

PEOPLE PAYMENTS LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	3	2,463	28,488
		<u>2,463</u>	<u>28,488</u>
Current assets			
Debtors: amounts falling due within one year	4	716,996	2,357,679
Cash at bank and in hand		1,201,533	2,470,504
		<u>1,918,529</u>	<u>4,828,183</u>
Creditors: amounts falling due within one year	5	(1,799,800)	(4,756,136)
Net current assets		<u>118,729</u>	<u>72,047</u>
Total assets less current liabilities		<u>121,192</u>	<u>100,535</u>
Creditors: amounts falling due after more than one year	6	-	(1,215)
Net assets		<u><u>121,192</u></u>	<u><u>99,320</u></u>
Capital and reserves			
Called up share capital	8	1,000	1,000
Profit and loss account	9	120,192	98,320
		<u><u>121,192</u></u>	<u><u>99,320</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: 18 March 2022

The notes on form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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 2021 the company made a profit of £21,872 and as at 31 March 2021 had net assets of £121,192. These include £1,429,601 which are owed to other group companies. The wider group to which the company belongs, People Group Operations Limited ("Group" or "the Group") had Balance Sheet Net Liabilities of £1,006,369 as at 31 March 2021 and the company is therefore reliant on the ongoing support of its fellow Group companies, and in turn its funders and shareholders.

During the period 1 April 2021 to 31 January 2022 the Management accounts of the company show a net loss and decreased net assets of £22,997 with the Group Net Liabilities decreasing by £479,766 from 31 March 2021, representing an improved position.

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:

- Confirm and validated all stated Third-Party liabilities as at the 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 as at March 2021 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 2023, as well as Budgeted Trading and Profit & Loss figures for the same period, which have been prudently prepared with the conservative assumption of no Contractor growth from numbers being achieved as at year end 31 March 2021. These forecasts demonstrate and Management have indicated that the Company and the Group will retain an ability to successfully manage Cash Flow and discharge liabilities when due over the next 14 months. Any requirements for additional funding will be supported by the Shareholder and the Group's funders.

2. ACCOUNTING POLICIES (continued)

2.2 GOING CONCERN (CONTINUED)

The financial statements do not reflect the adjustments that would be necessary should the ability of the Company to trade be jeopardised due to a material issue with the ability of the Company or the wider Group to trade 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 a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Accordingly on the basis of all available information and having regard to all relevant parties the Directors believe that the accounts should be drawn up on the "Going Concern" basis. This group profit and working capital forecast is partly a result of People Umbrella Limited entering into a Company Voluntary Agreement with its creditors and management forecasting compliance with its terms. Management believe this arrangement will enable the company to continue to meet its obligations going forward.

In addition to the above People Group Operations Limited, and its fellow group companies, have entered into an 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.

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 TAXATION

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES (continued)

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.

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION			
At 1 April 2020	33,091	81,473	114,564
At 31 March 2021	33,091	81,473	114,564
DEPRECIATION			
At 1 April 2020	26,617	59,459	86,076
Charge for the year on owned assets	4,181	21,844	26,025
At 31 March 2021	30,798	81,303	112,101
NET BOOK VALUE			
At 31 March 2021	2,293	170	2,463
At 31 March 2020	6,474	22,014	28,488

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4. DEBTORS

	2021 £	2020 £
Trade debtors	6,498	13,068
Amounts owed by group undertakings	282,000	1,854,889
Other debtors	4,198	5,422
Prepayments and accrued income	424,300	484,300
	<u>716,996</u>	<u>2,357,679</u>

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

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank overdrafts	-	489,419
Bank loans	50,000	-
Trade creditors	4	7
Amounts owed to group undertakings	1,711,601	4,218,776
Other taxation and social security	24,928	15,065
Obligations under finance lease and hire purchase contracts	1,185	14,580
Other creditors	8,022	15,069
Accruals and deferred income	4,060	3,220
	<u>1,799,800</u>	<u>4,756,136</u>

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

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	-	1,215
	<u>-</u>	<u>1,215</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	1,185	14,580
Between 1-5 years	-	1,215
	<u>1,185</u>	<u>15,795</u>

8. SHARE CAPITAL

	2021 £	2020 £
ALLOTTED, CALLED UP AND FULLY PAID		
100,000 (2020: 100,000) Ordinary A shares of £0.01 each	<u>1,000</u>	<u>1,000</u>

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 31 March 2021 was unqualified.

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 £1,006,369 as at 31 March 2021. 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 31 January 2022. 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 21 March 2022 by Simon Morrison FCA (Senior statutory auditor) on behalf of Bishop Fleming LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.