

PROCUREMENT LEADERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



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PROCUREMENT LEADERS LIMITED

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COMPANY INFORMATION

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<b>Directors</b>	N Basuthakur D C Wilkie
<b>Company secretary</b>	A Cox
<b>Registered number</b>	05013101
<b>Registered office</b>	Prospero House 241 Borough High Street London SE1 1GA
<b>Independent auditor</b>	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditor 45 Gresham Street London EC2V 7BG

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PROCUREMENT LEADERS LIMITED

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PROCUREMENT LEADERS LIMITED

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GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present the Strategic Report for Procurement Leaders Limited for the year ended 31 December 2021.

**Business Review**

The principal activity of the Group remains the provision of procurement intelligence and peer to peer networking opportunities for procurement, sourcing and supply chain executives.

The financial year ending 31 December 2021 saw the impact of COVID-19 continue to affect the financial results of Procurement Leaders, with revenue reported of £12.58m still 16% lower than revenue reported in the last financial year pre COVID in 2019 of £15.06m, but which was £1.78m up on 2020, an increase of 16%. Despite the suppression of revenue, we have continued to mitigate the impact on our overall financial results with Adjusted EBITDA increasing to £2.26m, an increase of £1.14m (103%) on the last financial year.

At the onset of the pandemic, we successfully transitioned our global workforce to remote working with existing infrastructures already in place to provide a seamless transition. Our Membership business produced a new series of content focused on delivering in a downturn. Our Events business quickly pivoted to deliver a series of virtual events, and our Internal Operations teams focused on a cost management exercise to ensure a stable financial position was maintained.

The key financial and other performance indicators of the Group for the year ending 31 December 2021 were as follows:

	2021 £'000	2020 £'000	Change £'000
Turnover	12,584	10,803	1,781
Operating profit	2,166	1,057	1,109
Equity shareholders' funds	4,750	2,978	1,520
Adjusted EBITDA	2,262	1,117	1,145
Profit after tax	1,739	942	545
Member count	311	273	38
Average number of employees	99	108	(9)

The results for the year of the Group as included in these financial statements are set out above. Revenues have increased to £12.6m (2020 - £10.8m), an increase of 16%. The largest growth was seen in our Events division, with in person live Events returning to some degree in the 2nd half of 2021 resulting in revenue of £2.28m an increase of £0.93m (68%) on 2020. Our Membership division launched a new membership during 2020, with Sustainability Leaders formally commencing in April 2021. The result was to support an increase in Member Count from 273 to 311, an increase of 14%. Membership revenue increased to £8.85m (2020 - £8.48m) an increase of 3%. Operating Profit has increased to £2.17m (2020 - £1.06m) and Profit after tax has risen to £1.74m (2020 - £0.94m) as a result of the increase in revenue and Adjusted EBITDA.

The Group's Adjusted EBITDA which represents a more accurate reflection of underlying performance has increased by £1.15m largely driven by the revenue growth of £1.78m, offset by increased costs of operations of £0.64m. Adjusted EBITDA is calculated by removing non-trading costs which are recognised during the financial year from EBITDA. These costs include non-executive directors' fees, advance commissions, restructuring costs and share based payment charges.

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## PROCUREMENT LEADERS LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Principal risks and uncertainties

In the opinion of the directors the principal risks faced by the business include the economy-wide risks due to the ongoing Coronavirus pandemic, the risk of key supplier failure, the risk of significant client loss, the loss of key employees, exchange rate fluctuations, pricing risk and liquidity risk.

The directors seek to manage these risks through regular review with the strategies summarised below.

##### *Coronavirus pandemic:*

The directors responded quickly to the risks presented at the onset of the Coronavirus pandemic with remote working adopted ahead of government mandates and all in person live events transferred to virtual events during 2020. As the risks associated with the Coronavirus pandemic begin to subside the directors continue to monitor health and safety information to ensure appropriate measures are in place for our employees and customers at both out office location and event locations.

##### *Suppliers:*

The risk of key supplier failure is managed by the directors by ensuring that appropriate alternative providers or backup procedures exist where necessary to ensure provision of service will be unaffected.

##### *Clients:*

The risk of significant client loss is managed by the directors by ensuring no over reliance on one particular client. Currently the largest client across the group makes up less than 5% of turnover.

