trade as transferred under the BTA meets the definition of a business and, therefore, as a common control transaction it represents a group reconstruction transaction under FRS 102 section 19, to which merger accounting has been applied in accordance with the requirements of the standard.

The accounting for the BTA is only applied prospectively to PPL Company and, therefore, no prior year periods have been restated as a result of the BTA, as PPL Company accounting for the BTA represents the legal substance of the transaction, and the PPL Company-only accounts present the history of it as a legal entity. Therefore, only profits realised by PPL Company have been recorded in PPL Company retained earnings.

PPL issued 17,599,094 shares as full consideration for the initial carrying value of the net assets acquired under the BTA. As the transaction is within the scope of s611 of the Companies Act 2006 in relation to Group Reconstruction Relief (and the aggregate nominal value exceeds the carrying value of the assets acquired), no share premium is to be recorded.

Upon recognition of final net assets transferred under the BTA, the difference between the carrying value of the net assets acquired and the shares issued of £1,970k was identified.

Under merger accounting, the difference of £1,970k is reflected as a merger reserve in equity of PPL Company.





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