

PEOPLE PAYE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

PEOPLE PAYE LIMITED

COMPANY INFORMATION

DIRECTOR	T Hillier
REGISTERED NUMBER	11098037
REGISTERED OFFICE	People Group House Three Horseshoes Walk Warminster Wiltshire BA12 9BT
INDEPENDENT AUDITORS	Bishop Fleming Bath Limited Chartered Accountants & Statutory Auditors 10 Temple Back Bristol BS1 6FL

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

INTRODUCTION

People PAYE Ltd specialises in providing a range of payroll services to the contingent workforce industry via a portfolio of specialist products that are transparent to agencies and contractors and fully compliant with both the letter and intent of HMRC laws and regulations. These products enable contractors to be paid in a timely and tax efficient manner while also providing peace of mind for both agencies and contractors that they are fully compliant.

The Company is a subsidiary of People Group Operations Limited and forms part of a group of companies that offer a variety of different products to the contingent workforce sector, including payroll, compliance and workforce management, all backed by industry leading technology.

Following a period of restructuring (2019-22) the Group is now positively placed to provide the respective Group companies with the necessary tools to not only meet the future challenges of the industry, but also to take full advantage to the opportunities now presenting themselves.

BUSINESS REVIEW

During the year the Company achieved turnover of £31,437k and operating profit of £292k.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk	Impact on Company	Mitigation of Risk
Changing legislation	Fast changing legislation impacts upon the products and services the Company can offer clients	Product and service innovation ensures that solutions meet contractor needs whilst complying with all relevant legislation
Competitor Pricing	Aggressive competitor pricing drives down margins and threatens the profitability of the Company's products	Differentiating the Company's offering around compliance, client-focus and value add provides some defence to
Regulatory Compliance	Complex legislation and regulation means that ensuring 100% compliance across the business is challenging	The Company has a full time legal and Compliance Director. Training and compliance updates have been delivered to upskill staff and external
Client satisfaction	Maintaining client satisfaction across agencies, consultants and contractors is essential to retain business relationships	The Company has worked hard to communicate with clients through all available channels, including relationship teams, client & agency care
Reputation	Reputation with agencies is absolutely critical in the sector and the Company relies on reputation to retain existing clients and win new ones	The Company will not compromise its focus on compliance under any circumstances and continues to invest in client service
Cash	Managing cash flows is critical given the cyclical nature of the Company's client base	The Company has a proactive approach to cash flow management, preparing and updating forecasted cash flow on a weekly basis to ensure all commitments can be met

This report was approved by the board on 21 July 2023 and signed on its behalf.

T Hillier
Director

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The director presents his report and the financial statements for the year ended 31 March 2023.

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 these financial statements, the director is required to:

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

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £291,815 (2022: £335,885).

No dividends were paid during the year.

DIRECTOR

The director who served during the year was:

T Hillier

DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

PRINCIPAL RISKS AND UNCERTAINTIES

Going concern

During the period ended 31 March 2023 the company made a profit of £291,815 and as at 31 March 2023 had net assets of £761,641. In the period since the Balance Sheet date the company has traded well and are on target to deliver at indicated performance levels. The company continues to be reliant on the ongoing support of its fellow group companies, and in turn its funders and shareholders.

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 with liabilities paid as and when due.
- 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. The Director's have made an assumption based on their expected profile of trading activity such that they are able to effectively manage working capital and meet creditor obligations as they fall due.
- Following the CVA that was entered into by People Umbrella Limited in December 2021, the group successfully exited the CVA arrangement in March 2023 having discharged its liability under the CVA in full.

Management have prepared Cashflow forecasts for the period to 26th July 2024, 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 Group will retain an ability to successfully manage cash flows and discharge all liabilities when due over the next 12 months. Whilst the Directors do not anticipate any need for further funding, if any funding was required the Directors are confident any requirements for additional funding will be met by the support from the Shareholder and the Group's funders.

In addition to the above People Group Operations Limited, and it's 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 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.

As such the Directors consider it appropriate to prepare the accounts on the going concern basis.

FUTURE DEVELOPMENTS

The company continues to invest in new Technology and product development. This includes on going re-modelling of products.

