

REGISTERED NUMBER: 06380764

TOTAL PEOPLE LIMITED
STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

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FOR THE YEAR ENDED 31 JULY 2020**

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TOTAL PEOPLE LIMITED (REGISTERED NUMBER: 06380764)

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2020**

DIRECTORS:

G A Barlow
R W Cressey
A L Durose
P N Lanigan
B J Lynch
M J Nicholson
J P Thornhill

SECRETARY:

J Foote

REGISTERED OFFICE:

Openshaw Campus & Administrative Centre
Ashton Old Road
Manchester
M11 2WH

REGISTERED NUMBER:

06380764 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
Statutory Auditors
Chartered Accountants
1 Hardman Square
Manchester
M3 3EB

TOTAL PEOPLE LIMITED (REGISTERED NUMBER: 06380764)

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2020

The directors present their Strategic report, together with the Report of the Directors, the audited financial statements and independent auditors' report, for Total People Limited ("the company") for the year ended 31 July 2020.

REVIEW OF BUSINESS

The principal activity of the company continues to be the provision of training and apprenticeships. The Statement of Comprehensive Income is set out on page 10. The loss for the financial year of £1,801,523 (2019: profit £35,033) has been transferred to reserves. The total equity of the company at 31 July 2020 was (£408,980) (2019: £1,392,543).

The company has had a challenging year, with the global pandemic and national and local lockdowns, all of which impacted on existing and new learner volumes. Many businesses have furloughed their staff with large volumes of learners being put on breaks in learning which generates an impact on funding for those learners. In addition, the company has seen a reduction in learner start volumes in some sectors during this COVID-19 period. Restrictions around End Point Assessments (EPA), practical training and learner testing impacted learners achieving their programme on time. The company reacted quickly to switching to remote working and turning all delivery online with remote learner support to ensure that learners who remained on programme had the appropriate level of teaching and learning support to continue their programme.

FUTURE DEVELOPMENTS

The Directors expect the general level of activity to continue at, or above, the levels experienced in 2019/20. This expectation is based on the country's extended period of recovery and the continued government focus on the skills agenda as articulated by the Prime Minister and other Ministers over the past few months. The commitment from Government of additional employer incentives for those employers who take on an apprentice or undertake work placement opportunities for Traineeship learners reinforces the Government's commitment to these programmes.

The company has taken steps after the financial year end to restructure the business and reduce staff headcount in line with revenue and learner volumes, ensuring that we are building a sustainable model moving forward that continues to support the current learner capacity and future growth opportunities over the coming years.

There are expectations of continued demand for and recovery in the company's services in the training and apprenticeships market, as the company is situated in economic growth areas, offers a wide portfolio and holds a good reputation with strong links to local employers whilst taking advantage of the employer incentive opportunities. The market has experienced a small number of new market entrants but has also experienced contraction and closure of some competitors in the year.

The company is still facing some COVID-19 related challenges going into 2020/2021. The company is now better equipped to identify and mitigate future challenges as we embed safe COVID-19 compliant working practices, continue the delivery of remote and blended learning, re-open training centres and classroom based delivery, and commence learner face to face visits on employer premises. The implementation of the relaxations around EPA and testing, along with continuing home working and becoming an agile organisation enable it to support the government and local agendas.

There have been many changes to rules and regulations throughout 2019/20 with more changes and relaxations to delivery and funding rules introduced as a result of the pandemic. In July 2020, framework starts were brought to an end, and were fully replaced by standards. The company is now fully aligned to standards and the delivery of these programmes.

The company will continue to focus on supporting small and micro employers through either levy gifting or the new digital service which was introduced in April 2020. The company has a clear focus and sales strategy in line with sector recovery which will focus on offering a full solution to both SME and large levy paying clients whilst expanding our reach into curriculum priority sectors and local demand.

The levy market remains a significant opportunity whilst also being a busy and competitive external market. The company will look at further expanding its geographical reach and becoming known as not just a provider for Cheshire but Manchester, Greater Manchester and the North West as well. In addition, the company will also further reduce its reliance on supply chain delivery partners especially on the AEB programmes and directly deliver a larger proportion of the learning directly ourselves which will give us greater control and a larger return.