##### *Employees:*

The loss of key employees is managed by the directors by ensuring appropriate career development, remuneration and benefit packages are on offer to these individuals.

##### *Foreign exchange:*

Foreign exchange risk continues to be a principal risk faced by the business, with 72% (2020 - 30%) of membership contracts denominated in foreign currency. The directors seek to mitigate the currency risk by serving our members locally via our offices in London, Denver and Singapore which ensures the cost of service is largely denominated in the same currency as the revenue stream.

##### *Pricing:*

Pricing risk is considered limited given the frequent and regular review of the competitive landscape undertaken by the directors to ensure pricing remains competitive.

##### *Liquidity:*

Liquidity risk is managed principally through tight control on the Company's trade debtors, to ensure sufficient cash balances are maintained to meet liabilities as they fall due. Invoices are issued on commencement of client engagement or in advance of event attendance and Debtor days for the Company at year end were 40 days (2020 - 35 days).

#### Future developments

The opening up of many regions following the Coronavirus pandemic has allowed the 2022 event calendar to return to large, in person events for each of our Congresses in Miami, London and Singapore in 2022. The directors therefore anticipate a significant increase in events revenue to be delivered in 2022.

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PROCUREMENT LEADERS LIMITED

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GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021

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**Going concern**

To assess the Company's resilience to an extended period of uncertainty as a result of the pandemic, forecasts were sensitised to assess the impact of more adverse scenarios. The impact was modelled over the going concern period, alongside reasonable mitigation the Company would expect to enact in such circumstances with regards operating costs. In all scenarios the directors believe the business can continue to operate as a going concern and meet all liabilities as they fall due.

After reviewing the Company's current financial position, future forecasts and projections the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future including a period of at least 12 months from the approval of these financial statements.

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

Andrew Cox  
Andrew Cox (Dec 15, 2022 14:14 GMT)

**A Cox**  
Secretary

Date: 15/12/2022

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PROCUREMENT LEADERS LIMITED

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DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their report and the financial statements for the year ended 31 December 2021.

**Results and dividends**

The profit for the year, after taxation, amounted to £1,738,741 (2020 - £941,592).

No dividends were paid or proposed in the year (2020 - £Nil).

**Directors**

The directors who served during the year were:

N Basuthakur  
D C Wilkie

**Matters covered in the Strategic Report**

Where necessary, disclosures relating to future developments have been made in the Strategic Report and have not been repeated here in accordance with Section 414C of the Companies Act 2006.

**Disclosure of information to auditor**

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 and the Group's auditor is 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 and the Group's auditor is aware of that information.


**Post balance sheet events**

There have been no significant events affecting the Company after the year end.

**Auditor**

The auditor, CLA Evelyn Partners Limited (previously Nexia, Smith & Williamson Audit Limited), will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

  
Andrew Cox (Dec 15, 2022 14:14 GMT)

A Cox  
Secretary

Date: 15/12/2022

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PROCUREMENT LEADERS LIMITED

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DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROCUREMENT LEADERS LIMITED

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**Opinion**

We have audited the financial statements of Procurement Leaders Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's 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 Group and Parent 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.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' 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 Group and Parent 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 directors with respect to going concern are described in the relevant sections of this report.

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## PROCUREMENT LEADERS LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROCUREMENT LEADERS LIMITED (CONTINUED)

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#### **Other information**

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. 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.

#### **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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' 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 Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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## PROCUREMENT LEADERS LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROCUREMENT LEADERS LIMITED (CONTINUED)

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#### **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.

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:

We obtained an understanding of the Group's legal and regulatory framework through enquiry of management of their understanding of the relevant laws and regulations, the Group's policies and procedures regarding compliance and how they identify, evaluate and rectify any instances of non-compliance. We also drew on our existing understanding of the Group's industry and regulation.

We understand the Group complies with requirements of the framework through:

- The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly; and
- The engagement of external experts to ensure ongoing tax compliance and to assist with the preparation of the statutory financial statements.

In the context of the audit, we have considered those laws and regulations which determine the form and content of the financial statements, which are central to the Group's ability to conduct business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the Group:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Group's and Parent Company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journals and incorrect recognition of revenue. This was communicated to the other members of the engagement team who were not present at the discussion.

