

Company Registration No. SC359992 (Scotland)

GENIUS PEOPLE LIMITED
ANNUAL REPORT AND UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020
PAGES FOR FILING WITH REGISTRAR

GENIUS PEOPLE LIMITED

CONTENTS

	Page
Profit and loss account	1
Group balance sheet	2 - 3
Company balance sheet	4 - 5
Group statement of changes in equity	6
Company statement of changes in equity	7
Notes to the financial statements	8 - 18

GENIUS PEOPLE LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2020

	2020 £	2019 £
Turnover	957,700	810,578
Cost of sales	(872,210)	(647,017)
Gross profit	85,490	163,561
Administrative expenses	(70,716)	(79,893)
Other operating income	31,042	1,998
Operating profit	45,816	85,666
Interest receivable and similar income	8	9
Interest payable and similar expenses	(313)	(900)
Profit before taxation	45,511	84,775
Tax on profit	(8,413)	(16,750)
Profit for the financial year	37,098	68,025

Profit for the financial year is all attributable to the owners of the parent company.

GENIUS PEOPLE LIMITED

GROUP BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	4		2,753		1,422
Current assets					
Debtors	7	76,544		128,109	
Cash at bank and in hand		129,852		51,567	
		<u>206,396</u>		<u>179,676</u>	
Creditors: amounts falling due within one year	8	<u>(83,032)</u>		<u>(58,755)</u>	
Net current assets			123,364		120,921
Total assets less current liabilities			126,117		122,343
Creditors: amounts falling due after more than one year	9		(50,313)		-
Provisions for liabilities			<u>(492)</u>		<u>(206)</u>
Net assets			<u>75,312</u>		<u>122,137</u>
Capital and reserves					
Called up share capital	11		100		100
Profit and loss reserves			75,212		122,037
Total equity			<u>75,312</u>		<u>122,137</u>

GENIUS PEOPLE LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2020

For the financial year ended 31 July 2020 the group was entitled to exemption from audit under section 477 of the Companies Act 2006.

Directors' responsibilities under the Companies Act 2006:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 23 April 2021 and are signed on its behalf by:

J Thomson
Director

C Mitchelson
Director

Company Registration No. SC359992

GENIUS PEOPLE LIMITED

COMPANY BALANCE SHEET

AS AT 31 JULY 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		2,651		1,818
Investments	5		15,000		15,000
			<u>17,651</u>		<u>16,818</u>
Current assets					
Debtors	7	213,476		240,176	
Cash at bank and in hand		126,982		48,554	
		<u>340,458</u>		<u>288,730</u>	
Creditors: amounts falling due within one year	8	<u>(73,717)</u>		<u>(49,112)</u>	
Net current assets			266,741		239,618
Total assets less current liabilities			<u>284,392</u>		<u>256,436</u>
Creditors: amounts falling due after more than one year	9		(50,313)		-
Provisions for liabilities			<u>(291)</u>		<u>(206)</u>
Net assets			<u>233,788</u>		<u>256,230</u>
Capital and reserves					
Called up share capital	11		100		100
Profit and loss reserves			233,688		256,130
Total equity			<u>233,788</u>		<u>256,230</u>

GENIUS PEOPLE LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2020

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £61,481 (2019 - £51,997 profit).

For the financial year ended 31 July 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 23 April 2021 and are signed on its behalf by:

J Thomson
Director

C Mitchelson
Director

Company Registration No. SC359992

GENIUS PEOPLE LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 August 2018	100	121,992	122,092
Year ended 31 July 2019:			
Profit and total comprehensive income for the year	-	68,025	68,025
Dividends	-	(67,980)	(67,980)
Balance at 31 July 2019	100	122,037	122,137
Year ended 31 July 2020:			
Profit and total comprehensive income for the year	-	37,098	37,098
Dividends	-	(83,923)	(83,923)
Balance at 31 July 2020	100	75,212	75,312

GENIUS PEOPLE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 August 2018	100	272,113	272,213
Year ended 31 July 2019:			
Profit and total comprehensive income for the year	-	51,997	51,997
Dividends	-	(67,980)	(67,980)
Balance at 31 July 2019	100	256,130	256,230
Year ended 31 July 2020:			
Profit and total comprehensive income for the year	-	61,481	61,481
Dividends	-	(83,923)	(83,923)
Balance at 31 July 2020	100	233,688	233,788

GENIUS PEOPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Company information

Genius People Limited ("the company") is a limited company domiciled and incorporated in Scotland. The registered office is 1439 Cumbernauld Road, Glasgow, G33 1AN.