Since the balance sheet date, the country has entered into further periods of national lockdown. Reflecting the challenges in this sector due to COVID-19, the company has undergone some sector-specific restructuring post year end.

**STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 JULY 2020**

KEY PERFORMANCE INDICATORS

The business plan is segmented into four main areas of focus. These are: people; customers; financial, compliance and legal; and innovation, with each area's success measured by a set of agreed key performance indicators ('KPIs'). Significant KPIs that reflect the overall performance of the company in 2019/20 include:

1. Successful outcomes in the most recent external audits and inspections; the organisation is an overall good provider as identified by the Office for Standards in Education
2. The organisation was confirmed as continuing to meet the requirements against the MATRIX standard for Information, Advice and Guidance which is a requirement of the key funder
3. Good performance on the main delivery programme, apprenticeships, which accounts for more than 90% of overall activity with overall performance projected to have improved by 1% on the previous year, in a changing environment and improve the timely achievement rate to be in line with national rates
4. Good employer satisfaction with the most recent independent survey undertaken by the funding agency identifying 95% of employers are positive about their experience, or be in the upper quartile of the published dataset
5. Delivery of the AEB Greater Manchester and national AEB devolved contract, which commenced August 2019 with a potential total contract value of more than £1.2 million

	2020	2019
	£	£
Turnover	10,461,772	15,507,719
Operating (loss)/profit	(1,824,497)	13,295

PRINCIPAL RISKS AND UNCERTAINTIES

The company's senior management regularly review these risks and their potential impact on the company and take mitigating action as necessary. The company has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management, which is designed to protect the company's assets and reputation.

The directors undertake a comprehensive review of the risks to which the company is exposed. They identify systems and procedures, including specific preventable actions that should mitigate any potential impact on the company. The internal controls are then implemented, and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the directors will also consider any risks that may arise as a result of a new area of work being undertaken by the company.

A risk register is maintained at the LTE Group level that is reviewed at least annually by the LTE Group Audit Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risk occurring, their potential impact on the LTE Group and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. This is supported by a risk management training programme to raise awareness of risk throughout the group.

The principal risks and uncertainties facing the company are described below.

Sector

Implementation of the Apprenticeship Reform Agenda – the apprenticeship reform Agenda introduced in May 2017 has led a decline in delivery volumes in the sector. The Department for Education has published apprenticeship and levy statistics for June 2020 which identified there have been 299,700 starts between August 2019 and June 2020 (11 months). In comparison there were 361,000 starts between August 2018 and June 2019 (11 months). This year-on-year decrease can be attributed to the significant impact the COVID-19 crisis has had on employers' ability to launch new workplace training schemes, which has compounded the decline in delivery volumes caused by the reforms.

The introduction of the digital apprenticeship service for all employers, including non-levy paying employers from April 2020 has released some of the pressure on the non-levy funding allocations and the restrictions on starts. Total People have further bolstered this through levy gifting. Meeting these gifting expectations, either directly or through engagement with hubs created by some of the combined authorities, would further release the pressure on this allocation.

**STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 JULY 2020**

PRINCIPAL RISKS AND UNCERTAINTIES – continued

COVID-19 Crisis

Total People performance is improving in a challenging environment - a pandemic and the subsequent impacts to the economy. It continues to be too early in the economic recovery to fully predict the rate of recovery in Total People's operating sectors. The Government remains keen to place apprenticeships and skills at the forefront of the economic recovery, with the recent introduction of apprenticeship and traineeship employer incentive schemes and the introduction of the Kickstart programme.

There are a number of key challenges as a result of COVID-19 that we continue to face into 2020/21. Total People has initially been adversely impacted by COVID-19, with limited access to financial support schemes. As described above, employers have paused recruitment of new apprentices and lockdown has seen learners being furloughed or placed on a break in learning.

