

PEOPLE VALUE LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2021

PEOPLE VALUE LIMITED
REGISTERED NUMBER: 04516741

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Intangible assets	4	102,600	-
Tangible assets	5	39,217	88,695
		141,817	88,695
Current assets			
Stocks		514,601	516,297
Debtors: amounts falling due after more than one year	6	345,777	-
Debtors: amounts falling due within one year	6	1,746,459	2,008,531
Cash at bank and in hand	7	1,970,388	1,451,851
		4,577,225	3,976,679
Creditors: amounts falling due within one year	8	(5,255,673)	(4,818,910)
Net current liabilities		(678,448)	(842,231)
Total assets less current liabilities		(536,631)	(753,536)
Net liabilities		(536,631)	(753,536)
Capital and reserves			
Called up share capital		2	1
Profit and loss account		(536,633)	(753,537)
		(536,631)	(753,536)

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 comprehensive income 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:

M Sherry
 Director

Date: 8 November 2022

The notes on pages 3 to 14 form part of these financial statements.

PEOPLE VALUE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2021 (as previously stated)	1	(483,270)	(483,269)
Prior year adjustment (note 13)	-	(270,267)	(270,267)
At 1 January 2021 (as restated)	<u>1</u>	<u>(753,537)</u>	<u>(753,536)</u>
Comprehensive income for the year			
Profit for the year	-	5,813	5,813
Share based payment	-	211,091	211,091
Shares issued during the year	1	-	1
At 31 December 2021	<u><u>2</u></u>	<u><u>(536,633)</u></u>	<u><u>(536,631)</u></u>

The notes on pages 3 to 14 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020 (as previously stated)	1	(605,921)	(605,920)
Prior year adjustment (note 13)	-	(270,267)	(270,267)
At 1 January 2020 (as restated)	<u>1</u>	<u>(876,188)</u>	<u>(876,187)</u>
Comprehensive income for the year			
Profit for the year	-	251,854	251,854
Dividends	-	(129,203)	(129,203)
At 31 December 2020	<u><u>1</u></u>	<u><u>(753,537)</u></u>	<u><u>(753,536)</u></u>

The notes on pages 3 to 14 form part of these financial statements.

PEOPLE VALUE LIMITED

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

1. General information

People Value Limited is a private Company limited by shares incorporated in England and Wales. The registered office is Victor House, Wheatley Business Centre, Old London Road, Wheatley, Oxford, OX33 1XW.

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 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of PV Holdco Limited as at 31 December 2021 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ..

2.3 Going concern

The Company generated a profit for the period of £5,813 and has net liabilities of £536,631, including net current liabilities of £678,448. However, this includes exceptional expenditure of £647,740. The Directors have prepared forecasts and projections using what they consider to be reasonable assumptions relating to the Company's financial performance, current financial position and existing financial resources for a period of at least 12 months from signing of the financial statements which show the Company to be a going concern. These forecasts show the Company to be profitable and cash generative.

The Group, which the Company is part of, has borrowings subject to various covenants. The forecasts prepared show that the Group will meet its financial covenants. The lender has also confirmed their support by waiving any breaches relating to non-financial covenants regarding the qualified audit opinions within the Group and timing of signing the financial statements.

The Directors have also considered a range of downward EBITDA scenarios up to 30% on expected performance for a period of at least 12 months from signing of the financial statements and the Group would comply with its financial covenants and have financial resources to continue as a going concern.

The Directors are, therefore, of the opinion that the Company has the necessary resources to continue as a going concern for the foreseeable future and have therefore prepared the financial statements on a going concern basis.

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

2. Accounting policies (continued)

2.4 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:

Retail sales

Revenue from online retail sales is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Reward points

Reward points are recognised on issuance and when the amount of revenue can be measured reliably and it is probable that the Company will receive the consideration under the contract.

Licence fees

Licences fees are recognised straight-line over the licence period and when the amount of revenue can be measured reliably and it is probable that the Company will receive the consideration under the contract.

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:

Leasehold Improvements	- Over period of lease
Boat	- 10%
Fixtures and fittings	- 20%
Office equipment	- 20%

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.

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

2. Accounting policies (continued)

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

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.

2.8 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 ordinary shares.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

2. Accounting policies (continued)

2.10 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 Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.13 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.14 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.

2.15 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	2	years
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2.16 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.

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

2. Accounting policies (continued)

2.17 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.

2.18 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 42 (2020 - 43).

PEOPLE VALUE LIMITED

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

4. Intangible assets

	Trademarks £	IT development costs £	Total £
Cost			
Additions	150,000	102,600	252,600
At 31 December 2021	<u>150,000</u>	<u>102,600</u>	<u>252,600</u>
Amortisation			
Impairment charge	150,000	-	150,000
At 31 December 2021	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Net book value			
At 31 December 2021	<u>-</u>	<u>102,600</u>	<u>102,600</u>
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>

PEOPLE VALUE LIMITED

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

5. Tangible fixed assets

	Leasehold improvements £	Boat £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 January 2021	5,916	103,000	42,075	82,223	233,214
Additions	-	-	-	9,180	9,180
Disposals	-	(103,000)	-	-	(103,000)
At 31 December 2021	<u>5,916</u>	<u>-</u>	<u>42,075</u>	<u>91,403</u>	<u>139,394</u>
Depreciation					
At 1 January 2021	5,188	63,516	34,896	40,919	144,519
Charge for the year	728	-	2,808	15,638	19,174
Disposals	-	(63,516)	-	-	(63,516)
At 31 December 2021	<u>5,916</u>	<u>-</u>	<u>37,704</u>	<u>56,557</u>	<u>100,177</u>
Net book value					
At 31 December 2021	<u>-</u>	<u>-</u>	<u>4,371</u>	<u>34,846</u>	<u>39,217</u>
At 31 December 2020	<u>728</u>	<u>39,484</u>	<u>7,179</u>	<u>41,304</u>	<u>88,695</u>

