

Registered number: 09620926

AMENDED

PeopleCert Qualifications Ltd

Report and Accounts

31 December 2019



PeopleCert Qualifications Ltd
Report and accounts

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PeopleCert Qualifications Ltd

Company Information

Directors

Graham John Shaw

Vasile Mihai Baltac

Dr. Michael Milanovic

Registered office

Suite 10

121/122 Sloane Street

London, SW1X 9BW

Independent Auditor

Grant Thornton UK LLP

Chartered Accountants & Statutory Auditor

30 Finsbury Square

London EC2A 1AG

Bankers

HSBC UK Bank Plc

Barclays Bank Plc

Registered number

09620926

PeopleCert Qualifications Ltd

Directors' Report

The directors present their report and accounts for the year ended 31 December 2019.

Principal activities

The company's principal activity during the year continued to be delivering global certification services.

Result of the year

For 2019, the company reported revenues of £759,109 (2018: £662,606), while the profit before tax for 2019 is £58,200 (2018: profit £125)

Directors

The following persons served as directors during the year:

Mr. Graham John Shaw

Mr. Vasile Mihai Baltac

Dr. Michael Milanovic

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are 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 directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

In light of the COVID-19 outbreak, the directors are considering appropriate measures to respond to the uncertain outlook and ensure that the Company remains a going concern over the next 12 months. Whilst there can be no certainty due to the condition across the world at present, the directors are confident in the future of the business based on action plans and forecasts. The directors therefore consider it appropriate for the financial statements to be prepared on the going concern basis. The financial statements do not include any adjustments that would result should the going concern basis of preparation not be appropriate. In the event that this basis is not appropriate, provisions may be required and assets may need to be written down to their recoverable amount.

The directors have received confirmation of the parents company's intention to continue supporting the Company where necessary.

Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to company's subject to the small companies regime.

Independent Auditors

The Independent Auditors, Grant Thornton UK LLP, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

This report was approved by the board on 31 December 2020 and signed on its behalf.



Dr. Michael Milanovic

Director



Independent auditor's report to the members of PeopleCert Qualifications Ltd

Opinion

We have audited the financial statements of PeopleCert Qualifications Ltd (the 'company') for the year ended 31 December 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, 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 December 2019 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 '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 UK, including the FRC'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 impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and the withdrawal of the United Kingdom from the European Union (Brexit). All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 directors' report.

Matters on which we are required to report by exception

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

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 auditor's 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 auditor's 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.

 UK LLP

Sergio Cardoso
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

7/1/2021

PeopleCert Qualifications Ltd

Profit and Loss Account for the year ended 31 December 2019

	2019	2018
	£	£
Turnover	759,109	662,606
Cost of sales	(154,738)	(310,781)
Gross profit	604,371	351,825
Selling & Administrative expenses	(555,634)	(349,154)
Operating profit	48,737	2,671
Finance Cost	9,463	(2,546)
Profit on ordinary activities before taxation	58,200	125
Tax on profit / (loss)	(8,950)	9,435
Profit for the financial year	49,250	9,560

- There are no recognized gains or losses for 2019 or 2018 other than those included in the statement of comprehensive income.
- There is no comprehensive income for 2019 (2018 £NIL).
- The notes on pages 10-17 form part of the financial statements.

PeopleCert Qualifications Ltd
Balance Sheet as at 31 December 2019

	Notes	2019 £	2018 £
Non-Current Assets			
Intangible assets	5	235,538	190,753
Deferred tax asset	8	485	9,435
		<u>236,023</u>	<u>200,188</u>
Current assets			
Debtors	6	104,368	191,735
Cash at bank and in hand		46,575	56,505
		<u>150,943</u>	<u>248,240</u>
Creditors: amounts falling due within one year	7	<u>(288,450)</u>	<u>(399,162)</u>
Net current liabilities		<u>(137,508)</u>	<u>(150,924)</u>
Total assets less current liabilities		98,516	49,266
Net assets / liabilities		<u><u>98,516</u></u>	<u><u>49,266</u></u>
Capital and reserves			
Called up share capital		200	200
Share Premium		99,900	99,900
Profit and loss account		<u>(1,584)</u>	<u>(50,834)</u>
Shareholders' funds		<u><u>98,516</u></u>	<u><u>49,266</u></u>

The notes on pages 10-17 form part of the financial statements.