The whole apprenticeship sector has seen a reduction in apprenticeship starts of 53% from March - July 2020 compared to the same time last year and a reduction in 16-19 apprenticeships starts of 72% in the same period. We anticipate that this will start to improve as a result of the government's employer incentive schemes being introduced and employers slowly starting to return to the new normal over the next several months. We are starting to see some growth in certain sectors such as childcare, custodial, pharmacy, management and HR over the last few months as businesses try to return to normal, however it is still too early to predict the rate of this growth or the timescales to return to pre-COVID-19 volumes.

Brexit

General economic environment and European Union Exit – the continuing economic uncertainty may cause Government funding to decline. However the core delivery of the business is the apprenticeship agenda which is a key plank of the Industrial Strategy for the UK, with skills of critical importance as part of the current discussion on the UK exit from the EU and as such it is likely this will continue to be a key area for funding.

Financial

The company's financial risk management objectives are to achieve growth in turnover and operating profit and to generate positive cash flows from its operating activities. Financial risk has been mitigated by a restructure after the year end, reducing head count in line with current and forecasted revenue and learner capacity along with rigorous budget setting procedures and regular in year budget monitoring by the directors.

Health, safety and environment

Total People is committed to the safety of all staff, clients, sub-contractors, members of the public and the environment. This has been further enhanced to ensure that all training sites, employer site visits and learning tasks have undergone a full COVID-19 risk assessment to ensure the safe delivery of programmes for learners and colleagues.

GOING CONCERN

In the current challenging operating environment, the directors have carried out a thorough review of the future operating plans. The cash flow forecasts demonstrate that the company will generate cash inflows from operations excluding the repayment of intercompany debt, however that the company would not have enough cash to repay the intercompany debt if it were recalled. A letter of support has therefore been obtained from the company's parent, LTE Group, that states that LTE Group will continue to provide support for a period of at least 12 months from the date of the financial statements. Thus the directors continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note in the financial statements.

ON BEHALF OF THE BOARD:



.....
B J Lynch - Director

Date: 1 February 2021

TOTAL PEOPLE LIMITED (REGISTERED NUMBER: 06380764)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2020**

The directors present their report with the audited financial statements of the company for the year ended 31 July 2020.

FUTURE DEVELOPMENTS

Likely future developments in the company's business are discussed in the strategic report.

CHARITABLE DONATION

The directors have agreed a charitable donation by gift aid to LTE Group of £Nil (2019 – £Nil).

DIVIDENDS

No dividends (interim or final) were paid during the year (2019 – £Nil).

DIRECTORS

The directors shown below held office during the whole of the period from 1 August 2019 to the date of this report, or from the date of appointment or to the date of resignation noted below:

G A Barlow
R W Cressey
L M Dean (resigned 31 December 2019)
A L Durose
P N Lanigan
B J Lynch
S C Murphy (died in office 7 April 2020)
M J Nicholson (appointed 20 October 2020)
P R Taylor (resigned 13 January 2020)
J P Thornhill

There have been no other changes in directors holding office from 1 August 2019 to the date of this report.

STRATEGIC REPORT

The Company has chosen in accordance with Companies Act 2006 s. 414C(11) to set out in the company's strategic report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Sch. 7 to be contained in the Report of the Directors. It has done so in respect of future developments and financial risk management.

DIRECTORS' INSURANCE AND INDEMNITIES

The directors had the benefit of directors' and officers' liability insurance maintained by its ultimate parent company LTE Group throughout the year. LTE Group has entered into qualifying third party indemnity arrangements for the benefit of all the company's directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

EMPLOYEES

Equal opportunities

Total People is committed to the promotion of equality and diversity for all employees and learners. We aim to create and maintain a culture where employees and learners are treated solely on the basis of their abilities, knowledge, skills and behaviours regardless of age, pregnancy and maternity, sex, disability, marriage and civil partnerships, race, religion or belief, gender reassignment and sexual orientation.

Total People annually review equality and diversity data, strategy, policy and processes ensuring appropriate actions are taken.