The procedures carried out to gain evidence in the above areas included:

- Testing of revenue transactions to underlying documentation; and
- Testing of manual journal entries, selected based on specific risk assessments applied based on the client processes and controls surrounding manual journals.

The senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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PROCUREMENT LEADERS LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROCUREMENT LEADERS LIMITED  
(CONTINUED)

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**Use of our report**

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*CLA Evelyn Partners Limited*  
(INCORPORATED IN ENGLAND)

Timothy Adams (Senior Statutory Auditor)

for and on behalf of

**CLA Evelyn Partners Limited**

Chartered Accountants  
Statutory Auditor

45 Gresham Street  
London  
EC2V 7BG  
Date: 15/12/2022

PROCUREMENT LEADERS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	12,584,295	10,802,636
Cost of sales		(965,848)	(671,265)
<b>Gross profit</b>		<b>11,618,447</b>	<b>10,131,371</b>
Administrative expenses		(9,406,638)	(9,127,424)
Other operating income	5	4,000	105,197
Share-based payment charge		(49,692)	(51,674)
<b>Operating profit</b>	6	<b>2,166,117</b>	<b>1,057,470</b>
Interest receivable and similar income	10	4,517	5,072
<b>Profit before taxation</b>		<b>2,170,634</b>	<b>1,062,542</b>
Tax on profit	11	(431,893)	(120,950)
<b>Profit for the financial year</b>		<b>1,738,741</b>	<b>941,592</b>
Currency translation differences		(17,123)	(14,127)
<b>Total comprehensive income for the year</b>		<b>1,721,618</b>	<b>927,465</b>

The notes on pages 19 to 41 form part of these financial statements.

PROCUREMENT LEADERS LIMITED  
REGISTERED NUMBER:05013101

CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	12	1,666	50,267
Tangible assets	13	86,397	22,895
Investments	14	100,000	100,000
		<u>188,063</u>	<u>173,162</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	10,211,379	8,593,942
Cash at bank and in hand	16	6,141,720	4,799,505
		<u>16,353,099</u>	<u>13,393,447</u>
Creditors: amounts falling due within one year	17	(819,031)	(665,814)
<b>Net current assets</b>		<u>15,534,068</u>	<u>12,727,633</u>
<b>Total assets less current liabilities</b>		<u>15,722,131</u>	<u>12,900,795</u>
Dilapidation provision	19	(101,028)	(95,344)
Accruals and deferred income	20	(10,871,573)	(9,827,231)
<b>Net assets</b>		<u><u>4,749,530</u></u>	<u><u>2,978,220</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	1,788	1,788
Share premium account	22	346,064	346,064
Foreign exchange reserve	22	(162,834)	(145,711)
Merger reserve	22	240,141	240,141
Profit and loss account	22	4,324,371	2,535,938
<b>Shareholders' funds</b>		<u><u>4,749,530</u></u>	<u><u>2,978,220</u></u>

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PROCUREMENT LEADERS LIMITED  
REGISTERED NUMBER:05013101

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CONSOLIDATED BALANCE SHEET (CONTINUED)  
AS AT 31 DECEMBER 2021

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

N Basuthakur  
N Basuthakur (Dec 15, 2022 14:25 GMT)

**N Basuthakur**  
Director

Date: 15/12/2022

The notes on pages 19 to 41 form part of these financial statements.

PROCUREMENT LEADERS LIMITED  
REGISTERED NUMBER:05013101

COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	12	1,666	50,267
Tangible assets	13	85,165	19,047
Fixed asset investments	14	105,542	105,542
		<u>192,373</u>	<u>174,856</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	9,609,401	8,393,417
Cash at bank and in hand	16	5,640,772	4,521,900
		<u>15,250,173</u>	<u>12,915,317</u>
Creditors: amounts falling due within one year	17	(1,736,923)	(1,016,932)
<b>Net current assets</b>		<u>13,513,250</u>	<u>11,898,385</u>
<b>Total assets less current liabilities</b>		<u>13,705,623</u>	<u>12,073,241</u>
Dilapidation provision	19	(101,028)	(95,344)
Accruals and deferred income	20	(9,726,126)	(8,985,567)
<b>Net assets</b>		<u><u>3,878,469</u></u>	<u><u>2,992,330</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	1,788	1,788
Share premium account	22	346,064	346,064
Merger reserve	22	240,141	240,141
Profit and loss account	22	3,290,476	2,404,337
<b>Shareholders' funds</b>		<u><u>3,878,469</u></u>	<u><u>2,992,330</u></u>

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PROCUREMENT LEADERS LIMITED  
REGISTERED NUMBER:05013101

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COMPANY BALANCE SHEET (CONTINUED)  
AS AT 31 DECEMBER 2021

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The Parent Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The profit after tax of the Company for the year was £836,447 (2020 - £672,929).

