

PEOPLE PAYMENTS LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2020



PEOPLE PAYMENTS LIMITED
REGISTERED NUMBER:08833244

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	3	28,488	63,306
CURRENT ASSETS			
Debtors: amounts falling due within one year	4	2,357,679	1,480,970
Cash at bank and in hand		2,470,504	1,013,820
		<u>4,828,183</u>	<u>2,494,790</u>
Creditors: amounts falling due within one year	5	(4,756,136)	(2,148,231)
NET CURRENT ASSETS		<u>72,047</u>	<u>346,559</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>100,535</u>	<u>409,865</u>
Creditors: amounts falling due after more than one year	6	(1,215)	(15,795)
NET ASSETS		<u><u>99,320</u></u>	<u><u>394,070</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	1,000	1,000
Profit and loss account	9	98,320	393,070
		<u><u>99,320</u></u>	<u><u>394,070</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



T Hillier
Director

Date: 30 March 2021

The notes on pages 2 to 7 form part of these financial statements.

PEOPLE PAYMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. GENERAL INFORMATION

People Payments Limited is a limited liability company incorporated in England and Wales. The registered office is People Group House, Three Horseshoes Walk, Warminster, BA12 9BT.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 GOING CONCERN

During the period ended 31 March 2020 the company made a net loss of £294,750 and as at 31 March 2020 had net assets of £99,320. These net assets include £2,363,887 which are owing to other group companies. The company is therefore reliant on the ongoing support of its fellow group companies, and in turn its funders and shareholders.

Since the year end (31 March 2020) the impact of the Covid-19 pandemic presents a risk to the company and the Group. The pandemic presents both risks to the Group's internal operations and a revenue risk in that it impacts on the demand for its services given the restrictions on contractors and employees being able to work, presenting a reduction in employment services the Group is able to provide. To help offset the impact of the pandemic the Group has reduced its overall cost base and have taken advantage of Government support schemes, such as VAT deferral and the Coronavirus Job Retention Scheme. In addition, the Group has implemented innovative strategies to support its contractor and temporary employee base through making such support schemes available to them. Whilst this has not been done without risk to the Group it is envisaged this will promote longer term employment, loyalty amongst the contractor base as well as being the "right thing" to do.

Having regard to the Financial Statements contained herein the Director(s) has considered the financial position of the company and events since Balance Sheet date up to and including the date of the signing of the Financial Statements and the Directors Report. During the period under review Management:

- Have confirmed and validated all stated Third Party liabilities as at Balance Sheet date have been discharged
- Confirm that all Third Party Liabilities are current and approved Debts are paid when due
- Confirm that all Trade Debtors have been received
- Continue to carefully manage Cashflows and the Working Capital for the Group and all Group companies.

Management have prepared Cashflow forecasts for the period to 31 March 2022, as well as Budgeted Trading and Profit & Loss figures for the same period, which have been prudently prepared including the conservative assumption of ZERO growth in relation to contractor numbers. These forecasts demonstrate and Management have indicated that the Company and the Group will retain an ability to successfully manage Cash Flow and discharge all liabilities when due over the next 13 months and any requirements for additional funding will be met by the support from the Shareholder and the Groups funders.

The Directors' assumptions and outlook assumes that the Covid-19 pandemic disruption will continue to have an impact until July 2021 with recovery occurring steadily over the remaining forecast period to 31 March 2022. The financial statements do not reflect the adjustments that would be necessary should the ability of the Company or the wider Group to trade be further jeopardised due to a material reduction in the level of revenue earned or the availability of its work force or other factors negatively impacting its working capital beyond its forecast tolerance. As such there is an uncertainty related to

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES (continued)

2.2 GOING CONCERN (CONTINUED)

events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In addition to the above People Group Operations Limited, and its fellow group companies, have entered into a legally binding agreement whereby each "Group" company agrees to financially support and not withdraw funding to fellow group companies. This letter confirms support to all group companies such that intercompany balances cannot be withdrawn and funding will be provided to support the going concern basis of accounting of each company, as well as the group as a whole. In addition Management have obtained a letter of support from the ultimate controlling party Terence Hillier, to provide additional appropriate financial support should it be required.

Accordingly on the basis of all available information and having regard to all relevant parties the Directors believe that the principle of "Going Concern" remains applicable.

2.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.5 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES (continued)

2.5 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 25% Straight line
Computer equipment	- 33% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

3. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION			
At 1 April 2019	33,091	81,473	114,564
At 31 March 2020	33,091	81,473	114,564
DEPRECIATION			
At 1 April 2019	18,686	32,572	51,258
Charge for the year on owned assets	7,931	26,887	34,818
At 31 March 2020	26,617	59,459	86,076
NET BOOK VALUE			
At 31 March 2020	6,474	22,014	28,488
At 31 March 2019	14,405	48,901	63,306

4. DEBTORS

	2020 £	2019 £
Trade debtors	13,068	62,501
Amounts owed by group undertakings	1,854,889	1,296,187
Other debtors	5,422	122,282
Prepayments and accrued income	484,300	-
	2,357,679	1,480,970

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

Within the Amounts owed by group undertakings comparative is £897,014 owed to companies that are no longer part of the group following the July 2019 group reconstruction. The amount owed by these companies at the balance sheet date is £Nil.

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

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank overdrafts	489,419	500,000
Trade creditors	7	3,971
Amounts owed to group undertakings	4,218,776	1,583,735
Other taxation and social security	15,065	26,396
Obligations under finance lease and hire purchase contracts	14,580	14,580
Other creditors	15,069	12,849
Accruals and deferred income	3,220	6,700
	4,756,136	2,148,231

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

Finance leases are secured against the asset to which they relate.

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

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	1,215	15,795
	1,215	15,795

Finance leases are secured against the asset to which they relate.

7. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	14,580	14,400
Between 1-5 years	1,215	15,975
	15,795	30,375

8. SHARE CAPITAL

	2020 £	2019 £
ALLOTTED, CALLED UP AND FULLY PAID		
100,000 (2019:100,000) Ordinary A shares of £0.01 each	1,000	1,000

PEOPLE PAYMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

9. RESERVES

Profit and loss account

The profit and loss account includes all current and prior year retained profits and losses. All are considered distributable.

10. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of People Group Operations Limited, a company incorporated in England and Wales, the company is able to take advantage of the exemption under the terms of FRS102 from disclosing related party transactions with wholly owned entities that are part of the same group.

11. CONTROLLING PARTY

The immediate parent undertaking is People Group Operations Limited and ultimate controlling party is T Hillier.

12. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 31 March 2020 was unqualified.

In their report, the auditors emphasised the following matter without qualifying their report:

We draw attention to note 2.2 in the financial statements, which indicates that the wider group to which the company belongs, People Group Operations Limited ("Group" or "The Group"), had Balance Sheet Net Liabilities totalling £893,686 as at 31 March 2020. Since the year end the Covid-19 pandemic has further impacted the company and group financial position with the Group's unaudited management accounts recording further losses in the period to 28 February 2021. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit report was signed on 31 March 2021 by Simon Morrison FCA (Senior statutory auditor) on behalf of Bishop Fleming Bath Limited.