Colleague involvement

On an ongoing basis, colleagues have opportunities to engage in a variety of ways about changes that may affect them. There is an established colleague forum that has a rolling schedule of key business proposals for review. There is a comprehensive set of communications for all colleagues including weekly newsletters, "ask Senior Leadership Team ('SLT') email address, annual roadshows, annual conference in addition to monthly team meetings which all have space for feedback and consultation. There is also a "Friday update" from the SLT which includes a summary of discussions at the SLT meeting and an opportunity to feedback or ask questions through the "ask SLT" email address. The communication framework is used to ensure that all colleagues are kept up to date with the business performance of the company and the financial and economic factors affecting its performance. The meetings also provide an opportunity for all colleagues to engage with important and up to date information about key events and provide feedback. An annual survey was introduced in 2017 to secure colleague feedback.

During the ongoing COVID-19 crisis, communications with colleagues and colleague involvement have been central to our response to the pandemic. For example:

- All colleague webinars, led by the MD, held during lockdown to support transition to remote delivery, and with SLT updates and input from colleagues.
- All teams continue to hold wellbeing and catch up sessions.
- CPD training has continued online for all learning coaches.

**REPORT OF THE DIRECTORS - continued
FOR THE YEAR ENDED 31 JULY 2020**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

DIRECTORS' CONFIRMATIONS

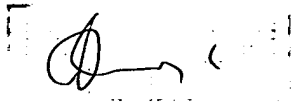
In the case of each director in office at the date the Report of the Directors is approved:

- so far as the director is aware, there is no relevant information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, offer themselves for reappointment in accordance with section 487(2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:



.....
B J Lynch - Director

Date: 1 February 2021

Independent auditors' report to the members of Total People Limited

Report on the audit of the financial statements

Opinion

In our opinion, Total People Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic report, Report of the Directors and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 July 2020; the statement of comprehensive income, the statement of changes in equity for the year then ended, and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

TOTAL PEOPLE LIMITED (REGISTERED NUMBER: 06380764)

Independent auditors' report to the members of Total People Limited (continued)

Reporting on other information (continued)

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 July 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

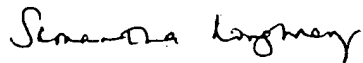
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

TOTAL PEOPLE LIMITED (REGISTERED NUMBER: 06380764)

Independent auditors' report to the members of Total People Limited (continued)



Samantha Loughney (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
| February 2021

TOTAL PEOPLE LIMITED (REGISTERED NUMBER: 06380764)**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2020**

	Note	2020 £	2019 £
TURNOVER	3	10,461,772	15,507,719
Cost of sales		<u>(9,459,629)</u>	<u>(12,377,089)</u>
GROSS PROFIT		1,002,143	3,130,630
Administrative expenses		<u>(2,826,640)</u>	<u>(3,117,335)</u>
OPERATING (LOSS)/ PROFIT	3	(1,824,497)	13,295
Interest receivable and similar income		<u>1,106</u>	<u>3,601</u>
(LOSS)/ PROFIT BEFORE TAXATION		(1,823,391)	16,896
Tax on (loss)/profit	4	<u>21,868</u>	<u>18,137</u>
(LOSS)/ PROFIT FOR THE FINANCIAL YEAR		<u><u>(1,801,523)</u></u>	<u><u>35,033</u></u>

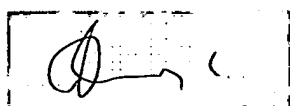
The notes form part of these financial statements

TOTAL PEOPLE LIMITED (REGISTERED NUMBER: 06380764)

**BALANCE SHEET
AS AT 31 JULY 2020**

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	5	147,155	304,315
Investments	6	<u>1</u>	<u>1</u>
		147,156	304,316
CURRENT ASSETS			
Debtors	7	2,917,490	4,680,666
Cash at bank and in hand		<u>876,587</u>	<u>753,585</u>
		3,794,077	5,434,251
CREDITORS:			
Amounts falling due within one year	8	<u>2,179,639</u>	<u>4,298,871</u>
NET CURRENT ASSETS		<u>1,614,438</u>	<u>1,135,380</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,761,594	1,439,696
CREDITORS:			
Amounts falling due after more than one year	9	2,145,289	-
PROVISIONS FOR LIABILITIES	11	<u>25,285</u>	<u>47,153</u>
NET (LIABILITIES) / ASSETS		<u>(408,980)</u>	<u>1,392,543</u>
CAPITAL AND RESERVES			
Called up share capital	12	800	800
Share premium account	15	900	900
Retained earnings	15	<u>(410,680)</u>	<u>1,390,843</u>
TOTAL EQUITY		<u>(408,980)</u>	<u>1,392,543</u>