The group consists of Genius People Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Genius People Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 July 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

GENIUS PEOPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion, when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 3 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	15% or 33% reducing balance
Computers	20% or 33% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at costs and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the profit and loss account.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

GENIUS PEOPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account.

1.9 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand and cash in bank.

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include certain debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments are measured at cost less impairment.

GENIUS PEOPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit and loss account.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basis financial liabilities

Basic financial liabilities, including certain creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

GENIUS PEOPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

GENIUS PEOPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

2 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Total employees	14	11	14	11

3 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 August 2019 and 31 July 2020	17,007
Amortisation and impairment	
At 1 August 2019 and 31 July 2020	17,007
Carrying amount	
At 31 July 2020	-
At 31 July 2019	-

The company had no intangible fixed assets at 31 July 2020 or 31 July 2019.

GENIUS PEOPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

4 Tangible fixed assets

Group	Plant and machinery etc
	£
Cost	
At 1 August 2019	4,203
Additions	2,164
	<u> </u>
At 31 July 2020	6,367
	<u> </u>
Depreciation and impairment	
At 1 August 2019	2,781
Depreciation charged in the year	833
	<u> </u>
At 31 July 2020	3,614
	<u> </u>
Carrying amount	
At 31 July 2020	2,753
	<u> </u>
At 31 July 2019	1,422
	<u> </u>
Company	Plant and machinery etc
	£
Cost	
At 1 August 2019	4,203
Additions	1,498
	<u> </u>
At 31 July 2020	5,701
	<u> </u>
Depreciation and impairment	
At 1 August 2019	2,385
Depreciation charged in the year	665
	<u> </u>
At 31 July 2020	3,050
	<u> </u>
Carrying amount	
At 31 July 2020	2,651
	<u> </u>
At 31 July 2019	1,818
	<u> </u>

GENIUS PEOPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

5 Fixed asset investments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments	-	-	15,000	15,000

6 Subsidiaries

Details of the company's subsidiaries at 31 July 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Genius Education Limited	1	Education Services	Ordinary	100

1. Pannone Corporate LLP, 378-380 Deansgate, Deansgate, Manchester, England, M3 4LY

7 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	3,930	2,820	2,380	22,184
Amounts owed by group	-	-	151,649	139,852
Other debtors	72,614	125,289	59,447	78,140
	76,544	128,109	213,476	240,176

8 Creditors: amounts falling due within one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Trade creditors	32,881	16,771	27,393	12,920
Corporation tax payable	8,127	16,750	8,127	12,208
Other taxation and social security	9,527	8,678	9,527	8,678
Other creditors	32,497	16,556	28,670	15,306
	83,032	58,755	73,717	49,112

GENIUS PEOPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

9 Creditors: amounts falling due after more than one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	50,313	-	50,313	-
	<u>50,313</u>	<u>-</u>	<u>50,313</u>	<u>-</u>

10 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	50,313	-	50,313	-
Other loans	10,000	10,000	10,000	10,000
	<u>60,313</u>	<u>10,000</u>	<u>60,313</u>	<u>10,000</u>
	<u>60,313</u>	<u>10,000</u>	<u>60,313</u>	<u>10,000</u>
Payable within one year	10,000	10,000	10,000	10,000
Payable after one year	50,313	-	50,313	-
	<u>50,313</u>	<u>-</u>	<u>50,313</u>	<u>-</u>

GENIUS PEOPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

11 Share capital

	Group and company	
	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary Shares of 1p each	100	100
	<u>100</u>	<u>100</u>

12 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales		Purchases	
	2020	2019	2020	2019
	£	£	£	£
Group				
Other related parties	-	7,039	-	35,134
	<u>-</u>	<u>7,039</u>	<u>-</u>	<u>35,134</u>
Company				
Other related parties	147,609	146,670	31,010	31,907
	<u>147,609</u>	<u>146,670</u>	<u>31,010</u>	<u>31,907</u>

	2020	2019
	£	£
Company		
	83,923	67,980
	<u>83,923</u>	<u>67,980</u>

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
Amounts due to related parties		
Group		
Other related parties	-	4,932
	<u>-</u>	<u>4,932</u>
Company		
	2,415	2,548
	<u>2,415</u>	<u>2,548</u>

GENIUS PEOPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

12 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2020 Balance £	2019 Balance £
Company	151,649	159,216
	<u> </u>	<u> </u>

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