PENINSULA GROUP

Group Strategic Report, Directors' Report and Audited Consolidated Financial Statements for the year ended 31 March 2024

for

Peninsula Business Services Group Limited

REGISTERED NUMBER: 02567996 (England and Wales)

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Company Information
for the year ended 31 March 2024

DIRECTORS:	P E Done D S Chadwick J J Foster A Price D Price
COMPANY SECRETARY:	K D Simmons
REGISTERED OFFICE:	The Peninsula Victoria Place Manchester M4 4FB
REGISTERED NUMBER:	02567996 (England and Wales)
AUDITORS:	RSM UK AUDIT LLP Chartered accountants & statutory auditor Ninth Floor, Landmark St Peter's Square 1 Oxford Street Manchester M1 4PB

Group Strategic Report
for the year ended 31 March 2024

About the Group

Peninsula Business Services Group Limited (the 'Company') is the parent company of a number of trading companies with the Company and its subsidiaries together forming the Peninsula Group of companies (the 'Group').

Peninsula Business Services Group Limited in turn is a wholly owned subsidiary of Rainy City Investments Limited (the 'Parent') which is incorporated in Great Britain and registered in England & Wales. Together the Group and the Parent constitute the 'RCI Group'.

During the year ended 31 March 2024 the Group celebrated its 40th year of trading with its success built on the strongest foundations. From humble beginnings in 1983, the Group now has over 3,750 employees in five countries across three continents, providing support to over 140,000 businesses and millions of their employees.*

During this time the Group has demonstrated an enviable track record of organic growth combined with selective, modestly sized acquisitions through which growth has been turbo charged using the Group's tried and tested business model.

The Group's Brands:

The Group is comprised of the following brands operating across the 14 trading companies which span the UK, Republic of Ireland, Australia, New Zealand, and Canada.

PENINSULA UK, IRELAND, CANADA AUSTRALIA & NEW ZEALAND · brighthr · health assured · Irwell Law · graphite FACE2FACE · Croner · Croner-i Inform • Advise • Protect

A recent rebrand of our core businesses in Australia and New Zealand from Employsure to Peninsula has aligned the brand across all operating markets, reflecting the Group's global profile and ambitions.

The Group's Services

The Group empowers businesses and their teams to thrive by investing in knowledge, people and technology, delivered through award-winning services to help build better businesses.

The Group is the leading global provider of Human Resources ('HR'), Employment Law, and Health & Safety ('H&S') advice, consultancy, and compliance services. Through Peninsula, Croner and BrightHR, the Group offers 24/7 access to specialist advice and tailored documentation helping clients manage their legal obligations.

*All figures at the date of this report

About the Group (continued)

The Group's Services (continued)

In addition, the Group provides:

HR and H&S software that transforms people management compliantly: BrightHR's easy to use, cloud-based software gives businesses a comprehensive platform of tools and features to help them manage their staff easily, and legally. From absence management, clocking-in-and-out, managing rotas to risk assessments, incident reporting and e-learning, BrightHR's software and services continue to evolve with new features and enhancements being developed to meet the needs of changing workplace demands in line with legislation. In August 2024 BrightHR expanded its UK offering to include enhanced payroll services, delivering further value and a seamless integrated solution to clients.

Wellbeing support: Health Assured is the leading independent provider of Employee Assistance Programmes, for employees, students and other individuals in the UK and Ireland, supporting over 13 million lives through both direct relationships with businesses and via established partnerships. Clients can access additional services including occupational health, mental health first aid courses, training and workshops, and support for children & young people. In July 2024 the Group expanded its Employee Assistance Programmes into Australia, with the launch of Health Assured's new entity, Wisdom Wellbeing.

Content and Consultancy: Croner-i's market leading online platforms provide comprehensive information, commentary and tools for tax, audit, accounting, HR, and other compliance professionals. These sit alongside a suite of advice products from Croner-i experts, providing responsive guidance and specialist tax consultancy services to augment the in-house capabilities of accountancy and tax firms.

Fee Protection: Croner-i acts as an insurance intermediary offering legal expenses insurance to accountancy firms, providing their clients with cover for the cost of professional fees arising from any HMRC investigation.

Legal Services: Peninsula Legal Services Limited, trading as Irwell Law, is the Group's specialist, SRA authorised UK law firm, providing a range of legal services in areas aligned to the Group's core specialism. Irwell Law Pty Ltd (formerly Employsure Law Pty Ltd) provides similar services in Australia. This provision further enhances the Group's service offering to UK and Australian clients respectively.

About the Group (continued)

Purpose, Vision and Values:

At the start of the financial year under review, the Group re-launched its global purpose, vision and values, underpinning everything it does and uniting all brands under one common goal.

Purpose

To empower businesses and their teams to thrive by investing in knowledge, people, and technology

Vision

Building Better Businesses

Combining award-winning HR, Employment Law and Health & Safety advisory services and software, with our tax & accounting, HR, and compliance industry leading Resource Centre, we help people and businesses thrive.

Meaningful Insight

We equip our clients with the tools and insight they need to manage the ever-changing world of work. With our global reach to local expertise, we ensure our clients have the right information and tangible insights to make the best decisions for their business.

Trusted Advice

We offer peace of mind by arming our clients with the expertise and assurances they need to avoid issues that can be harmful to employers and their staff. As an extension of our client's teams, our qualified experts provide bespoke solutions and counsel 24/7. We stay informed so you don't have to.

Purposeful Innovation

We innovate with the intention to make people management easier. Uniquely positioned in the market by offering both consultancy services and software, we understand what matters most to businesses and constantly invest in the areas that will have a positive impact on employers and their staff's lives.

About the Group (continued)

Purpose, Vision and Values (continued):

Values

We Care

We are a people business. Our passion, commitment and dedication comes from our genuine care to help others build great businesses.

We Take Action

The market moves quickly and so do we. Accountable, agile and adaptable-our professional excellence stems from being action-oriented and offering value at every interaction.

We Innovate

Putting the customer-first, we purposefully innovate. We listen, understand and turn data into insight to offer meaningful services and systems to our customers.

We Inform

We ensure peace of mind. With our legal expertise and years of experience, as specialists, we're different because we never rest. Our ambition to be the best drives us forward.

We Do The Right Thing

Integrity is at our core. We always act in the best interest of our customers, communities and each other. We work collaboratively as a team putting others first. We keep our promises and treat everyone with the respect they deserve. That's what earns trust.

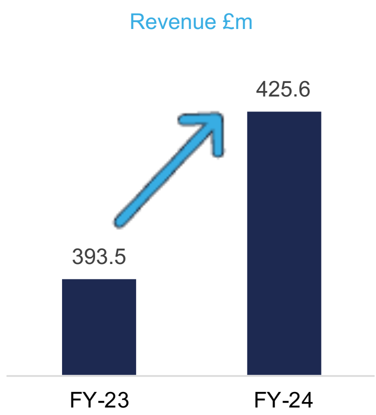
Group Strategic Report (continued)

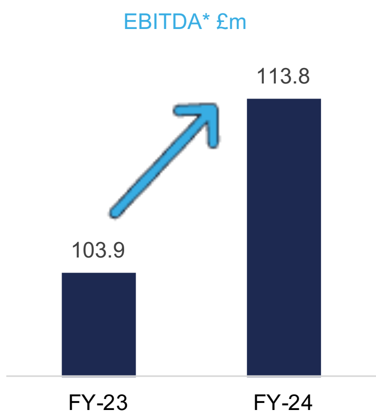
for the year ended 31 March 2024

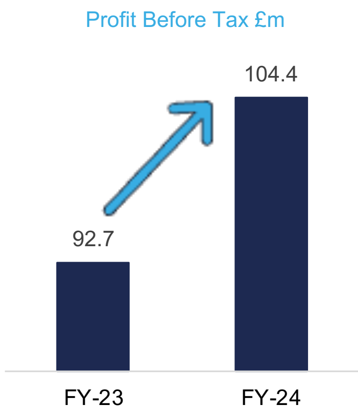
Review of the Business

The Group is pleased to report another successful period of ongoing growth for the year ended March 2024, building on the year-on-year track record of increasing revenue and profitability. This was delivered despite a continuation of the uncertain economic backdrop across many of the countries the Group operates in. The presence of high inflation and energy costs remained present through most of the financial year, albeit with encouraging signs of potential easing towards the end of the period, with interest rates remaining high.

Key metrics of the Group

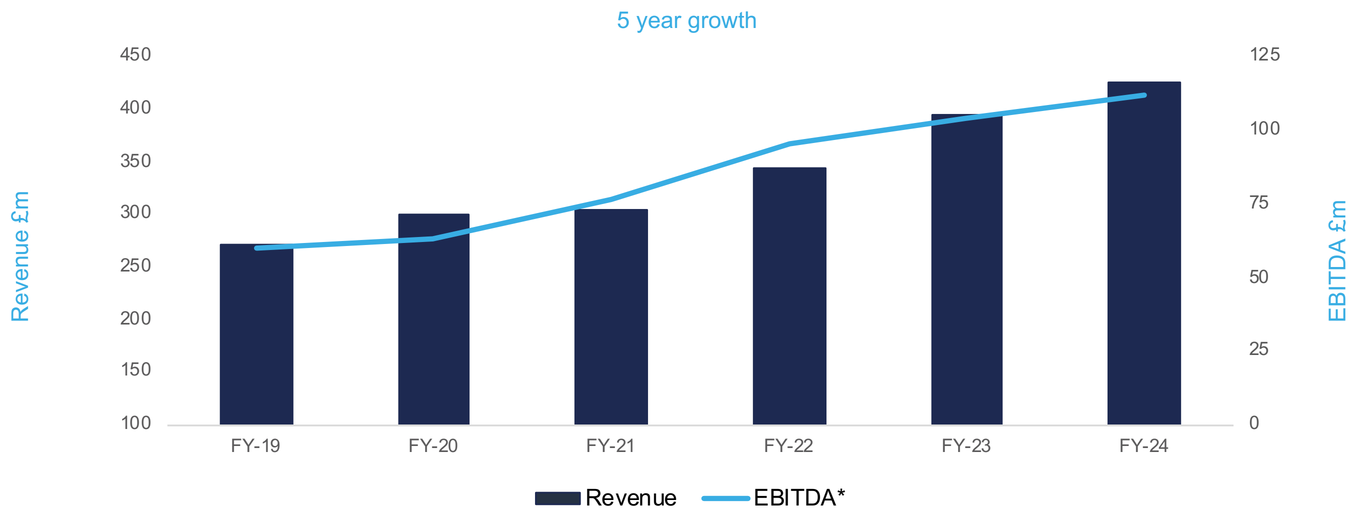






The Group achieved revenue growth of 8.2% compared to the previous financial year at £425.6m with EBITDA increasing 9.5% from £103.9 to £113.8m, all delivered organically.