The financial statements on pages 10 to 20 were approved by the Board of Directors on 1 February 2021 and were signed on its behalf by:



.....
B J Lynch - Director

The notes form part of these financial statements

TOTAL PEOPLE LIMITED (REGISTERED NUMBER: 06380764)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2020**

	Called up share capital £	Retained earnings £	Share premium account £	Total equity £
Balance at 1 August 2018	800	1,355,810	900	1,357,510
Changes in equity				
Profit and total comprehensive income for the year	-	35,033	-	35,033
Balance at 31 July 2019 and 1 August 2019	800	1,390,843	900	1,392,543
Changes in equity				
Loss and total comprehensive loss for the year	-	(1,801,523)	-	(1,801,523)
Balance at 31 July 2020	800	(410,680)	900	(408,980)

The notes form part of these financial statements

TOTAL PEOPLE LIMITED (REGISTERED NUMBER: 06380764)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

1. ACCOUNTING POLICIES

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

General Information

The company is a private company limited by shares and incorporated in the United Kingdom. Its registered office is Openshaw Campus & Administrative Centre, Ashton Old Road, Manchester M11 2WH.

Significant judgements and estimates

Preparation of financial statements often requires management to make significant judgements and estimates:

Recognition of turnover

A significant judgement has been made in the preparation of these financial statements relating to the recognition of turnover, which is measured by comparing costs incurred for work performed to the balance sheet date to the total estimated contract costs. Using this information management makes judgements relating to the stage of completion of contracts and their expected outcome in order to recognise turnover in the Statement of Comprehensive Income and determine deferred income at the balance sheet date. At 31 July 2020 the income deferred to future periods amounted to £61,798 (2019: £396,989).

Going concern

The financial statements have been prepared on the going concern basis and this is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

In order to reach this decision the directors have considered the financial forecasts that extend to more than 12 months from the date on which these financial statements have been signed. The cash flow forecasts demonstrate that the company will generate cash inflows from operations excluding the repayment of the intercompany debt, however that the company would not have enough cash to repay the intercompany debt if it were recalled. A letter of support has therefore been obtained from the company's parent, LTE Group, that states that LTE Group will continue to provide support for a period for at least 12 months from the date of the signing of the financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ('FRS 102') and the Companies Act 2006.

FRS 102 allows a qualifying entity certain disclosure exemption, subject to conditions. The company has taken advantage of the following exemptions:

- from preparing a statement of cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A as the information is provided in the consolidated financial statements of the company's parent LTE Group;
- from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

The financial statements are presented in Sterling (£).

Investments

Investments are stated at cost, less any impairment provision.

The financial statements contain information about Total People Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the financial statements of its parent, LTE Group.

Turnover

Turnover is derived from the principal activity of the company. Turnover represents contract payments from government bodies and other income receivable in the period, excluding value added tax.

Turnover is recognised on these contracts by reference to the stage of completion of the contract. The stage of completion is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2020**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	-	Straight line over the lease term
Plant and machinery	-	10% straight line
Fixtures and fittings	-	33%, 20% and 10% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	33% straight line

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Income Statement.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in the Income Statement.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

The company also makes contributions to employees' own personal plans, on the same basis as contributions are made to the company scheme.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

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

In accordance with the exception permitted by Financial Reporting Standard 102 paragraph 29.14A, deferred tax liabilities are not recognised in respect of distributions to members that are qualifying charitable donations under Part 6 of the Corporation Tax Act 2010 when it is probable that payment will be made within nine months of the reporting date.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The tax expense (income) is presented either in the Income Statement, Other Comprehensive Income or Equity, depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2020**

1. ACCOUNTING POLICIES - continued

Taxation - continued

- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term trade creditors are measured at transaction price.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial instruments and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability. Debt issue costs are offset against the debt and amortised over the term of the loan.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

2. STAFF COSTS

	2020 £	2019 £
Wages and salaries	5,314,140	5,478,234
Social security costs	456,726	462,492
Other pension costs	<u>275,303</u>	<u>324,580</u>
	<u>6,046,169</u>	<u>6,265,306</u>

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

	2020 No.	2019 No.
Advisers	154	173
Business Development, administration and support services	<u>81</u>	<u>76</u>
	<u>235</u>	<u>249</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2020**

3. TURNOVER AND OPERATING (LOSS)/ PROFIT

Turnover is entirely derived from the rendering of services within the UK.