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

N Basuthakur  
N Basuthakur (Dec 15, 2022 14:25 GMT)

**N Basuthakur**  
Director

Date: 15/12/2022

The notes on pages 19 to 41 form part of these financial statements.

PROCUREMENT LEADERS LIMITED

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

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Merger reserve £	Profit and loss account £	Total equity £
At 1 January 2020	1,788	346,064	(131,584)	240,141	1,542,672	1,999,081
Profit for the year	-	-	-	-	941,592	941,592
Profit for the year	-	-	(14,127)	-	-	(14,127)
Movement on foreign exchange reserve						
Contributions by and distributions to owners						
Share-based payment expense	-	-	-	-	51,674	51,674
At 1 January 2021	1,788	346,064	(145,711)	240,141	2,535,938	2,978,220
Profit for the year	-	-	-	-	1,738,741	1,738,741
Profit for the year	-	-	(17,123)	-	-	(17,123)
Movement on foreign exchange reserve						
Contributions by and distributions to owners						
Share-based payment expense	-	-	-	-	49,692	49,692
At 31 December 2021	1,788	346,064	(162,834)	240,141	4,324,371	4,749,530

PROCUREMENT LEADERS LIMITED

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

	Called up share capital £	Share premium account £	Merger reserve £	Profit and loss account £	Total equity £
At 1 January 2020	1,788	346,064	240,141	1,679,734	2,267,727
Comprehensive income for the year					
Profit for the year	-	-	-	672,929	672,929
Contributions by and distributions to owners					
Share-based payment expense	-	-	-	51,674	51,674
At 1 January 2021	1,788	346,064	240,141	2,404,337	2,992,330
Comprehensive income for the year					
Profit for the year	-	-	-	836,447	836,447
Contributions by and distributions to owners					
Share-based payment expense	-	-	-	49,692	49,692
At 31 December 2021	1,788	346,064	240,141	3,290,476	3,878,469

PROCUREMENT LEADERS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,738,741	941,592
<b>Adjustments for:</b>		
Amortisation of intangible assets	48,601	81,917
Depreciation of tangible assets	33,509	67,389
Foreign exchange adjustment to tangible assets	-	(113)
Interest received	(4,517)	(5,072)
Taxation charge	431,893	120,950
(Increase)/decrease in debtors	(2,055,133)	344,915
Increase in creditors	892,442	1,452,180
Corporation tax received/(paid)	310,920	(19,645)
Movement in foreign exchange	(17,123)	(14,127)
Increase in provisions	5,684	19,069
Share-based payment charge	49,692	51,674
<b>Net cash generated from operating activities</b>	<u>1,434,709</u>	<u>3,040,729</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(97,011)	(11,550)
Interest received	4,517	5,072
<b>Net cash used in investing activities</b>	<u>(92,494)</u>	<u>(6,478)</u>
<b>Net increase in cash and cash equivalents</b>	<u>1,342,215</u>	<u>3,034,251</u>
Cash and cash equivalents at beginning of year	4,799,505	1,765,254
<b>Cash and cash equivalents at the end of year</b>	<u><u>6,141,720</u></u>	<u><u>4,799,505</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	6,141,720	4,799,505
	<u><u>6,141,720</u></u>	<u><u>4,799,505</u></u>

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PROCUREMENT LEADERS LIMITED

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CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2021

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	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	4,799,505	1,342,215	6,141,720
	<u>4,799,505</u>	<u>1,342,215</u>	<u>6,141,720</u>

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## PROCUREMENT LEADERS LIMITED

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

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#### 1. General information

Procurement Leaders Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 05013101). The address of the registered office is Prospero House, 241 Borough High Street, London, SE1 1GA.