This builds on the success over the last five years during which revenue and EBITDA have increased by a compound annual growth rate of over 9% and 13% respectively, all, once again, delivered organically.



*EBITDA is Earnings Before Interest, Tax, Depreciation, Amortisation and any loss/(profit) on disposals of fixed assets.

Review of the Business (continued)

The increase in revenue delivered during the year principally reflects growth in the Group's client base, which rose approximately 8% in the period, now exceeding 140,000 clients. The multi-year contractual nature of the Group's client base, alongside successful client retention levels, allows the Group to enter each financial year underpinned by healthy levels of recurring revenue which is then combined with the benefit of in-year new client wins and existing clients taking additional services. During the year the Group experienced a strong increase in average contract values on new business, further supporting revenue growth. This however was in part negated by the strengthening of sterling through the year, impacting on the translation of overseas revenue, most notably from Australia, New Zealand and Canada.

As in the previous financial year, all of the Group's core trading entities experienced revenue growth. A number of the Group's entities delivered double digit growth, including the more recently established entities, such as the BrightHR business (which expanded into Australia and Canada during 2022) and Peninsula Canada (formed in 2017) and several of the more established UK businesses. This was achieved by continued focus on incremental improvements to sales activity, service delivery and cost management. It was also supported by a continuation of rolling out new products and services including BrightHR, which expanded its range of features and tools such as the global release of its learning management (e-learning). Since the launch of this feature, 600,000 HR and H&S courses have been completed by BrightHR users.

Retention of existing clients remained a priority throughout the year and the Group achieved broadly consistent relative client retention compared to the previous year, despite seeing a proportional increase in SME clients going into insolvency or business failure, consistent with broader macro trends in the year. This retention is supported by the Group's proud focus on providing super service to its clients, which is evidenced by strong reviews and ratings across online platforms such as Feefo and Trustpilot.

During the year the Group also continued to keep a close eye on the cost base, cognizant of increasing cost of services and general wage inflation in a number of territories. The Group continued to invest in a number of areas that, whilst adversely impacting near term results, were considered to positively benefit the Group longer term. As well as further developing the client facing offerings the Group also delivered improvements to internal systems. This included significant re-engineering of its client communication, creating a personalised programme uniting automated marketing communications, service operations and the customer journey driving improved engagement with our products and services by reformatting the data, enabling Group sales and service personnel to have deeper conversations with both prospects and clients.

Gross profit margin achieved in the year was 78.0%, marginally higher than the previous financial year of 77.8%. The Group continued to grow the service teams and number of specialist advisers to support the increasing client base albeit with a modest relative growth in headcount during the financial year having more heavily invested in growing such teams in the previous financial year.

Distribution costs increased by 7.0% during the year. The Group continued to grow its sales and marketing teams albeit at a less pronounced rate relative to previous years. The Group was also able to achieve marketing spend efficiencies through various initiatives including an increasing shift from high volume local face-to-face seminars to large audience webinar delivery. Marketing and sales activity was also supported by increased media coverage. Across the companies the Group has established a number of regular spokespeople featuring in various media outlets as go to experts, with increasing brand awareness. These include regular presence on BBC Breakfast, TalkTV and BBC Radio outlets, along with a range of articles and quotes in the Times, Forbes and other high reader publications in the UK and other territories. The Group is also seeing growing followings across its social media channels and podcasts.

Review of the Business (continued)

Administrative costs grew 6.4% from the previous financial year, stemming from a combination of increased costs associated with IT systems, wage inflation, alongside some modest increase in impairment charges with the business observing a higher level of clients experiencing business failure in year.

The Group saw the overall employee headcount increase by 6.0% during the year reaching c.3,650 at 31 March 2024, with increased employees across the majority of companies. The Group also continued to invest in the quality and strength of its senior management and leadership team with a 20% increase in the population of this group during the year. This included a number of additional experienced hires into the Group but also, encouragingly, the promotion of existing colleagues, recognising the emerging talent and contributions across the business. This included the appointment of new CEOs within Canada and Ireland, both of whom have served in other roles within the Group over many years.

As well as growth in EBITDA, profit before tax increased favourably to £104.4m (2023: £92.7m), with the main variances to EBITDA being depreciation and amortisation which reduced slightly in the year to £9.8m (2023: £11.3m) as certain previously acquired intangible assets fully amortised during the previous financial year.

Profit for the financial year (after tax) was £78.4m (2023: £70.8m) growing at a slower pace than profit before tax, with the Group experiencing a higher effective tax rate as a consequence of the increase in UK Corporation tax from 19% in the previous financial year to 25%. During the year the Company paid dividends of £92.5m (2023: £75.0m) to the Parent, resulting in Group shareholders' funds of £32.2m at the end of the year (2023: £47.6m). Included within Group shareholders' funds as at 31 March 2024 is £120.5m of retained earnings partly offset by a negative balance of £87.3m (2023: £87.3m) associated with the Company's acquisition of the residual minority interest of Peninsula Australia Pty Ltd (formerly Employsure Pty Limited) in 2021, which took Group ownership of that entity to 100%.

Outlook

The directors remain confident of the opportunity for growth as the Group continues to invest in key areas of knowledge, people and technology.

The Group has proven the strength of its organic growth capability and the resilience of its business model, withstanding multiple economic cycles over 40 years of trading with a continued appetite to consistently improve its offerings to clients.

The services and software offered are relevant to a wide range of businesses of differing sizes across all sectors. As a result, the Group considers the size of its markets to be significant across all operating territories. Furthermore, the Group has the potential to extend its offerings to new territories and further expand service offerings, leveraging management expertise and previous learnings to build on its already significant and diverse client base. By bringing together, as appropriate, the offerings of the various Group companies, for instance with c.100,000 of Group client base having access to the BrightHR system, this increases the value provided to clients whilst supporting the strong client retention levels that the Group experiences.

Review of the Business (continued)
Outlook (continued)

Since the financial year end the Group has launched two major initiatives which have the potential to drive significant incremental opportunity. This includes the launch of BrightHR payroll, an enhanced payroll service, which, in conjunction with established HR software capabilities offers clients an attractive integrated end-to-end HR and payroll solution set. This is expected to generate strong appeal from both new and existing Group clients. The Group also recently extended the offering of Employee Assistance Programmes in Australia, through the establishment of Wisdom Wellbeing Pty Limited, a subsidiary of Health Assured Limited, building on the significant growth of this business in the UK and leveraging the large Group client base and infrastructure within that market.

Whilst inflation in the Group's territories seems to be easing and projections are for interest rates to start to reduce, economic uncertainty still remains. The Group directors, however, believe that demand for the Group's services will remain robust and that the Group will continue to further enhance its position within its chosen markets.

The directors and the Group continue to seek opportunities for further enhancement to the services provided, retention of existing clients and acquisition of new ones. The regularity of changes to legislation within the areas of the Group's specialisms, supports the continued ongoing demand for the Group's services. In the UK, which remains the Group's largest market, the recent change in Government, presents significant opportunity. The new Labour government has proposed a suite of radical changes to employment law, as announced in the July 2024 Kings Speech to be enacted through the Employment Rights Bill, which will create increased complexity for businesses to navigate, leading to an expected increase in demand for the Group's HR services both from existing and prospective clients. This, in turn, will allow the Group to further demonstrate the value add of its offerings.

The directors acknowledge that the effort and expertise of the Group's people is paramount to its success and wish to thank them for their continued contribution.

Principal Risks and Uncertainties

Financial Risk Management Objectives and Policies

The directors recognise that the Group's success is reliant on the delivery of high levels of service and advice to its client base. The Group operates a proactive strategy of monitoring the systems, advice and service levels provided by all client facing staff.

Reduction in Business Activity from Economic Uncertainty

The Group, like any other business, is exposed to the risk of economic downturn.

Whilst a more challenging economic backdrop inevitably creates greater financial pressure on businesses, the directors consider demand for the Group's services remains resilient through economic cycles. The directors believe more difficult economic conditions can often be a catalyst for new demand from prospective clients as they look to more effectively manage their costs and staff base.

Furthermore, the Group benefits from the majority of clients being on multi-year agreements with high levels of recurring revenue, further insulating the Group from short term economic changes and providing good visibility to future cash flows for the Group, whilst offering cost certainty for its clients. By operating across different geographical territories this also serves to provide some mitigation to the extent economic issues are localised to a specific country.

Whilst the directors do not anticipate any significant future deterioration to performance resulting from adverse changes to the economic environment, the Group continues to look to mitigate any risk through continued investment in growth, service, and products.

The directors of the Group continue to pro-actively assess risks and monitor performance for evidence of any impact. Their in-depth knowledge of relevant sectors and involvement in the day-to-day running of all Group businesses are key to mitigating any such risks.

Credit Risk

Credit risk arises from clients defaulting on their contractual financial obligations. This can occur for a variety of reasons including financial difficulties faced by clients as a result of difficult economic trading conditions. This could lead to the requirement to write-off overdue amounts or, where revenue is recognised ahead of the contractual cash flow profile, a reversal of income.

Credit risk is managed through rigorous payment collection processes and ongoing monitoring of trade debtors to identify any bad debt exposures and minimise their impact. It is further mitigated by the high level of customers paying by direct debit or standing order. The Group also benefits from having a highly diversified client base across multiple regions with no single customer concentration, or undue weighting to any specific industry.

Trade debtors are stated net of provision for doubtful debts. Provision is made where there is considered to be a risk that the full amount of the outstanding receivable will not be recoverable. Provision is also made against revenues recognised in advance of the contractual cash profile where risk of receipt exists.