ENGAGEMENT WITH EMPLOYEES

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

The Company also places considerable value on the relationship it holds with suppliers, customers and other stakeholders.

Our customers are essential to our business and the Company works openly and transparently in fostering long term customer relationships. Our business decisions and priorities are based on a good understanding of our customers and their requirements. We hold regular meetings with most of our customers at all levels within the business including the supply chain and commercial teams. Directors are involved in many of these meetings as and when required.

The Company fosters open and transparent dialogue with the regulatory and industry bodies relevant to the Company's business operations and products it produces. This also applies in its relationship with other key stakeholders such as its bankers, other funders, and external advisors.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The company is a low energy user, and therefore is exempt from the requirement to disclose actual energy usage.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and,
- the director has taken all the steps that ought to have been 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.

AUDITORS

The auditors, Bishop Fleming Bath Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21 July 2023 and signed on its behalf.

T Hillier
Director

People Group House
Three Horseshoes Walk
Warminster
Wiltshire
BA12 9BT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEOPLE PAYE LIMITED

OPINION

We have audited the financial statements of People PAYE Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of income and retained earnings, the Statement of financial position 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 Company's affairs as at 31 March 2023 and of its 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 Company 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 director's 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 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 director with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The director is 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEOPLE PAYE LIMITED (CONTINUED)

OPINION 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Director's 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Director's responsibilities statement set out on page 3, the director is 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 director determines 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 director is 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 director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEOPLE PAYE LIMITED (CONTINUED)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non compliance with laws and regulations, we considered the following:

- We have considered the nature of the industry and sector, control environment, and business performance;
- We have considered the results of enquiries with management and the directors in relation to their own identification and assessment of the risks of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating effectively, in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut-off.

In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or avoid a material penalty. These included data protection legislation, health and safety regulations, and employment law.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management in relation to actual and potential claims or litigation;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Performing detailed testing in relation to the recognition of revenue with a particular focus around the year end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEOPLE PAYE LIMITED (CONTINUED)

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in the financial statements or non-compliance with regulation, will be detected by us. This risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.

Simon Morrison FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

21 July 2023

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2023**

		2023	2022
		£	£
Turnover	4	31,436,955	25,988,482
Cost of sales		(31,130,504)	(25,676,004)
Gross profit		306,451	312,478
Administrative expenses		(14,636)	(4,107)
Other operating income	5	-	27,514
Operating profit		291,815	335,885
Profit after tax		291,815	335,885
Retained earnings at the beginning of the year		468,826	132,941
		468,826	132,941
Profit for the year		291,815	335,885
Retained earnings at the end of the year		760,641	468,826

The notes on pages 12 to 20 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Current assets			
Debtors: amounts falling due within one year	9	3,520,160	2,601,328
Cash at bank and in hand	10	566,042	110,566
		<u>4,086,202</u>	<u>2,711,894</u>
Creditors: amounts falling due within one year	11	(3,324,561)	(2,242,068)
Net current assets		<u>761,641</u>	<u>469,826</u>
Total assets less current liabilities		<u>761,641</u>	<u>469,826</u>
Net assets		<u><u>761,641</u></u>	<u><u>469,826</u></u>
Capital and reserves			
Called up share capital	13	1,000	1,000
Profit and loss account	14	760,641	468,826
		<u><u>761,641</u></u>	<u><u>469,826</u></u>

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

T Hillier
Director

Date: 21 July 2023

The notes on pages 12 to 20 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. GENERAL INFORMATION

People PAYE 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (continued)

2.2 GOING CONCERN

During the period ended 31 March 2023 the company made a profit of £291,815 and as at 31 March 2023 had net assets of £761,641. In the period since the Balance Sheet date the company has traded well and are on target to deliver at indicated performance levels. The company continues to be reliant on the ongoing support of its fellow group companies, and in turn its funders and shareholders.

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 with liabilities paid as and when due.
- 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. The Director's have made an assumption based on their expected profile of trading activity such that they are able to effectively manage working capital and meet creditor obligations as they fall due.
- Following the CVA that was entered into by People Umbrella Limited in December 2021, the group successfully exited the CVA arrangement in March 2023 having discharged its liability under the CVA in full.