#### 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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Group and the Parent Company would be identical;
- No Statement of Cash Flows has been presented for the Parent Company; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) prepared to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions and balances and any unrealised gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

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## PROCUREMENT LEADERS LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.3 Going concern

To assess the Group's resilience to an extended period of uncertainty as a result of the pandemic, forecasts were sensitised to assess the impact of more adverse scenarios. The impact was modelled over the going concern period, alongside reasonable mitigation the Group would expect to enact in such circumstances with regards operating costs. In all scenarios the directors believe the business can continue to operate as a going concern and meet all liabilities as they fall due.

After reviewing the Group's current financial position, future forecasts and projections the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future including a period of at least 12 months from the approval of these financial statements.

##### 2.4 Foreign currency translation

The Parent Company's functional and presentational currency is GBP. The Group's presentational currency is GBP. The subsidiaries' functional currencies are USD and Singapore Dollar. The treatment and recognition of foreign exchange on the consolidation of the subsidiaries into the Group's financial statements is detailed below.

Foreign currency transactions are translated into GBP using the exchange rate on the first day of the month in which the transaction occurred.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate on the first day of the month in which the transaction occurred and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

On consolidation, the results of overseas operations are translated into sterling at the average rate for the financial year. All assets and liabilities of overseas operations are translated at the rate ruling at the balance sheet date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at average rate are recognised in Other Comprehensive Income.

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

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**2. Accounting policies (continued)**

**2.5 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover 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 turnover is recognised:

**Rendering of services**

**Membership**

Turnover 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 turnover can be measured reliably;
- it is probable that the Group 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.

As the Company invoices in advance of the service being provided, this has resulted in deferred income at the balance sheet date.

**Events**

Turnover from events is recognised when the events take place.

**Sponsorship**

Sponsorship income relates to sponsoring of events and is recognised when the events take place.

**2.6 Operating leases**

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.

**2.7 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 profit or loss in the same period as the related expenditure.

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PROCUREMENT LEADERS LIMITED

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

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2. Accounting policies (continued)

2.8 Interest income

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

2.9 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.

Website development costs and externally generated content available for subscribers are capitalised as intangible fixed assets as they are identifiable non-monetary assets without physical substance whose cost can be reliably estimated and it is probable that the expected future economic benefits that are attributable to the assets will flow to the Group.

Computer software & content costs are capitalised as intangible assets when no hardware is associated with the computer software.

Website development costs are amortised over three years using the straight-line basis. Externally generated content is amortised over two years using the straight-line basis. Computer software is amortised over three years using the straight-line basis.

2.10 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:

Improvements to property	- over the life of the lease
Office equipment	- 25%
Computer equipment	- 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

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PROCUREMENT LEADERS LIMITED

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

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2. Accounting policies (continued)

2.12 Pensions

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Group in independently administered funds.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Group 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.

2.14 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. A provision is established when there is objective evidence that the group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

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

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2. Accounting policies (continued)

2.15 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme). Fair value is measured using the Black Scholes model.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

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PROCUREMENT LEADERS LIMITED

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

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2. Accounting policies (continued)

2.16 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

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**3: Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the Group's and Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors consider that the following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

**Financial instruments classification**

The classification of financial instruments as "basic" or "other" requires judgement as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

The directors consider that the key sources of estimation uncertainty in preparing the financial statements are:

**Bad debt provisions**

The trade debtor balance of £3,613,697 (2020 - £2,854,681) recorded in the Group's Balance Sheet comprises a relatively large number of small balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible. The total bad debt provision at the year end was £62,793 (2020 - £96,840).

**Share option valuation**

Fair value is measured by use of the Black Scholes model in respect of options granted. The expected life used in the model has been adjusted, based on the directors' best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share-based payment charge for the year was £49,692 (2020 - £51,674).

PROCUREMENT LEADERS LIMITED

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

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Asia Pacific	1,057,033	992,128
Europe, Middle East & Africa	3,217,268	3,351,739
UK	4,914,099	3,600,023
USA	3,367,352	2,837,163
Latin America	28,543	21,583
	<u>12,584,295</u>	<u>10,802,636</u>

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Membership	8,706,328	8,446,161
Events	3,361,914	2,339,224
Other	516,053	17,251
	<u>12,584,295</u>	<u>10,802,636</u>

5. Other operating income

	2021 £	2020 £
Coronavirus job retention scheme income	<u>4,000</u>	<u>105,197</u>

6. Operating profit

The operating profit is stated after charging/(crediting):