Principal Risks and Uncertainties (continued)

Operational Risk

Operational risk includes the failure to attract and retain suitably qualified personnel and lack of adherence to, or inadequate, policies and procedures. This can also include failure of, or an external attack on, the Group's IT systems. These could adversely impact the quality of service to clients, potentially leading to complaints, loss of clients or, in more severe cases, reputational and/or claims activity. Failure to prevent a cyber-attack or other data breach could lead to GDPR breaches and potential fines.

The Group mitigates these risks using a variety of measures. It provides employees with appropriate training, fair remuneration packages, (including a variety of attractive immediate and long service benefits) appealing working environments which foster collaboration, and clear career pathways for progression. The Group looks to continually improve its service delivery, regularly reviewing its policies and procedures. The Group has invested in tools to support such delivery during the year including by way of example, in state-of-the-art IT equipment for field-based health & safety staff, operating bespoke developed software which support service being delivered quickly and effectively to all clients.

The IT infrastructure undergoes regular resilience and failover testing, with ongoing investment in hardware, and continuous cyber risk prevention and detection measures in place. Regular training is provided to staff on risks associated with internal and external cyber-attacks, as well as on the importance of data integrity and correct data handling. The Group has recently successfully transitioned to ISO 27001:2023 Information Security status, for its UK businesses and Ireland, having previously been ISO 27001:2013 standard accredited. Cyber Essentials Plus certification remains in place following the recent completion of the annual audit. Stringent controls are in place in line with best practices, maintained and monitored by a dedicated Information Security team and with the use of external penetration and cyber security testing services.

Legislative Risk

The Group's offerings are weighted to the provision of services in connection with legislation. Changes in legislation or standards in the areas of employment law, health & safety, tax, audit and accounting, increase the potential risk of providing incorrect advice, documentation, or other information.

To mitigate this risk, the Group provides staff with thorough induction programmes, continued professional development opportunities and training, alongside a variety of guidance tools and routes to escalate complex matters. All staff are appropriately qualified for the advice or service they provide. Guidance literature, documentation and online content is regularly reviewed and updated to reflect current legislation and standards. The Group has established processes and specialist in-house teams who continually research, review, interpret and disseminate external changes in law or standards. Where necessary and appropriate external specialists are consulted. Recently this activity has included a significant amount of research around the unprecedented volume of pending UK employment law changes, following the post financial year end change in government, with comprehensive education being provided to relevant internal colleagues and a detailed review of process documentation ahead of these changes becoming law.

Principal Risks and Uncertainties (continued)

Interest Rate Risk

Interest rate risk arises from a significant increase in interest rates, impacting the amount of interest payable on the Parent's debt facilities linked to UK reference rates. This risk is mitigated by the RCI Group operating with a relatively low amount of net debt relative to its EBITDA. Furthermore, the Group is highly cash generative in nature and could direct cash flows, if appropriate, to accelerate a reduction in the debt balances. The relative overall profitability of the Group means any realistic increase in interest rates would not be expected to adversely impact on the Parent meeting debt facility covenants or obligations. Furthermore, during the year ending March 2024 the Group introduced cash pooling arrangements for UK entities, improving the management of drawn debt positions and enhancing interest generation on cash balances.

Foreign Exchange ('Forex') Risk

Forex risk arises from the conversion of the overseas Group subsidiaries' financial results into sterling for the purposes of the Group's consolidated results. In addition, changes in exchange rates will impact upon the receipt and payment of monetary flow between Group entities, including the payment of dividends from overseas subsidiaries to the UK parent.

Whilst the Group experienced some adverse impact on the translation of overseas results into its consolidated results during the financial year, arising from a strengthening of sterling against the Australian, New Zealand and Canadian dollar, the Group was able to absorb this impact. Forex risk is mitigated by the diversification of operations across different international territories, with just under 60% of Group revenue generated in the UK. The Group subsidiaries do not have significant exposure to external supplier payments outside their country of operation. The Group generates strong EBITDA, which can tolerate a high degree of fluctuation in exchange rates movement without significant risk to its stability or overall performance.

Key Performance Indicators

In managing the Group, the directors use a wide range of key performance indicators to assess ongoing performance and which are regularly reported upon. In addition to core financial measures derived from the financial statements, other financial and non-financial measures include but are not limited to: new business sales; average contract values; new client wins; client losses; total clients; future invoice value; service utilisation, service response times, staff retention levels; and client satisfaction levels.

Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members and stakeholders. In doing this, Section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term.
- interests of the company's employees.
- need to foster the company's business relationships with suppliers, customers, and others.
- impact of the company's operations on the community and environment.
- maintenance of its reputation for high standards of business conduct and
- need to act fairly as between the different stakeholders of the company.

In discharging its s172 duties, Peninsula Business Services Group Limited has regard to the interests and views of its internal and external stakeholders. Information regarding engagement with stakeholders, including employees, suppliers and customers, is included in the relevant section of the Directors' Report. By considering the Group's purpose, vision, and values alongside its strategic priorities, the Group aims to make sure its decisions are consistent and equitable. The Group has established policies and procedures reflecting its commitment to responsible business practices. These policies are communicated clearly and consistently across the staff base. The Group seeks to foster a culture of open communication and transparency, encouraging feedback from all stakeholders.

As is normal for large groups, Peninsula Business Services Group Limited delegates authority for day-to-day management to its executives and engages management in setting, approving, and overseeing the execution of the business strategy and related policies. The Group reviews the financial and operational performance of the business on a monthly basis with formal reporting and review at both board and executive level, supplemented by daily, weekly, and monthly reporting and assessment of various KPI's across all areas of the operations. Regular board meetings are held throughout the year for core trading entities within the Group, which include a mix of Group and company specific executive directors in attendance with frequent participation from other senior employees. Through these and other means the Group directors review a variety of important matters over the course of the financial year including risk and compliance, corporate governance, environmental legal, pensions, health & safety, diversity and inclusivity, corporate social responsibility and other stakeholder-related matters.

This ensures the Group has an overview of engagement with stakeholders and complies with its s172 duty to promote the success of the Group.

Approved by the board of the directors on 25 October 2024 and signed on its behalf by:

....

J J Foster - Director

Directors' Report
for the year ended 31 March 2024

The directors present their report and the financial statements of the Company and Group for the year ended 31 March 2024.

Dividends

Particulars of recommended dividends are detailed in note 14 to the financial statements.

Directors

The directors shown below have held office during the whole of the period from 1 April 2023 to the date of this report.

P E Done
D S Chadwick
J J Foster
A Price
D Price

Indemnity Provision for Directors

During the year the Group had third party indemnity insurance for all directors and officers. The insurance remains in force as at the date of approving the Directors' Report.

Political Donations and Expenditure

No political contributions/donations/expenditures were made during the year by the Company nor any of the subsidiaries within the Group.

Charitable Donations and Expenditure

During the year, the Group made £1.0m in donations to the Royal Manchester Children's Hospital. Refer to Engagement with the Community section of the Directors' Report for further detail.

Going Concern

As at 31 March 2024 the Group has both positive net assets and positive net current assets. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The Group benefits from clients on multi-year contractual agreements, offering good visibility of future cash flows and healthy cash generation. The Group meets its day-to-day working capital requirement from its cash reserves held, its ability to generate net cash inflows from operational activities and access to funding, if required from the Parent's Revolving Credit Facility ('RCF').

Going Concern (Continued)

The Group prepares cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements. These project that the Group will meet its identified working capital commitments and remain compliant with its Parent's RCF financial covenants. The Parent's RCF facility which was refinanced in 2023 with a 3-year term, was successfully extended by a further 12 months in 2024 resulting in an earliest maturity of March 2027.

To the extent it will impact on the Company's abilities to repay its liabilities as they fall due, the Company has received a letter of support from the Parent confirming that amounts owed to other Group companies will not be demanded for repayment for a period of at least 12 months from the date of approval of these financial statements.

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

Post Balance Sheet Events

Following the financial year end Peninsula Business Services Limited, a subsidiary of the Group entered into an amendment and restatement of the lease of the Peninsula Building, which included entering into an amendment for renewal lease. The impact of these being to increase the annual rent charge and effectively extend the duration of the lease term beyond that disclosed in the notes to the financial statements.

Equality, Diversity and Employment of Disabled Persons

The Group strives to create a safe, inclusive, and diverse working environment for all employees.

The Group does not discriminate between employees or potential employees on the grounds of race, ethnic or national origin, sex, sexual orientation, marital status, age, disability, pregnancy and maternity, or religious beliefs. A diverse workforce is essential to the Group's success, and the Group is committed to building a culture of respect and understanding. The Group takes a zero-tolerance stance against discrimination. This involves protecting staff against direct and indirect discrimination, victimisation or harassment due to any protected characteristics. The Group employs a fair and equal pay policy, and the UK entities report annually on Gender Pay Gap looking carefully into reasons for any discrepancies. During the last five years the Group has seen progress in the gender diversity of its senior leadership team and is committed to making further strides in this area.

New joiners are provided with the Equality and Diversity Policy on starting, setting out what is expected from them and their responsibilities from the start. The effectiveness of this policy is regularly monitored and communication issued reminding staff of these expectations. To keep the business in line with the most recent guidance and best practice, the policy is reviewed, updated and redistributed as appropriate.

It is the Group's policy to encourage the employment, training, and career development of persons with disabilities. If individuals become disabled during employment and are unable to perform their jobs, consideration is given to retraining for alternative roles. The Group is registered as a Disability Confident Committed (level 1) Employer in the UK, committing the businesses to activities which both support and encourage disabled persons in the workplace.

Engagement with Employees

The Group places considerable value on the employee involvement and keeps them informed via regular townhall style meetings and internal communications. This includes the Group Intranet, which is continually updated with relevant news and information, alongside regular email distributions, and regular Q&A sessions with Group directors.

Continued professional development and progression opportunities are important to the Group with staff having the opportunity to further develop their expertise via accredited courses, where appropriate. Documented career pathways are published and communicated internally, providing a framework with which to measure success as part of regular performance and salary reviews. The Group has a successful track record of promoting from within, evident at all levels across the Group including the leadership team, many of whom started their careers in the Group in junior roles, with the opportunity for colleagues to move roles across the Group.