PEOPLE VALUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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6. Debtors

	2021 £	2020 £
Due after more than one year		
Deferred tax asset	345,777	-
	<u>345,777</u>	<u>-</u>
	2021 £	2020 £
Due within one year		
Trade debtors	1,043,797	1,781,737
Amounts owed by group undertakings	83,752	-
Other debtors	376,147	172,990
Prepayments and accrued income	97,763	53,804
Deferred taxation	145,000	-
	<u>1,746,459</u>	<u>2,008,531</u>

Amounts owed from group undertakings are due within one year are repayable on demand, unsecured and non-interest bearing.

7. Cash and cash equivalents

	2021 £	As restated 2020 £
Cash at bank and in hand	1,970,388	1,451,851
	<u>1,970,388</u>	<u>1,451,851</u>

PEOPLE VALUE LIMITED

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

8. Creditors: Amounts falling due within one year

	2021	As restated 2020
	£	£
Bank loans	-	141,752
Trade creditors	562,229	473,012
Amounts owed to group undertakings	3,950	-
Corporation tax	-	1,175
Other taxation and social security	451,539	583,111
Other creditors	2,779,174	2,554,290
Accruals	657,718	405,507
Deferred income	801,063	660,063
	<u>5,255,673</u>	<u>4,818,910</u>

Amounts owed to group undertakings are due within one year are repayable on demand, unsecured and non-interest bearing.

PEOPLE VALUE LIMITED

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

9. Deferred taxation

	2021 £	2020 £
At beginning of year	-	(7,150)
Charged to profit or loss	490,777	7,150
At end of year	<u>490,777</u>	<u>-</u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(8,299)	-
Tax losses carried forward	499,076	-
	<u>490,777</u>	<u>-</u>

PEOPLE VALUE LIMITED

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

10. Share based payments

The Company operated a share option scheme whereby certain employees of the Company were granted share options. Under the rules of the scheme the share options vested over 5 years from the date the options were granted or immediately on an exit event.

As a result of the acquisition of the Company, all existing share option vested and were exercised during the year ended 31 December 2021.

The share based payment charge for the year was £211,091 (2020: Nil). No share based payment charge was recognised in previous periods.

	Weighted average exercise price	Number
	2021	2021
	£	
Outstanding at the beginning of the year	0.54	30,588
Exercised during the year	-0.54	(30,588)
	<u>0</u>	<u>-</u>
Outstanding at the end of the year		

	2021
	£
Option pricing model used	Black Scholes
Weighted average share price	11.19
Exercise price	0.54
Weighted average contractual life (years)	5
Expected volatility	23%
Risk-free interest rate	<u>0.8108%</u>

11. Prior year adjustment

The Company has identified an accounting error in relation to its other creditors. The Company has made a prior year adjustment of £270,267 to correct this error as at 1 January 2020. The impact of this adjustment is to increase other creditors and reduce retained earnings respectively at 1 January 2020 and 31 December 2020.

The Company has identified an accounting error in relation to cash and cash equivalents. The Company has made a prior year adjustment of £294,523 to correct this error as at 31 December 2020. The impact of this adjustment is to increase cash and cash equivalents and reduce other debtors respectively.

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

12. 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 administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted £64,979 (2020: £57,950). Contributions totalling £14,026 (2020: £107) were payable to the fund at the balance sheet date and are included in creditors.

13. Related party transactions

During the year ended 31 December 2021 the shareholders at the time, who were also directors, received payments of £222,773. These were treated as directors' loans. The directors' loans were deemed to be irrecoverable and therefore written off in full during the year ended 31 December 2021.

14. Controlling party

The immediate parent company is PV Finance Limited. The ultimate parent is PV Holdco Limited, incorporated in England and Wales. This is the smallest and largest group in which the results of the company are considered. The consolidated financial statements of PV Holdco Limited are publicly available and can be obtained from Companies House. The ultimate controlling party is Ethos Partners by virtue of its controlling interest in PV Holdco Limited.

15. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2021 was qualified.

The qualification in the audit report was as follows:

We were not appointed as auditor of the company until after 31 December 2020 and thus did not observe the counting of physical stocks or digital stocks at the end of the period. We were unable to satisfy ourselves by alternative means concerning the stock quantities held at 31 December 2020, which are included in the balance sheet at £516,297, by using other audit procedures. Consequently we were unable to determine whether any adjustment to this amount was necessary. As a result, we were unable to obtain sufficient and appropriate audit evidence regarding cost of goods sold for the year ended 31 December 2021.

Furthermore, due to limitations in the company's accounting records, we were unable to obtain sufficient appropriate audit evidence regarding the accuracy and completeness of deferred income and other creditors of £660,063 and £2,542,427, respectively relating to revenue and cost of goods which are included in the balance sheet as at 31 December 2020 and therefore the accuracy of revenue and cost of goods sold, which are recognised in profit or loss at £37,013,915 and £33,884,571 respectively, during the year ended 31 December 2021. Owing to the nature of the company's records, we were unable to obtain sufficient, appropriate audit evidence using other procedures. As a result, we were unable to obtain sufficient and appropriate audit evidence regarding revenue and cost of goods sold for the year ended 31 December 2021.

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 Auditor's 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.

The audit report was signed on 8 November 2022 by James Pitt BA BFP FCA (Senior statutory auditor) on behalf of James Cowper Kreston.

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.