Management have prepared Cashflow forecasts for the period to 26th July 2024, 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 Group will retain an ability to successfully manage cash flows and discharge all liabilities when due over the next 12 months. Whilst the Directors do not anticipate any need for further funding, if any funding was required the Directors are confident any requirements for additional funding will be met by the support from the Shareholder and the Group's funders.

In addition to the above People Group Operations Limited, and it's 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 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.

As such the Directors consider it appropriate to prepare the accounts on the going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES (continued)

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 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.5 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

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 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. ACCOUNTING POLICIES (continued)

2.8 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES (continued)

2.9 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 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.

3.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates.

Trade debt provision

Management have considered risk of bad debts, and review debtor recovery positions monthly, any suspected bad debts based upon client knowledges and historical outcomes are provided for immediately.

Recoverability of intercompany debt

Management have assessed the recoverability of intercompany debt. Given that all debt is between companies that are 100% owned by People Group Operations Limited, there is no concern over the recoverability on the basis that each group company remains a going concern (see note 2.3).

Recognition of deferred tax

The tax computation for some group companies calculated a deferred tax asset as at 31 March 2020. On the basis that there is uncertainty of whether this asset would ever be realised, management have decided not to recognise a deferred tax asset in the financial statements.

4. TURNOVER

The whole of the turnover is attributable to the companies principal activity. All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

	2023	2022
	£	£
Furlough income	-	27,514
	<u>-</u>	<u>27,514</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6. AUDITORS' REMUNERATION

During the year, the Company obtained the following services from the Company's auditors:

	2023 £	2022 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	16,150	15,000

7. EMPLOYEES

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries	26,537,470	22,771,211
Social security costs	1,973,597	1,610,889
Cost of defined contribution scheme	259,281	232,378
	<u>28,770,348</u>	<u>24,614,478</u>

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

	2023 No.	2022 No.
Contractors	<u>1,815</u>	<u>1,195</u>

8. TAXATION

	2023 £	2022 £
TOTAL CURRENT TAX	<u>-</u>	<u>-</u>
DEFERRED TAX		
TOTAL DEFERRED TAX	<u>-</u>	<u>-</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2022: the same as) the standard rate of corporation tax in the UK of 19% (2022: 19%) as set out below:

	2023	2022
	£	£
Profit on ordinary activities before tax	<u>291,815</u>	<u>335,885</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	55,445	63,818
EFFECTS OF:		
Movement in deferred tax not recognised	45,504	7,861
Remeasurement of deferred tax for changes in tax rates	(10,921)	(4,636)
Group relief	(90,028)	(67,043)
TOTAL TAX CHARGE FOR THE YEAR	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. DEBTORS

	2023 £	2022 £
Trade debtors	926,475	637,982
Amounts owed by group undertakings	2,578,756	1,962,346
Other debtors	14,929	1,000
	<u>3,520,160</u>	<u>2,601,328</u>

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

10. CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash at bank and in hand	566,042	110,566
	<u>566,042</u>	<u>110,566</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	126,881	12,459
Amounts owed to group undertakings	212,760	25,438
Other taxation and social security	499,939	67,347
Other creditors	2,423,239	2,092,985
Accruals and deferred income	61,742	43,839
	<u>3,324,561</u>	<u>2,242,068</u>

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

12. FINANCIAL INSTRUMENTS

	2023 £	2022 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	<u>566,042</u>	<u>110,566</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand, trade debtors, intercompany debtors and other debtors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. SHARE CAPITAL

	2023 £	2022 £
ALLOTTED, CALLED UP AND FULLY PAID		
100,000 (2022: 100,000) Ordinary shares of £0.01 each	<u><u>1,000</u></u>	<u><u>1,000</u></u>

14. RESERVES**Profit and loss account**

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

15. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £259,281 (2022: £232,378). Contributions totalling £90,782 (2022: £77,265) were payable to the fund at the reporting date and are included in 'Other Creditors'.

16. 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.

17. CONTROLLING PARTY

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

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.