The Group does not subscribe to zero-hour contracts. Part-time and fixed-term employees are afforded the same pro-rata entitlements as full-time and permanent employees. The Group also looks to regularly review staff benefits.

The Group businesses undertake various regular in office social activities during the year to promote both team development and cross departmental engagement with activity supported by internal forums attended by volunteers within the business. The Group incentivises employees with a profit share framework, which is open to the majority of employees and based on the respective performance of the entity they work for.

During the year, in line with the launch of the Group's global values, the Group launched the Peninsula Group MVP (Most Valuable Player) Awards. These are open to all employees, recognising and rewarding those who go the extra mile, look at ways to add value and embody the Group's values every day. Employees across the globe were nominated with ten shortlisted candidates invited to present to a panel, with all UK and international colleagues invited to join the event virtually or in person. From this the top three were eventually chosen and awarded. The Group intends to repeat the successful recognition programme annually.

Staff wellbeing is also of paramount importance, and the Group seeks to support its employees mental, physical, emotional and financial wellbeing. Access to an Employee Assistance Programme with a third party provider is in place which offers confidential support and counselling, and Mental Health First Aiders in place across the UK entities. All UK entities have also signed up for the Menopause Workplace Pledge to ensure staff going through the menopause are protected. In July 2024 the Group also celebrated the opening of the 'Rainy City Gym' at its Group Head office in Manchester, with employees participating in a range of fun challenges. The state-of-the-art gym is available free of charge to all employees and open 24/7, further reflecting the Group's commitment to employee health and wellbeing.

The UK and Ireland Group entities are all accredited for ISO 45001, which is the recognised standard for occupational health & safety. This demonstrates the Group's commitment to creating safer working conditions and reducing workplace risks. The Group looks to continually improve the working environment with a programme of continued refurbishment of offices. During the year this has led to a completion of the reception area refurbishment, and following the year end the opening of the head office gym. In addition, the Group largely completed the refurbishment of the Group's second largest office in Hinckley, UK, at a cost of over £2m improving the comfort and amenities for office-based employees, with a gym also currently being planned for that location. During the year the Group also relocated its New Zealand operations to larger, more modern, recently refitted offices, with BrightHR Australia's new Sydney office also opening. The Group also secured new offices in Toronto, Canada, which are currently in the process of going through a multi-million-dollar refurbishment to almost double the available office space.

Engagement with Customers

The Group's focus remains on the development and delivery of market-leading services and products to its clients.

The Group's aim is to support its customers, take care of their employment law, HR, H&S, accounting, audit and tax legislation and compliance, HR and H&S software, employee wellbeing and tax fee protection cover needs in a way that helps them achieve their own business objectives. This support comes from highly qualified teams of specialists including consultants and advisors, tasked with providing exceptional customer service. A number of services are backed by either stipulated service promises, discretionary protection or, in the case of the UK, a legal expenses insurance policy, that underpins the advice given.

Successful customer engagement is reflected by the high volume of excellent external reviews received, the levels of customer retention seen, and in the ISO 9001 - Quality Management accreditation achieved by all UK and Ireland entities.

Engagement with Suppliers

The Group recognises the importance of its supply chain and invests in maintaining sustainable and professional relationships with its many key suppliers. In line with Group requirements, formal approval and authorisation processes operate when engaging with new suppliers, or when renewing or extending existing contracts, which are led or supported by its procurement and legal teams as appropriate. This typically includes a structured approach to obtaining proposals, undertaking due diligence prior to contract award, use of ethical sourcing questionnaires and the operation of a supplier code of conduct, documenting the standards of behaviour expected in areas including modern slavery and human trafficking, environmental stewardship and financial crime.

The Group regularly reviews and annually approves its 2015 Modern Slavery Act statement.

The Group understands the importance of timely payment to suppliers. Supplier Payment Performance Reporting is published through the gov.uk website for those required to do so.

Engagement with the Community

The Group realises its wider responsibility in society and has always retained and valued roots to its origins in Salford and the Northwest of England. It has developed deep relationships with local charities, non-profit groups, and educational organisations. This includes, amongst others, partnerships with University of Salford and Salford College working on projects of joint interest, and graduate and apprenticeship programmes with the Group currently broadening relationships to other universities locally and internationally. The community relationships also include a corporate partnership with IntoUniversity, helping to transform futures of young persons from disadvantaged backgrounds through development of skills, and partnership with Salford City Football Club, including the sponsorship of the 'Peninsula' stadium and engaging alongside the club and community on a wide range of issues including mental wellbeing. The partnership with the club has also resulted in the launch of the first of its kind, English Football League Supporter Assistance Programme, giving season ticket holders free access to the Group's Employee Assistance Programme helplines and services. The Group also sponsors several under-8's football teams in Manchester, Merseyside and Cumbria.

Engagement with the Community (continued)

In celebration of the Group's 40th year in business and recognising the financial strain that many small businesses are currently under, the Group launched its Fab at Forty campaign in October 2023. This campaign saw the Group, through the Peninsula UK business, offer a full 12-months of services for free to 40 small businesses and charities with no strings attached.

Continuing the Group's charitable commitment and with the multi-year £3 million partnership with Royal Manchester Children's Hospital ceasing at the end of the financial year ending March 2024, the Group initiated a process in early 2024 to select its new charity partners. An employee nomination process generated almost 550 charity nominations from which a shortlist was chosen. The Group was delighted to announce three new official UK charity partnerships each commencing in April 2024 with:

DEBRA UK: a national charity and patient support organisation for people living with the rare and extremely painful genetic skin condition Epidermolysis Bullosa (EB) aka 'Butterfly Skin';

Together for Short Lives, a leading UK charity supporting Children's palliative care; helping children with life-limiting and life-threatening conditions and their families make the most of every moment they have together; and

Air Ambulances UK: the national charity supporting the lifesaving work of the UK Air Ambulance charities, bringing emergency departments to life-threatening trauma and medical situations.

The Group is proud to be supporting these charities and has pledged £3 million (£1 million per year) across the next three years spread across the three charities. Amounts pledged will include funds raised through organised fundraising events, individual employee fundraising activities, voluntary payroll giving, all of which the Group matches £ for £, as well as direct contributions from the Group. In addition to providing financial support the Group has also offered these partner charities free access to various Group services including EAP, HR advice and the BrightHR platform.

The Group has additional charitable partnerships in other international territories in which the Group operates including, following a similar shortlist and selection process to the UK, a three-year €450,000 partnership with BUMBLEance (children's ambulances) in the Republic of Ireland, and a three year CAD$100,000 commitment to Sick Kids Hospital Foundation in Canada. In addition to official charity partnerships the Group continues to support other local charities on an ad hoc basis.

Engagement with the Environment

The Group remains committed to reducing energy usage, costs, and carbon footprint with the aim of reaching Net Zero emissions by 2040 with an apex target of reducing greenhouse gas emissions by 50% by 2030. The Group is certified and accredited to ISO 50001:2018 - Energy Management within the UK and Ireland.

Streamlined Energy and Carbon Reporting ('SECR')

The following information has been provided to fulfil the requirements of The Companies (Director's report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. This is the Group's fourth reporting year. Energy data is for the UK and Ireland.

Methodologies for Energy and Emissions Calculations

The information has been collated from the Company's ISO 50001:2018 certified energy management system which uses methods suggested in Statutory Instrument 2014 No.1643 and BS EN 16247-1:2012. Emission conversions are based on the UK Government carbon conversion factors (2023) for grid electricity, natural gas (gross), an 'average' car (petrol/ diesel split of 65%/ 35%) for grey fleet and an average diesel car for company combustion cars or battery electric vehicle (where applicable).

Compared to the previous year, Scope 2 emissions have increased due to a transition to use of battery electric company vehicles, but Scope 1 emissions have reduced through a reduction in natural gas. Scope 3 emissions (grey fleet) increased during the year.

Electricity and gas data was compiled from billed data from primary fiscal meters in owned premises in Manchester and Hinckley. During the reporting period, Hinckley isolated its gas supply and received a final gas invoice in February 24.

Transport data is derived from mileage claims for company cars and grey fleet.

Overall, compared to the previous reporting year, emissions per £m turnover have reduced by 15.1%. Compared to the 2019/20 baseline year, emissions have reduced by 57.8%.

Engagement with the Environment (continued)

Reporting parameter	Current reporting year 2023-2024	Previous reporting year 2022-2023*
Energy consumption used to calculate emissions	9,315,377 kWh of which: • Electricity: 3,463,047 kWh • Natural Gas: 1,673,746 kWh • Oil: 0 kWh • Transport: 4,178,584 kWh	10,041,462 kWh of which: • Electricity: 3,680,629 kWh • Natural Gas: 2,005,086 kWh • Oil: 0 kWh • Transport: 4,355,747 kWh
Emissions from activities for which the company own or control including combustion of fuel & operation of facilities (Scope 1)	1,077.99 tCO2e (emissions from combustion of natural gas, diesel oil and in company cars)	1,345.29 tCO2e (emissions from combustion of natural gas, diesel oil and in company cars)
Emissions from purchase of electricity, heat, steam and cooling purchased for its own use and any EV vehicles (Scope 2)	844.82 tCO2e (emissions from grid electricity consumption)	730.86 tCO2e (emissions from grid electricity consumption)
Total gross Scope 1 & 2	1,922.81 tCO2e	2,076.15 tCO2e
Scope 3 emissions (transport)	123.47 tCO2e	103.29 tCO2e
Intensity ratio(s)	The following Group level intensity ratio is reported: • 7.43 tonnes CO2e/ per £m sales revenue (electricity, gas and transport data).	The following Group level intensity ratio is reported: • 8.76 tonnes CO2e/ per £m sales revenue (electricity, gas and transport data).

* 2022/2023 has been updated to reflect updated information received after SECR statement was released in the previous period. Intensity ratios have been adjusted to reflect UKI turnover only.

The Group encourages all employees to avoid unnecessary use of resources and is committed to taking all reasonable steps to manage operational activity, thereby minimising environmental impact and promoting good environmental practice.