	2021 £	2020 £
Impairment of trade debtors	41,190	(19,717)
Difference on foreign exchange	123,361	(33,618)
Operating lease rentals	<u>393,235</u>	<u>632,243</u>

PROCUREMENT LEADERS LIMITED

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

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	56,250	54,400
	<u>56,250</u>	<u>54,400</u>
Fees payable to the Group's auditor and its associates in respect of:		
Tax compliance services	5,315	4,600
Tax advisory services	-	10,000
Audit-related assurance services	3,500	3,350
	<u>8,815</u>	<u>17,950</u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	6,707,840	6,302,012	5,632,489	5,284,178
Social security costs	696,398	645,360	637,700	594,566
Cost of defined contribution scheme	194,224	202,330	171,875	174,808
	<u>7,598,462</u>	<u>7,149,702</u>	<u>6,442,064</u>	<u>6,053,552</u>

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Membership	55	55	45	42
Events	15	21	14	20
Corporate Operations	22	24	21	23
Marketing	7	8	7	8
	<u>99</u>	<u>108</u>	<u>87</u>	<u>93</u>

PROCUREMENT LEADERS LIMITED

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

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	492,744	332,482
Directors pension costs	9,200	8,970
	<u>501,944</u>	<u>341,452</u>

During the year retirement benefits were accruing to 1 director (2020 -1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £492,744 (2020 - £332,482).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,200 (2020 - £8,970).

10. Interest receivable and similar income

	2021 £	2020 £
Interest receivable	<u>4,517</u>	<u>5,072</u>

11. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	303,560	48,556
Adjustments in respect of previous periods	7,757	-
<b>Total current tax</b>	<u>311,317</u>	<u>48,556</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	167,069	152,924
Adjustments in respect of prior periods	-	(48,935)
Effect of change in tax rates	(46,493)	(31,595)
<b>Total deferred tax</b>	<u>120,576</u>	<u>72,394</u>
<b>Taxation on profit on ordinary activities</b>	<u>431,893</u>	<u>120,950</u>

PROCUREMENT LEADERS LIMITED

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

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	2,170,634	1,062,542
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	412,420	201,883
Effects of:		
Expenses not deductible for tax purposes	12,626	10,362
Capital allowances for year in excess of depreciation	(3,509)	-
Other permanent differences including relief on exercise of share options	-	950
Foreign taxes	9,082	(12,183)
Adjustments to tax charge in respect of prior periods - current tax	7,757	-
Adjustments to tax charge in respect of prior periods - deferred tax	-	(48,935)
Other timing differences leading to an increase in taxation	-	468
Remeasurement of deferred tax for changes in tax rates	(6,483)	(31,595)
<b>Total tax charge for the year</b>	<b>431,893</b>	<b>120,950</b>

Factors that may affect future tax charges

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The full anticipated effect of these changes is reflected in the above deferred tax balances.

PROCUREMENT LEADERS LIMITED

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

12. Intangible assets

Group and Company

	Website development costs £	Content £	Computer software & content £	Total £
<b>Cost</b>				
At 1 January 2021	544,219	725,343	80,360	1,349,922
Disposals	(308,533)	-	(56,218)	(364,751)
At 31 December 2021	<u>235,686</u>	<u>725,343</u>	<u>24,142</u>	<u>985,171</u>
<b>Amortisation</b>				
At 1 January 2021	502,313	725,343	71,999	1,299,655
Charge for the year	41,906	-	6,695	48,601
On disposals	(308,533)	-	(56,218)	(364,751)
At 31 December 2021	<u>235,686</u>	<u>725,343</u>	<u>22,476</u>	<u>983,505</u>
<b>Net book value</b>				
At 31 December 2021	<u>-</u>	<u>-</u>	<u>1,666</u>	<u>1,666</u>
At 31 December 2020	<u>41,906</u>	<u>-</u>	<u>8,361</u>	<u>50,267</u>