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

	2020	2019
	£	£
Hire of plant and machinery	15,876	21,785
Other operating leases	478,722	458,908
Depreciation - owned assets	116,901	149,599
Profit on disposal of fixed assets	(1,822)	-
Auditors' remuneration for audit services *	<u>38,100</u>	<u>14,700</u>

* Auditors' remuneration for audit services includes £3,210 incurred on behalf of the company's subsidiary undertaking, The Total Apprenticeship Training Company Limited.

There were no directors to whom retirement benefits were accruing in the year (2019: none).

No directors' emoluments (2019: none) were paid in relation to services to the company.

4. TAX ON (LOSS)/ PROFIT

Analysis of the tax credit

The tax on (loss)/ profit for the year was as follows:

	2020	2019
	£	£
Deferred tax	<u>(21,868)</u>	<u>(18,137)</u>
Tax on (loss)/ profit	<u>(21,868)</u>	<u>(18,137)</u>

TOTAL PEOPLE LIMITED (REGISTERED NUMBER: 06380764)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2020**

4. TAX ON (LOSS)/ PROFIT - continued

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher (2019: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £	2019 £
(Loss)/ Profit before taxation	<u>(1,823,391)</u>	<u>16,896</u>
(Loss)/ Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19.00% (2019 – 19.00%)	(346,444)	3,210
Effects of:		
Expenses not deductible for tax purposes	8,590	6,470
Capital allowances less than depreciation	21,865	19,194
Losses carried back	22,123	-
Deferred tax asset not recognised in respect of losses carried forward	300,298	-
Proposed distribution by charitable donation	-	(22,306)
Pensions paid	(6,432)	(6,568)
Movement in deferred tax	(21,868)	(18,137)
	<u>(21,868)</u>	<u>(18,137)</u>
Total tax credit	<u>(21,868)</u>	<u>(18,137)</u>

The company had unused trading losses of £1,580,513 at 31 July 2020 (2019 – £Nil), which may be available for offset against future profits of the same trade. A deferred tax asset has not been recognised in respect of these losses due to the uncertainty over future utilisation.

5. TANGIBLE ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 August 2019	112,350	277,261	350,366
Disposals	<u>(37,252)</u>	<u>(67,492)</u>	<u>(65,035)</u>
At 31 July 2020	<u>75,098</u>	<u>209,769</u>	<u>285,331</u>
ACCUMULATED DEPRECIATION			
At 1 August 2019	41,161	195,083	304,085
Charge for year	10,670	15,228	20,876
Eliminated on disposal	<u>(14,614)</u>	<u>(53,292)</u>	<u>(61,752)</u>
At 31 July 2020	<u>37,217</u>	<u>157,019</u>	<u>263,209</u>
NET BOOK VALUE			
At 31 July 2020	<u>37,881</u>	<u>52,750</u>	<u>22,122</u>
At 31 July 2019	<u>71,189</u>	<u>82,178</u>	<u>46,281</u>

TOTAL PEOPLE LIMITED (REGISTERED NUMBER: 06380764)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2020**

5. TANGIBLE ASSETS - continued

	Motor vehicles £	Computer equipment £	Total £
COST			
At 1 August 2019	16,604	891,201	1,647,782
Disposals	<u>(16,604)</u>	<u>(34,373)</u>	<u>(220,756)</u>
At 31 July 2020	<u>-</u>	<u>856,828</u>	<u>1,427,026</u>
ACCUMULATED DEPRECIATION			
At 1 August 2019	16,604	786,534	1,343,467
Charge for year	-	70,127	116,901
Eliminated on disposal	<u>(16,604)</u>	<u>(34,235)</u>	<u>(180,497)</u>
At 31 July 2020	<u>-</u>	<u>822,426</u>	<u>1,279,871</u>
NET BOOK VALUE			
At 31 July 2020	<u>-</u>	<u>34,402</u>	<u>147,155</u>
At 31 July 2019	<u>-</u>	<u>104,667</u>	<u>304,315</u>