Such initiatives facilitated the following being achieved in the financial year:

- Absolute energy (kwh) reduced by 33.5% against the 2019/20 baseline.
- Electricity performance (kWh/m2) reduced by 15.3% compared to the 2019/20 baseline.
- Thermal energy performance (kWh/HDD/m2) reduced by 23.0% compared to the 2019/20 baseline.
- Miles travelled per £m turnover reduced by 53.9% as compared to the 2019/20 baseline.

Engagement with the Environment (continued)

Ongoing energy efficient initiatives which the Group has undertaken include:

- Continued use of virtual sales and service delivery as an alternative to face-to-face client meetings to negate travel requirements and business mileage. During the year the Group also increasingly switched from the use of in-person regional seminars with prospects to use of webinars. This was however in part offset by increased volume of risk assessment visits which the Group undertook as part of its growing H&S activity which require physical inspection.
- Continued transition of UK car fleet to fully electric as existing vehicles come to end of term. At end of financial year. As at March 2024, approximately 94% of the fleet was electric, with 100% expected by November 2024.
- Ongoing progression in the reduction of printing and paper consumption including the use of e-signature agreements and moving physical client documentation towards digital alternatives. The amount of print clicks in the Group's main print production department reduced 16% versus use in the prior year with initiatives to reduce this. During the financial year the Group achieved a 9% increase in completed e-agreements, replacing paper contracts.
- Ongoing refurbishment and modernisation of the Group's offices including introduction of energy efficient alternatives. During the financial year under review the Group refurbished the ground floor of its Manchester head office building including replacing all lighting with LED and introducing more energy efficient VRF air conditioning. In addition, work on the refurbishment commenced at the Hinckley, UK office replacing all lighting with LED lighting, installing heat pumps in replacement to gas generated heating. Additional chargers are planned for Hinkley in the coming months. In addition, the Group has been gradually replacing older electronic wallboards for more energy efficient models which can be automatically powered off at the end of each day.
- Improved use of the heating controls at the Manchester head office, resulting in reduced usage in the warmer months by optimising boiler controls, compared to the previous year.
- Continued waste segregation and recycling improvements, including shredding and recycling confidential waste within offices, thereby reducing landfill. Additional waste streams are planned for recycling in the forthcoming year.
- The majority of IT services being delivered through SaaS or IaaS resulting in the physical server footprint dropping significantly over recent years and with remaining servers being modern and therefore benefiting from the energy efficiencies that newer hardware provides. All older computer equipment is sent to be recycled.
- The Group introduced a new Cycle to Work scheme for all UK staff to encourage reduced car use, launched April 2023.
- Contracting to renewable electricity and green gas tariffs.

The Group has in place office ISO compliance representatives to support initiatives and communication across the business. The Group continues to explore options for renewable energy projects including introduction of on-site energy generation, further replacement of LED lighting and exploration of more energy efficient heating and cooling systems.

Disclosure in the Strategic Report

Information regarding future developments and principal risks and uncertainties is included in the Strategic Report.

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to Disclosure of Information to Auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director in order to make them self aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Approved by the board of directors on 25 October 2024 and signed on its behalf by:

....

J J Foster - Director

Independent Auditors’ Report to the Members of Peninsula Business Services Group Limited

Opinion

We have audited the financial statements of Peninsula Business Services Group Limited (the ‘parent Company’) and its subsidiaries (the ‘Group’) for the year ended 31 March 2024, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group’s and of the parent Company’s affairs as at 31 March 2024 and of the Group’s profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council’s Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group’s or the parent Company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent Auditors' Report to the Members of Peninsula Business Services Group Limited (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Independent Auditors’ Report to the Members of Peninsula Business Services Group Limited (continued)

Responsibilities of directors

As explained more fully in the Directors’ Responsibilities Statement set out on page 22, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group’s and the 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 the directors 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 for the audit of the financial statements

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 an Auditors’ Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity’s operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team and component auditors:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the Group and Company operates in and how the Group and Company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to employment law and health and safety. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations including a review of board minutes and requested sight of any relevant correspondence.

The Group audit engagement team identified the risk of management override of controls and revenue recognition as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- Testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, assessing whether the judgements made in making accounting estimates are indicative of potential bias.
- Challenging judgement and estimates applied in the valuation of accrued income on contracts and testing a sample of revenue items to underlying contract. We tested a sample of revenue transactions recognised either side of the reporting date to determine whether revenue was recorded in the correct period.
- We also performed analytical procedures on revenue by reviewing the overall reconciliation between revenue, cash and accrued income and receivables.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the consolidated financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our Group audit approach.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Independent Auditors' Report to the Members of Peninsula Business Services Group Limited (continued)

Use of our report

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

RSM UK Audit LLP

Ian Taylor FCA (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP
Chartered accountants & statutory auditor
Ninth Floor, Landmark
St Peter's Square
1 Oxford Street
Manchester, M1 4PB

28/10/2024

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

	Note	2024 £000	2023 £000
REVENUE	4	**425,602**	393,517
Cost of sales		**(93,518)**	(87,330)
GROSS PROFIT		**332,084**	306,187
Distribution costs		**(123,930)**	(115,792)
Administrative expenses		**(104,766)**	(98,499)
Other operating income	5	**652**	617
OPERATING PROFIT		**104,040**	92,513
Interest receivable and similar income	8	**403**	182
Interest payable and similar expenses	9	**(7)**	(22)
PROFIT BEFORE TAXATION	10	**104,436**	92,673
Tax on profit	12	**(26,017)**	(21,835)
PROFIT FOR THE YEAR		**78,419**	70,838
OTHER COMPREHENSIVE INCOME AND EXPENSE			
Foreign currency retranslation		**(1,358)**	(1,247)
Deferred consideration adjustment		-	583
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR		**(1,358)**	(664)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**77,061**	70,174
Profit attributable to:			
Owners of the parent company		**78,406**	70,844
Non-controlling interest		**13**	(6)
		78,419	70,838
Total comprehensive income attributable to:			
Owners of the parent company		**77,048**	70,180
Non-controlling interest		**13**	(6)
		77,061	70,174

The notes on pages 35 to 59 form part of these financial statements

Consolidated Statement of Financial Position

as at 31 March 2024

	Note	2024 £000	2023 £000
FIXED ASSETS			
Intangible assets	15	**16,477**	17,237
Tangible assets	16	**13,380**	11,938
		29,857	29,175
CURRENT ASSETS			
Debtors	18	**128,215**	124,767
Cash and cash equivalents		**17,159**	37,631
		145,374	162,398
CREDITORS			
Amounts falling due within one year	19	**(137,139)**	(133,915)
NET CURRENT ASSETS		**8,235**	28,483
TOTAL ASSETS LESS CURRENT LIABILITIES		**38,092**	57,658
PROVISIONS FOR LIABILITIES	21	**(6,014)**	(10,141)
NET ASSETS		**32,078**	47,517
CAPITAL AND RESERVES			
Called up share capital	24	**1**	1
Capital redemption reserve	25	-	-
Foreign exchange reserve	25	**(1,102)**	256
Acquisition reserve	25	**(87,273)**	(87,273)
Retained earnings	25	**120,524**	134,618
SHAREHOLDERS' FUNDS		**32,150**	47,602
NON-CONTROLLING INTEREST		**(72)**	(85)
TOTAL EQUITY		**32,078**	47,517

The financial statements were approved by the board of directors and authorised for issue on 25 October 2024 and were signed on its behalf by:

J J Foster
Director
Company registration number : 02567996 (England and Wales)

The notes on pages 35 to 59 form part of these financial statements

Company Statement of Financial Position

as at 31 March 2024

	Note	2024 £000	2023 £000
FIXED ASSETS			
Investments	17	**192,251**	154,677
		192,251	154,677
CURRENT ASSETS			
Debtors	18	**6,487**	46,930
Cash and cash equivalents		**537**	1,982
		7,024	48,912
CREDITORS			
Amounts falling due within one year	19	**(57,359)**	(54,299)
NET CURRENT LIABILITIES		**(50,335)**	(5,387)
NET ASSETS		**141,916**	149,290
CAPITAL AND RESERVES			
Called up share capital	24	**1**	1
Revaluation reserve	25	**33,425**	33,425
Capital redemption reserve	25	**-**	-
Foreign exchange reserve	25	**22**	854
Retained earnings	25	**108,468**	115,010
SHAREHOLDERS' FUNDS		**141,916**	149,290
Company's total comprehensive income for the year		**85,126**	65,150

The financial statements were approved by the board of directors and authorised for issue on 25 October 2024 and were signed on its behalf by:

J J Foster
Director
Company registration number : 02567996 (England and Wales)

The notes on pages 35 to 59 form part of these financial statements

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

	Called up share capital £000	Captial redemption reserve £000	Foreign exchange reserve £000	Acquisition reserve £000	Retained earnings £000	**Total** £000	Non-controlling interests £000	**Total equity** £000
Balance at 1 April 2022	1	-	1,503	(87,856)	138,774	52,422	(79)	52,343
CHANGES IN EQUITY								
Profit for the year	-	-	-	-	70,844	70,844	(6)	70,838
Other comprehensive income	-	-	(1,247)	-	-	(1,247)	-	(1,247)
Deferred consideration adjustment	-	-	-	583	-	583	-	583
Total comprehensive income	-	-	(1,247)	583	70,844	70,180	(6)	70,174
Dividends	-	-	-	-	(75,000)	(75,000)	-	(75,000)
Balance at 31 March 2023	1	-	256	(87,273)	134,618	47,602	(85)	47,517
CHANGES IN EQUITY								
Profit for the year	-	-	**-**	-	**78,406**	**78,406**	**13**	**78,419**
Other comprehensive income	-	-	**(1,358)**	-	**-**	**(1,358)**	-	**(1,358)**
Total comprehensive Income	-	-	**(1,358)**	-	**78,406**	**77,048**	**13**	**77,061**
Dividends	-	-	-	-	**(92,500)**	**(92,500)**	-	**(92,500)**
Balance at 31 March 2024	**1**	-	**(1,102)**	**(87,273)**	**120,524**	**32,150**	**(72)**	**32,078**