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

Dr. Michael Milanovic
 Director



Approved by the board on 31 December 2020.

PeopleCert Qualifications Ltd

Statement of Changes in Equity for the year ended 31 December 2019

	Share capital	Share Premium	Profit and loss account	Total
	£	£	£	£
At 1 January 2018	100	-	(60,394)	(60,294)
Profit for the financial year	-	-	9,560	9,560
Total comprehensive income for the financial year	-	-	9,560	9,560
Issue of new share capital	100	99,900	-	100,000
At 31 December 2018	200	99,900	(50,834)	49,266
 At 1 January 2019	 200	 99,900	 (50,834)	 49,266
Profit for the financial year	-	-	49,250	49,250
Total comprehensive income for the financial year	-	-	49,250	49,250
At 31 December 2019	200	99,900	(1,584)	98,516

The notes on pages 10-17 form part of the financial statements

PeopleCert Qualifications Ltd

Notes to the Accounts for the year ended 31 December 2019

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard). 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 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses. The annual amortisation rates used are as follows:

Software in Use 20%
Patents and Trademarks 10%

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Cash and Cash Equivalent

Cash and cash equivalents comprise of cash in hand, demand deposits and short-term notice deposits less bank overdrafts. In the statements of financial positions, banks overdrafts are included in borrowings in current liabilities.

Prepayments from clients

Payments received in advance on services for which no revenue has been recognised yet, are recorded as prepayments from clients as at the reporting date and presented under trade and other payables. Payments received in advance on services for which revenue has been recognised, are recorded as prepayments from clients to the extent that they exceed revenue that was recognised in the profit or loss as at the reporting date.

Functional and presentation currency and foreign currency translation

Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in GBP, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss. Translation differences on available-for-sale financial assets are included in the fair value reserve in equity.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (i.e. liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Significant management judgement

Internally generated intangibles

Significant judgement is required in distinguishing research from the development phase. A detailed forecast of sales or cost savings expected to be generated by the intangible asset is incorporated into the Company's overall budget forecast as the capitalisation of development costs commences. This ensures that managerial accounting, impairment testing procedures and accounting for internally-generated intangible assets is based on the same data. The Company's Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems after the time of recognition.

Deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by Management based on the specific facts and circumstances.

Impairment assessment of receivable amounts

The Company follows the guidance of FRS 102 in determining when a receivable balance is impaired. This determination requires significant judgement regarding the current and potential economic circumstances specific to each debtor, and its current and potential repayment ability.

Estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

Income taxes

Significant estimates are made in determining the tax liability for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax liability in the period in which such determination is made.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date and revises them if necessary so that the useful lives represent the expected utility of the assets to the Company. Actual results, however, may vary due to technological obsolescence, mis-usage and other factors that are not easily predictable.

Impairment assessment of intangibles under development

Determining whether impairment exists for intangibles under development requires an estimation of the value in use of the cash generating units of the company to which this intangible has been allocated. The value in use calculation requires the company to estimate the future cash flows expected to arise from the cash-generating units for a period of five years and then apply a sustainable growth rate thereafter, and then using a suitable discount rate to calculate present value.

Impairment assessment of receivable amounts

The Company reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective allowance for impairment is made. The review of credit risk is continuous, and the methodology and assumptions used for estimating the allowance for impairment are reviewed regularly and adjusted accordingly.

Going Concern

In light of the COVID-19 outbreak, the directors are considering appropriate measures to respond to the uncertain outlook and ensure that the Company remains a going concern over the next 12 months. Whilst there can be no certainty due to the condition across the world at present, the directors are confident in the future of the business based on action plans and forecasts. The directors therefore consider it appropriate for the financial statements to be prepared on the going concern basis. The financial statements do not include any adjustments that would result should the going concern basis of preparation not be appropriate. In the event that this basis is not appropriate, provisions may be required and assets may need to be written down to their recoverable amount.