6. INVESTMENTS

	Shares in group undertakings £
COST	
At 1 August 2019 and 31 July 2020	<u>1</u>
NET BOOK VALUE	
At 31 July 2020	<u>1</u>
At 31 July 2019	<u>1</u>

The company's investments at the balance sheet date in the share capital of companies comprise the following:

The Total Apprenticeship Training Company Limited

The registered office of The Total Apprenticeship Training Company Limited is Openshaw Campus & Administrative Centre, Ashton Old Road, Manchester, United Kingdom M11 2WH. The company did not trade during the year ended 31 July 2020.

	2020 %	2019 %
Class of shares:	Holding	Holding
Ordinary	100.00	100.00
	2020 £	2019 £
Aggregate capital and reserves	(27,145)	(27,104)
Loss for the year	(41)	(72)

TOTAL PEOPLE LIMITED (REGISTERED NUMBER: 06380764)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2020**

7. DEBTORS

	2020	2019
	£	£
Trade debtors	1,102,515	1,658,991
Amounts owed by group undertakings	148,245	182,945
Corporation tax debtor	22,120	-
Other debtors	260	9,514
Prepayments and accrued income	<u>1,644,350</u>	<u>2,829,216</u>
	<u>2,917,490</u>	<u>4,680,666</u>

Trade debtors are stated net of a doubtful debt provision of £127,354 (2019: £35,543). There were trade debtors of £15,051 (2019: £Nil) written off during the year.

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Trade debtors, amounts owed by group undertakings and other debtors are measured at amortised cost.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	314,212	583,708
Amounts owed to group undertaking	629,178	1,337,293
Taxation and social security	120,931	108,363
Other creditors	341,291	637,898
Accruals and deferred income	<u>774,027</u>	<u>1,631,609</u>
	<u>2,179,639</u>	<u>4,298,871</u>

Trade creditors, amounts owed to group undertakings and accruals are measured at amortised cost.

Amounts owed to group undertaking are unsecured, interest free and repayable within one year.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Amounts owed to group undertaking	<u>2,145,289</u>	<u>-</u>

Amounts owed to group undertaking are unsecured, interest free and have no fixed date of repayment.

LTE Group have confirmed that of the total amount payable to them of £2,774,467 only £629,178 would be recalled prior to the 31 July 2021 and hence the remaining balance has been classified as falling due after more than one year.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2020**

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	151,633	350,549
Between one and five years	<u>6,617</u>	<u>123,590</u>
	<u>158,250</u>	<u>474,139</u>

11. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Deferred tax	<u>25,285</u>	<u>47,153</u>
		Deferred tax
		£
Balance at 1 August 2019		47,153
Depreciation in excess of capital allowances		<u>(21,868)</u>
Balance at 31 July 2020		<u>25,285</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal Value	2020	2019
		£1	£	£
800 (2019: 800)	Ordinary		<u>800</u>	<u>800</u>
			<u>800</u>	<u>800</u>

13. RELATED PARTY DISCLOSURES

Advantage has been taken of the exemption to disclose transactions and balances with other wholly-owned subsidiaries of the LTE Group, as the company's results are included in the group's consolidated financial statements.

14. ULTIMATE CONTROLLING PARTY

The immediate parent company is Total People Holdings Limited. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is LTE Group, an exempt charity under Part 3 of the Charities Act 2011. Copies of the LTE Group consolidated financial statements can be obtained from the Company Secretary at Openshaw Campus & Administrative Centre, Ashton Old Road, Manchester M11 2WH.

15. RESERVES

Called up share capital – represents the nominal value of shares that have been issued.

Share premium account – includes any premiums on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Retained earnings – includes all current and prior year profits and losses.