The notes on pages 35 to 59 form part of these financial statements

Company Statement of Changes in Equity

for the year ended 31 March 2024

	Called up share capital £000	Capital redemption reserve £000	Revaluation reserve £000	Foreign exchange reserve £000	Retained earnings £000	Total £000
Balance at 1 April 2022	1	-	33,425	1,420	124,294	159,140
CHANGES IN EQUITY						
Profit for the year	-	-	-	-	65,716	65,716
Other comprehensive income	-	-	-	(566)	-	(566)
Total comprehensive income	-	-	-	(566)	65,716	65,150
Dividends	-	-	-	-	(75,000)	(75,000)
Balance at 31 March 2023	1	-	33,425	854	115,010	149,290
CHANGES IN EQUITY						
Profit for the year	-	-	-	-	**85,958**	**85,958**
Other comprehensive income	-	-	-	**(832)**	-	**(832)**
Total comprehensive income	-	-	-	**(832)**	**85,958**	**85,126**
Dividends	-	-	-	-	**(92,500)**	**(92,500)**
Balance at 31 March 2024	**1**	**-**	**33,425**	**22**	**108,468**	**141,916**

The notes on pages 35 to 59 form part of these financial statements

Consolidated Statement of Cash Flows

for the year ended 31 March 2024

	2024 £000	2023 £000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations (note 1)	**110,812**	104,234
Interest paid	**(7)**	(22)
Tax paid	**(28,078)**	(21,489)
Net cash from operating activities	**82,727**	82,723
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible fixed assets	**(4,832)**	(5,969)
Purchase of tangible fixed assets	**(6,019)**	(3,716)
Sale of tangible fixed assets	**368**	68
Acquisition of subsidiary - deferred consideration	**-**	582
Interest received	**403**	182
Net cash from investing activities	**(10,080)**	(8,853)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans from Group undertakings	**739**	973
Dividends paid to parent company	**(92,500)**	(75,000)
Net cash from financing activities	**(91,761)**	(74,027)
Decrease in cash and cash equivalents	**(19,114)**	(157)
Cash and cash equivalents at beginning of year (note 2)	**37,631**	39,035
Effect of foreign exchange rate changes	**(1,358)**	(1,247)
Cash and cash equivalents at end of year (note 2)	**17,159**	37,631

The notes on pages 34 form part of the Consolidated Statement of Cash Flows

Notes to the Consolidated Statement of Cash Flows

for the year ended 31 March 2024

1. RECONCILIATION OF PROFIT FOR THE YEAR TO CASH GENERATED FROM OPERATION

	2024 £000	2023 £000
Profit for the year	**78,419**	70,838
Depreciation and amortisation charges	**9,809**	11,144
(Profit)/Loss on disposal of fixed assets	**(2)**	231
Interest payable and similar expenses	**7**	22
Interest receivable and similar income	**(403)**	(182)
Taxation	**26,017**	21,835
	113,847	103,888
Decrease in stocks	**-**	1
Increase in trade and other debtors	**(3,448)**	(8,374)
(Decrease)/Increase in trade and other creditors	**413**	8,719
Cash generated from operations	**110,812**	104,234

2. CASH AND CASH EQUIVALENTS

The amounts disclosed in the Consolidated Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2024	31.3.24	01.4.23
Cash and cash equivalents	**17,159**	37,631

Year ended 31 March 2023	31.3.23	01.4.22
Cash and cash equivalents	**37,631**	39,035

Included within Cash and cash equivalents is £3.9m (2023: £2.1m) in relation to restricted cash.

3. ANALYSIS OF CHANGES IN NET FUNDS

	2023 £000	Cash flow £000	Forex £000	2024 £000
Cash and cash equivalents	37,631	**(19,114)**	**(1,358)**	**17,159**
Total	37,631	**(19,114)**	**(1,358)**	**17,159**

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

1. Statutory Information

Peninsula Business Services Group Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office can be found on the Company Information page.

2. Statement of Compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

3. Accounting Policies

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in Sterling (£), which is the functional currency of the Company and Group.

Where a subsidiary has a different functional currency to the Company and Group these are converted in Sterling (£) using exchange rates disclosed in the Foreign currencies accounting policy.

Financial Reporting Standard 102 - reduced disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS102. Its financial statements are consolidated into the financial statements of Rainy City Investments Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS102:

a. Disclosures in respect of each class of share capital have not been presented.

b. No cash flow statement has been presented for the Company.

c. Disclosures in respect of financial instruments have not been presented.

d. No disclosure has been given for the aggregate remuneration of key management personnel.

Basis of consolidation

The financial statements consolidate the financial statements of Peninsula Business Services Group Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The Company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual Statement of Comprehensive Income.

3. Accounting Policies (continued)

Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's shareholders' funds. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise of options or conversion of options or convertible instruments.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Determination of whether there are indicators of impairment of the Group's intangible and tangible fixed assets. Factors taken into consideration in recognising impairment triggers include the economic viability and expected future financial performance of each individual class of asset.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, they will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Intangible and tangible fixed assets are amortised or depreciated over their useful economic lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, service life cycles and maintenance are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Revenue arises from the provision of services under contractual agreements typically ranging from one to five years, and services provided on an ad hoc basis. The Group accounts for sales with reference to the duration of the contracts and the expected phasing of time spent in the provision of the component services within these contracts. Accrued income arises where revenue is recognised ahead of the invoicing profile, which in the majority of cases occurs evenly over the contractual term.

3. Accounting Policies (continued)

Key sources of estimation uncertainty (continued)

- Recoverability of trade debtors: A specific provision is made against certain debts where in the opinion of the director the debt is not considered to be fully recoverable. A provision of £5.4m (2023: £5.8m) has been recognised in respect of trade debtors across the Group. Furthermore, where a trade debt is considered impaired, a provision is also recognised in respect of any associated accrued income. The accrued income provision at the year end was £6.6m (2023: £7.0m).

- Litigation defence guarantee: A provision is in place relating to the offering of discretionary protection to clients, in certain regions in which the Group operates, for estimated costs associated with the defending of and outcomes from those clients' employment disputes or health and safety matters. A provision of £0.6m (2023: £1.0m) has been recognised in accruals in respect of such service activity.

Revenue recognition

Revenue represents amounts receivable for products and services provided, stated net of discounts, Value Added Tax or equivalent indirect sales tax and after adjusting for the elimination of intercompany sales between Group subsidiaries.

The Group provides a range of products and services across the different subsidiaries. For contractual agreements spanning across multiple years the revenue arising from the provision of services is measured by reference to the duration of the contracts and the expected phasing of time spent in the provision of the component services within these contracts. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised are likely to be recovered. Commissions are recognised when the right to receive payment is established. Ad hoc or non-contractual revenue is recognised at the point the product or services are provided to the customer.

Income from investments

Income from investments in subsidiaries, including dividends, are recognised at the date of declaration.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the Group's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill cannot be made, the life is presumed not to exceed ten years.

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

3. Accounting Policies (continued)

Intangible assets
Intangible assets are initially recorded at cost and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

On disposal the difference between the net disposal proceeds and the carrying amount of the intangible fixed asset is recognised in the Statement of Comprehensive Income.

Amortisation
Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	5 - 10% per annum straight line
Patents, and licences	-	5% per annum straight line
Business IP	-	10 - 20% per annum straight line
Software development	-	25% per annum straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised to reflect the new estimates.

Tangible fixed assets
Tangible assets are initially recorded at cost and subsequently stated at cost less any accumulated depreciation and impairment losses.

On disposal the difference between the net disposal proceeds and the carrying amount of the tangible fixed asset is recognised in the Statement of Comprehensive Income.

Depreciation
Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% per annum straight line
Leasehold improvements	-	10% per annum straight line
Fixtures, fittings and office equipment	-	10 - 25% per annum straight line
Motor vehicles	-	25% per annum straight line
Computer equipment	-	25 - 33% per annum straight line

3. Accounting Policies (continued)

Impairment of fixed assets

Where there have been indicators for impairment in any reporting period, a review is carried out and the recoverable amount(s) estimated. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price unless the arrangement constitutes a financing transaction in which case it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in Consolidated Statement of Equity.

Current or deferred taxation assets and liabilities are not discounted.

3. Accounting Policies (continued)

Current tax
Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies
Functional and presentational currency
On consolidation, the results of overseas operations are translated into Sterling at an average rate of exchange ruling over the reporting period using the following rates:

GBP(£) : Euro (€)	0.87	(2023: 0.87)
GBP(£) : AUD ($)	0.53	(2023: 0.57)
GBP(£) : NZD ($)	0.50	(2023: 0.52)
GBP(£) : CAD ($)	0.60	(2023: 0.63)

All assets and liabilities or overseas operations are translated at the Statement of Financial Position date using the following rates:

GBP(£) : Euro (€)	0.85	(2023: 0.88)
GBP(£) : AUD ($)	0.52	(2023: 0.54)
GBP(£) : NZD ($)	0.47	(2023: 0.51)
GBP(£) : CAD ($)	0.59	(2023: 0.60)

Exchange difference arising on such translations are recognised in the Statement of Comprehensive Income.

Transactions and balances
Foreign currency transactions are translated into the Group entities functional currency using the exchange rates prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit for the financial year.

3. Accounting Policies (continued)

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives are recognised as a reduction to expense over the lease term on a straight-line basis.

Lease income is recognised in profit or loss on a straight-line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Pension costs and other post-retirement benefits

The Group operates a number of defined contribution pension schemes. Contributions payable to Group's pension schemes are charged to profit or loss in the period to which they relate.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event when it is probable that the entity will be required to transfer economic benefits in settlement, and when the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the Statement of Financial Position.

Provisions are initially measured as the best estimate of the amount required to settle the obligation at the reporting date and are subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset.

Going concern

As at 31 March 2024 the Group has both positive net assets and positive net current assets. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The Group benefits from clients on multi-year contractual agreements, offering good visibility of future cash flows and healthy cash generation. The Group meets its day-to-day working capital requirement from its cash reserves held, its ability to generate net cash inflows from operational activities and access to funding, if required from the Parent's Revolving Credit Facility ('RCF'). The Group prepares cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements. These project that the Group will meet its identified working capital commitments and remain compliant with its Parent's RCF financial covenants. The Parent's RCF facility which was refinanced in 2023 with a 3-year term, was successfully extended by a further 12 months in 2024 resulting in an earliest maturity of March 2027.