The directors have received confirmation of the parents company's intention to continue supporting the Company where necessary.

PeopleCert Qualifications Ltd

Notes to the Accounts for the year ended 31 December 2019

2 Auditors remuneration

	2019	2018
	£	£
Fees payable to the company's auditor for the Statutory Audit	11,500	9,800
	<u>11,500</u>	<u>9,800</u>

PeopleCert Holdings UK Ltd paid for the 2019 and 2018 statutory audit of PeopleCert Qualifications.

3 Employees

	2019	2018
	£	£
Salaries	328,256	194,915
Social Security Cost	35,373	18,582
Pension	6,788	2,698
	<u>370,417</u>	<u>216,195</u>

Average number of persons employed by the company

6 4

4 Net foreign exchange gain / losses

Net foreign exchange gains or losses are reported under finance income / finance loss

5 Intangible fixed assets

	Patents and Trademarks	Software in use	Total
	£	£	£
Cost			
At 1 January 2019	22,000	187,100	209,100
Additions	-	95,753	95,753
Disposals	-	-	-
At 31 December 2019	<u>22,000</u>	<u>282,853</u>	<u>304,853</u>
Amortisation			
At 1 January 2019	5,995	12,352	18,347
Provided during the year	770	50,198	50,968
On disposals	-	-	-
At 31 December 2019	<u>6,765</u>	<u>62,550</u>	<u>69,315</u>
Net book value			
At 31 December 2019	<u>15,235</u>	<u>220,303</u>	<u>235,538</u>
At 31 December 2018	<u>16,005</u>	<u>174,748</u>	<u>190,753</u>

6 Debtors

	2019	2018
	£	£
Trade debtors	15,559	24,422
Pre-payments	788	1,497
Receivables owed by related parties	80,569	137,443
VAT Control Account	7,452	28,374
	<u>104,368</u>	<u>191,735</u>

The Receivables owed by related parties are trading balances collectible on demand.

7 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	26,089	92,786
Payables to related parties	191,581	263,387
Accruals and other payables	61,093	42,989
PAYE & NI control account	9,687	-
	<u>288,450</u>	<u>399,162</u>

The Payables to related parties are trading balances repayable on demand.

8 Deferred tax asset	2019	2018
	£	£
Balance at 1 January	9,435	-
Charged to profit or loss	(8,950)	9,435
Balance at 31 December	<u>485</u>	<u>9,435</u>

9 Director's Remuneration

	2019	2018
	£	£
Directors' social insurance and other contribution	29,360	4,414
	<u>29,360</u>	<u>4,414</u>

10 Contingent liabilities

PeopleCert Qualifications Ltd had no contingent liabilities as at 31 December 2019 and 31 December 2018.

11 Commitments

PeopleCert Qualifications Ltd had no commitments as at 31 December 2019 and 31 December 2018.

12 Ultimate Parent Company and Controlling Party

The immediate parent company is PeopleCert International Ltd 40, Themistocles Dervi Street, 1066 Nicosia, Cyprus. The Company to consolidate these financial statements is PeopleCert Holdings Europe Ltd 40, Themistocles Dervi Street, 1066 Nicosia, Cyprus, that is also the ultimate controlling party.

13 Share Capital

Allotted, called up and fully paid

	2019	2018
	£	£
200 (2018 – 100) Ordinary Shares of £1.00 each	200	200
	<u>200</u>	<u>200</u>

14 Reserves

Share premium account

Includes any premiums received on issue of share capital.

15 Other information

PeopleCert Qualifications Ltd is a private company limited by shares and incorporated in England. Its registered office is:

Suite 10

121/122 Sloane Street

London - SW1X 9BW

16 Post balance sheet events

The Company has determined that the Covid-19 pandemic is a non-adjusting subsequent event. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their potential impact.