To the extent it will impact on the Company's abilities to repay its liabilities as they fall due, the Company has received a letter of support from the Parent confirming that amounts owed to other Group companies will not be demanded for repayment for a period of at least 12 months from the date of approval of these financial statements.

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

4. Revenue

The revenue and profit before taxation are attributable to the one principal activity of the Group.

An analysis of revenue by geographical market is given below:

	2024 £000	2023 £000
Provision of services	**425,602**	393,517

Analysis of revenue by geographical market is given below:

	2024 £000	2023 £000
United Kingdom	**255,748**	229,781
Overseas	**169,854**	163,736
	425,602	393,517

5. Other Operating Income

	2024 £000	2023 £000
Rents received	**652**	617

Rents received is income from other parties renting office space in the Peninsula building, which is fully let to the Group by Rainy City Properties Limited, a related party.

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

6. Employees

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

	2024 £000	2023 £000
Wages and salaries	**168,958**	159,513
Social security costs	**16,157**	12,681
Cost of defined contribution scheme	**6,762**	5,728
	191,877	177,922

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

	2024	2023
Sales and marketing	**1,246**	1,164
Client services and support	**1,719**	1,658
Administration	**521**	530
	3,486	3,352

7. Directors' Emoluments

	2024 £000	2023 £000
Directors' remuneration	**7,496**	4,772
Directors' pension contributions to money purchase schemes	**60**	64

During the year retirement benefits were accruing to 5 directors (2023 - 5) in respect of defined contribution pension schemes.

Information regarding the highest paid director is as follows:

	2024 £000	2023 £000
Remuneration	**2,909**	1,421
Pension contributions to money purchase schemes	**11**	-

8. Interest Receivable and Similar Income

	2024 £000	2023 £000
Interest received	**403**	182

9. Interest Payable and Similar Expenses

	2024 £000	2023 £000
Other interest payable and similar charges	**7**	22

10. Profit Before Taxation

	2024 £000	2023 £000
The profit is stated after charging/(crediting):		
Operating leases	**11,334**	11,045
Depreciation	**3,170**	3,296
(Gain)/Loss on disposal of fixed assets	**(2)**	231
Amortisation	**6,639**	7,848
Foreign exchange differences	**782**	382
Rent received	**(652)**	(617)
Impairment of trade debtors	**9,085**	5,059
Litigation defence guarantee	**(373)**	66

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

11. Auditors' Remuneration

During the year, the Group obtained the following services from the Company's auditors and their associates:

	2024 £000	2023 £000
Fees payable to RSM		
Fees payable for the audit of the financial statements	**374**	378
Fees payable to the Company auditor and its associates for other services:		
Statutory accounts publishing and other secretarial services	**10**	5

12. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2024 £000	2023 £000
Current tax:		
UK Corporation tax	**15,592**	9,983
UK adjustments in respect of prior periods	**36**	(26)
Foreign current tax charge	**13,033**	11,364
Foreign adjustments in respect of prior periods	**933**	-
Total current tax	**29,594**	21,321
Deferred tax:		
UK origination and reversal of timing differences	**(444)**	514
Foreign origination and reversal of timing differences	**(3,133)**	-
Tax on profit	**26,017**	21,835

12. Taxation (continued)

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than (2023 - higher than) the standard rate of corporation tax in the UK of 25% (2023 - 19%). The differences are explained below:

	2024 £000	2023 £000
Profit before tax	**104,436**	92,673
Profit multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%)	**26,109**	17,608
Efffects of :		
Expenses not deductible for tax purposes	**227**	179
Depreciation and amortisation in excess of capital allowances	-	773
Utilisation of Group tax losses	**(2,009)**	(1,075)
Adjustments to tax charge in respect of previous periods	**968**	(26)
Other short term timing differences	**(2,487)**	984
Adjustment for different tax rate in overseas subsidiaries	**3,209**	3,392
Total tax charge for the year	**26,017**	21,835

There are no tax effects relating to other comprehensive income in both the current and previous accounting period.

Factors that may affect future tax charges

Deferred tax has been calculated at 25% which is the rate that the deferred tax liabilities and assets are expected to crystallise.

13. Individual Statement of Comprehensive Income

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the Company is not presented as part of these financial statements.

14. Dividends

	2024 £000	2023 £000
Ordinary shares of £1 each		
Dividends paid	**92,500**	75,000

15. Intangible Assets

Group

	Goodwill £000	Patents & licences £000	Software development £000	Business IP £000	Total £000
Cost					
At 1 April 2023	24,256	121	30,015	12,781	67,173
Additions	-	-	**4,837**	-	**4,837**
Reclassification/transfer	-	-	**5,609**	-	**5,609**
At 31 March 2024	**24,256**	**121**	**40,461**	**12,781**	**77,619**
Amortisation					
At 1 April 2023	16,886	39	20,777	12,234	49,936
Amortisation for year	**1,993**	**6**	**4,558**	**82**	**6,639**
Reclassification/transfer	-	-	**4,567**	-	**4,567**
At 31 March 2024	**18,879**	**45**	**29,902**	**12,316**	**61,142**
Net book value					
At 31 March 2024	**5,377**	**76**	**10,559**	**465**	**16,477**
At 31 March 2023	7,370	82	9,238	547	17,237

During the year there was a reclassification/transfer of tangible fixed assets to intangible fixed assets to more appropriately reflect the nature of certain fixed assets.

Company

The Company has no intangible fixed assets.

Notes to the Financial Statements

for the year ended 31 March 2024

16. Tangible Fixed Assets

Group

	Freehold property £000	Leasehold improvements £000	Fixtures and fittings £000	Motor vehicles £000	Computer equipment £000	Total £000
Cost						
At 1 April 2023	3,120	6,547	5,341	155	14,142	29,305
Additions	-	**2,404**	**1,187**	**-**	**2,428**	**6,019**
Disposals	-	**(344)**	**-**	**-**	**(776)**	**(1,120)**
Reclassification/transfer	-	**(110)**	**748**	**-**	**(6,247)**	**(5,609)**
At 31 March 2024	**3,120**	**8,497**	**7,276**	**155**	**9,547**	**28,595**
Amortisation						
At 1 April 2023	458	3,710	1,748	57	11,394	17,367
Amortisation for year	**62**	**890**	**500**	**19**	**1,699**	**3,170**
Reclassification/transfer	**-**	**(57)**	**345**	**-**	**(4,855)**	**(4,567)**
Disposals	**-**	**(61)**	**-**	**-**	**(694)**	**(755)**
At 31 March 2024	**520**	**4,482**	**2,593**	**76**	**7,544**	**15,215**
Net book value						
At 31 March 2024	**2,600**	**4,015**	**4,683**	**79**	**2,003**	**13,380**
At 31 March 2023	2,662	2,837	3,593	98	2,748	11,938

During the year there was a reclassification/transfer of tangible fixed assets to intangible fixed assets to more appropriately reflect the nature of certain fixed assets.

During the year there was a reclassification/transfer within tangible fixed assets to more appropriately reflect the nature of certain fixed assets.

Company

The Company has no tangible fixed assets.

17. Fixed Asset Investments

Company	Investments in Group Undertakings £000
Cost or valuation	
At 1 April 2023	154,677
Reclassification/ transfer	**37,574**
At 31 March 2024	**192,251**

During the year there was a reclassification of amounts due from Group undertakings, included in Debtors: amounts falling due in one year (note 18), to Fixed Asset Investments. Following a re-assessment of these balances during the year, the directors have concluded that they are long term in nature, rather than working capital balances, and as such are more appropriately recorded in Fixed Asset Investments.

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

17. Fixed Asset Investments (continued)

Subsidiaries, associates, and other undertakings

Details of the investments in which the Company has an interest of 20% or more are as follows:

Subsidiary undertakings	Registered office	Class of share	Percentage of shares held
Peninsula Business Services Limited	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	100%
Peninsula Business Services (Ireland) Limited	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	100%
Peninsula Legal Services Limited Limited	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	100%
Croner Group Limited	Croner House Wheatfield Way Hinckley Leicestershire LE10 1YG	Ordinary	100%
Croner-i Limited	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	100%
Croner Taxwise Limited	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	100%

17. Fixed Asset Investments (continued)

Subsidiary undertakings	Registered office	Class of share	Percentage of shares held
Health Assured Ltd	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	100%
Bright HR Limited	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	98%
Graphite HRM Limited	Block W Eastpoint Business Park Alfie Byrne Road East Wall Dublin 3 DO3 YW25 Republic of Ireland	Ordinary	100%
Peninsula Employment Services Limited	1800 -1631 Dickinson Avenue Kelowna, BC VIY 085 Canada	Ordinary	100%
Bright HR Limited	1800 -1631 Dickinson Avenue Kelowna, BC VIY 085 Canada	Ordinary	98%
Peninsula Australia Pty Ltd (formerly Employsure Pty Ltd)	Level 6 180 Thomas Street Haymarket NSW 2000 Australia	Ordinary	100%
Irwell Law Pty Ltd (formerly Employsure Law Pty)	Level 6 180 Thomas Street Haymarket NSW 2000 Australia	Ordinary	100%

17. Fixed Asset Investments (continued)

Subsidiary undertakings	Registered office	Class of share	Percentage of shares held
BrightHR Pty Ltd	Level 12 700 Harris Street Ultimo NSW 2007 Australia	Ordinary	98%
Peninsula Group NZ Limited (formerly Employsure Limited)	Level 3 8 Tangihua Street Auckland 1010 New Zealand	Ordinary	100%
Dormant subsidiary undertakings			
Employerline.co.uk Limited	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	100%
Peninsula Online Services Limited	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	98%
Peninsula Employer Services Ireland	Block W Eastpoint Business Park Alfie Byrne Road East Wall Dublin 3 DO3 YW25 Republic of Ireland	Ordinary	100%
Bright HR Software Limited	Block W Eastpoint Business Park Alfie Byrne Road East Wall Dublin 3 DO3 YW25 Republic of Ireland	Ordinary	98%

17. Fixed Asset Investments (continued)

Subsidiary undertakings	Registered office	Class of share	Percentage of shares held
Wisdom Wellbeing Pty Ltd	Level 6 180 Thomas Street Haymarket NSW 2000 Australia	Ordinary	100%

The Group formed Wisdom Wellbeing Pty Ltd, a dormant company registered in Australia, on the 22nd February 2024 with initial share capital of AUD$1.00. This company subsequently commenced trading after the Statement of Financial Position date.

The Group formed Wisdom Wellbeing Limited, a dormant company registered in England & Wales, on the 28th June 2024 with initial share capital of £1.00.

18. Debtors: Amounts falling due within one year

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Trade debtors	**20,282**	20,279	-	-
Amounts owed by Group undertakings	**-**	-	**6,487**	46,930
Other debtors	**1,638**	1,513	**-**	-
Prepayments and accrued income	**106,295**	102,975	**-**	-
	128,215	124,767	**6,487**	46,930

Amounts owed by Group undertakings are interest free and repayable on demand.

During the year there was a reclassification of amounts due from Group undertakings, included in Debtors: amounts falling due in one year, to Fixed Asset Investments (note 17).

Included within Trade debtors is £1.0m (2023: £0.8m) owed from related parties (note 28).

Included within Other debtors is £1.0m (2023: £Nil) owed from related parties and £0.1m (2023: £Nil) owed from directors within the Group (note 28).

Included within Prepayments and accrued income is £3.8m (2023: £3.8m) accrued from related parties (note 28).

19. Creditors: Amounts falling due within one year

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Trade creditors	**10,922**	11,604	-	-
Amounts owed to Parent and Group undertakings	**50,924**	50,185	**54,074**	53,335
Corporation tax	**2,834**	1,318	**3,270**	-
Social security and other taxes	**12,058**	11,967	-	-
Other creditors	**2,012**	2,709	-	-
Accruals and deferred income	**58,389**	56,132	**15**	964
	137,139	133,915	**57,359**	54,299

Amounts owed to Parent and Group undertakings are interest free and repayable on demand.

Included within Trade creditors is £1.6m (2023: £1.7m) owed to related parties (note 28).

Included within Other creditors is £0.9m (2023: £0.5m) owed to related parties (note 28).

20. Deferred Tax

	2024	2023
	£000	£000
Included in Provisions for Liabilities (note 21)	**6,014**	10,141

Group

	Accelerated capital allowances		Other timing differences		Total
	£000	£000	£000	£000	£000
Balance at 1 April 2023	318	474	288	9,061	10,141
Charge/(release) to Statement of Comprehensive Income during year	**181**	**(169)**	**(625)**	**(2,964)**	**(3,577)**
Foreign exchange	**-**	**(13)**	**-**	**(537)**	**(550)**
Balance at 31 March 2024	**499**	**292**	**(337)**	**5,560**	**6,014**

Of the net deferred tax timing difference of £6.0m stated above, £1.0m is estimated to reverse within 12 months of the year end and relates to Accelerated capital allowances £0.2m, Other timing differences £0.8m.

The Company has no deferred tax assets or liabilities.

21. Provision for Liabilities

	Deferred tax
	£000
Balance at 1 April 2023	10,141
Movement in the year (note 20)	(4,127)
Balance at 31 March 2024	**6,014**

The Company has no provisions for liabilities.

22. Pension Commitments

Defined contribution plans

The amounts recognised in the Statement of Comprehensive Income in relation to defined contribution plans was £6.6m (2023: £5.7m).

23. Leasing Agreements

Group as a lessee

Minimum lease payments fall due as follows:

	Non-cancellable operating leases	
	2024	2023
	£000	£000
Within one year	**10,574**	9,452
Between one and five years	**37,086**	29,976
In more than five years	**25,812**	28,384
	73,472	67,812

After the Statement of Financial Position date Peninsula Business Services Limited, a subsidiary of the Group, entered into an amendment and restatement of the lease of the Peninsula head office building, which included entering into an amendment for renewal lease. The impact of these being to increase the annual rent charge and effectively extend the duration of the lease term beyond those disclosed above.

Group as a lessor

Minimum lease receivables fall due as follows:

	Non-cancellable operating leases	
	2024	2023
	£000	£000
Within one year	**289**	489
Between one and five years	**1,154**	1,154
In more than five years	**1,674**	1,963
	3,117	3,606

24. Called Up Share Capital

	2024	2023
	£	£
Authorised, allotted, called up and fully paid		
939 Ordinary shares of £1.00 each	**939**	939

25. Reserves

Capital redemption reserve - On 23rd July 1996, the Company acquired 61 ordinary shares of £1 each.

Foreign exchange reserve - This reserve records the accumulated foreign exchange gains and losses on the Group overseas investments.

Retained earnings - This reserve records retained earnings and accumulated losses.

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other Comprehensive Income.

Acquisition reserve - This reserve records the acquisition costs paid in respect of the purchase of shares in subsidiary companies from minority interest shareholders. As at the 1 April 2023 this excluded a contingent amount recoverable from the minority interest vendor for which the Group was not able to reliably estimate the value of it until it crystalised in the previous accounting period and was adjusted accordingly.

26. Ultimate Parent Company

Peninsula Business Services Group Limited is a wholly owned subsidiary of Rainy City Investments Limited, which is incorporated in Great Britain and registered in England and Wales.

The largest Group into which Peninsula Business Services Group Limited is consolidated is that headed by Rainy City Investments Limited.

The Company is ultimately controlled by the Done family.

27. Contingent Liabilities

Company

On 17 March 2023, on refinancing of the Parent's RCF, the previous unlimited intercompany guarantee with National Westminster Bank Plc and Lloyds Bank Plc was replaced with a revised unlimited intercompany guarantee to National Westminster Bank Plc, Lloyds Bank Plc and Barclays Bank Plc.

27. Contingent Liabilities (continued)

As well as the Parent the unlimited intercompany guarantee includes the Company and the following Group companies: Peninsula Business Services Limited, Peninsula Business Services (Ireland) Limited, Peninsula Legal Services Limited, Croner Group Limited, Croner-i Limited, Health Assured Limited, Bright HR Limited, Bright HR Limited (Canada), BrightHR Pty Ltd, Peninsula Employment Services Limited, Peninsula Australia Pty Ltd and Irwell Law Pty Ltd.

On 9 November 2023 the Parent and certain subsidiaries of the Group entered into an ancillary cash-pooling agreement with National Westminster Bank Plc which includes £5m net overdraft facility, of which £Nil was drawn at 31 March 2024. This overdraft facility is covered by the same unlimited intercompany guarantee as the RCF.

At 31 March 2024 the maximum exposure across the Group (including the RCF and the overdraft facility) was £97.0m (2023: £91.5m).

Group

The Group has in place certain incentive arrangements which have been issued to various senior management within the Group which trigger on certain future conditions and/or targets being met. At such time the likelihood of these realising is not considered sufficient to be recognised.

28. Related Party Disclosures

Group

Irwell Insurance Company Limited (‘Irwell”) is considered a related party due to the Done family relationship. During the year the Group: generated sales of £0.1m (2023: £Nil); received commission of £4.9m (2023: £5.1m); received a profit commission of £3.8m (2023: £4.4m); recharged service fees of £0.3m (2023: £0.1m) and made purchases of £0.07m (2023: £0.03m). At 31 March 2024 the Group had the following closing balances with Irwell; Debtors: amounts falling due within one year (note 18) was £5.6m (2023: £4.1m) and Creditors: amounts falling due within one year (note 19) was £1.7m (2023: £1.6m).

Rainy City Properties Limited (“RCP”) is considered a related party due to the Done family relationship. During the year the Group: recharged expenses of £0.9m (2023: £Nil); incurred rent of £3.5m (2023: £3.5m); incurred service charges of £1.6m (2023: £1.2m) and incurred expenditure recharges of £2.1m (2023: £Nil). At 31 March 2024 the Group had the following closing balances with RCP: Debtors: amounts falling due within one year (note 18) was £0.04m (2023: £0.4m) and Creditors: amounts falling due within one year (note 19) was £0.1m (2023: £Nil).

Portfolio Payroll Limited (“Portfolio”) is considered a related party due to the Done family relationship. During the year the Group: generated sales of £0.3m (2023: £0.1m) and made purchases of £2.6m (2023: £2.4m). At 31 March 2024 the Group had the following closing balances with Portfolio: Debtors: amounts falling due within one year (note 18) was £0.03m (2023: £0.01m) and Creditors: amounts falling due within one year (note 19) was £0.3m (2023: £0.1m).

The following additional companies are considered to be a related party due to the Done family relationship: Done Brothers (Cash Betting) Limited, Sports Tours International Limited; Lincoln Worsley Properties Limited; Great Leighs Estate Limited; Domis Construction Limited; Matic Building Services Limited; Wright Landscapes Limited; Clicktech Solutions Limited; Fideliti Limited; Active Win Media Limited and Heaning Barn Cottages. In respect of such companies in aggregate the Group: generated sales of £0.3m (2023: £0.2m) and made purchases of £0.02m (2023: £Nil). At 31 March 2024 the Group had the following closing balances with its related parties: Debtors: amounts falling due within one year (note 18) was £Nil (2023: £0.02m).

28. Related Party Disclosures (continued)

Employsure Mutual Ltd is considered to be a related party due to having common directors with the Group. During the year the Group: generated sales of £2.1m (2023: £Nil); received commission of £3.4m (2023: £3.1m) and recharged expenses of £0.6m (2023: £Nil). At 31 March 2024 the Group had the following closing balances with Employsure Mutual Ltd: Debtors: amounts falling due within one year (note 18) was £0.1m (2023: £0.03m) and Creditors: amounts falling due within one year (note 19) was £0.3m (2023: £0.5m).

At 31 March 2024 the Group was owed £0.1m (2023: £Nil) by directors within the Group.

Company

No transactions with related parties were undertaken with the Company such as required to be disclosed under FRS 102.

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