PROCUREMENT LEADERS LIMITED

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

13. Tangible fixed assets

Group

	Improvements to property £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2021	432,276	178,619	308,454	919,349
Additions	19,142	13,817	64,052	97,011
Disposals	-	(47,982)	(190,407)	(238,389)
At 31 December 2021	<u>451,418</u>	<u>144,454</u>	<u>182,099</u>	<u>777,971</u>
<b>Depreciation</b>				
At 1 January 2021	432,276	174,315	289,863	896,454
Charge for the year	632	4,383	28,494	33,509
Disposals	-	(47,982)	(190,407)	(238,389)
At 31 December 2021	<u>432,908</u>	<u>130,716</u>	<u>127,950</u>	<u>691,574</u>
<b>Net book value</b>				
At 31 December 2021	<u>18,510</u>	<u>13,738</u>	<u>54,149</u>	<u>86,397</u>
At 31 December 2020	<u>-</u>	<u>4,304</u>	<u>18,591</u>	<u>22,895</u>

PROCUREMENT LEADERS LIMITED

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

13. Tangible fixed assets (continued)

Company

	Improvements to property £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2021	432,276	178,004	279,023	889,303
Additions	19,142	13,817	63,775	96,734
Disposals	-	(47,982)	(190,407)	(238,389)
At 31 December 2021	<u>451,418</u>	<u>143,839</u>	<u>152,391</u>	<u>747,648</u>
<b>Depreciation</b>				
At 1 January 2021	432,276	173,854	264,126	870,256
Charge for the year	632	4,229	25,755	30,616
Disposals	-	(47,982)	(190,407)	(238,389)
At 31 December 2021	<u>432,908</u>	<u>130,101</u>	<u>99,474</u>	<u>662,483</u>
<b>Net book value</b>				
At 31 December 2021	<u>18,510</u>	<u>13,738</u>	<u>52,917</u>	<u>85,165</u>
At 31 December 2020	<u>-</u>	<u>4,150</u>	<u>14,897</u>	<u>19,047</u>

PROCUREMENT LEADERS LIMITED

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

14. Fixed asset investments

Group

	Unlisted investments £
<b>Cost</b>	
At 1 January 2021	100,000
At 31 December 2021	<u>100,000</u>
<b>Net book value</b>	
At 31 December 2021	<u>100,000</u>
<i>At 31 December 2020</i>	<u>100,000</u>

Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
<b>Cost</b>			
At 1 January 2021	5,542	100,000	105,542
At 31 December 2021	<u>5,542</u>	<u>100,000</u>	<u>105,542</u>
<b>Net book value</b>			
At 31 December 2021	<u>5,542</u>	<u>100,000</u>	<u>105,542</u>
<i>At 31 December 2020</i>	<u>5,542</u>	<u>100,000</u>	<u>105,542</u>

PROCUREMENT LEADERS LIMITED

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

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Procurement Leaders Inc. (incorporated in the USA)	Provision of Event Management Services	Ordinary	100%
Procurement Leaders Pte. Limited (incorporated in Singapore)	Provision of Event Management Services	Ordinary	100%

The registered office of Procurement Leaders Inc. is 1615 Platte Street, 2nd Floor, 80202, Denver, Colorado, United States.

The registered office of Procurement Leaders Pte. Limited is 6 Raffles Quay, 16-01, 048 580, Singapore.

15. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	3,613,697	2,854,681	3,053,282	2,407,913
Amounts owed by group undertakings	5,231,638	3,671,211	5,231,638	3,922,738
Other debtors	712,764	728,399	687,048	695,614
Prepayments and accrued income	597,285	845,960	581,438	836,341
Tax recoverable	29,345	346,465	29,345	383,585
Deferred taxation	26,650	147,226	26,650	147,226
	<b>10,211,379</b>	<b>8,593,942</b>	<b>9,609,401</b>	<b>8,393,417</b>

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PROCUREMENT LEADERS LIMITED

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

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16. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	<u>6,141,720</u>	<u>4,799,505</u>	<u>5,640,772</u>	<u>4,521,900</u>

17. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	70,553	73,715	64,851	50,188
Amounts owed to group undertakings	-	-	1,159,821	387,746
Corporation tax	305,117	-	80,880	-
Other taxation and social security	294,246	514,215	285,810	512,706
Other creditors	149,115	77,884	145,561	66,292
	<u>819,031</u>	<u>665,814</u>	<u>1,736,923</u>	<u>1,016,932</u>

PROCUREMENT LEADERS LIMITED

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

18. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	(147,226)	(219,620)
Charged to profit or loss	120,576	72,394
<b>Deferred tax asset at end of year</b>	<b>(26,650)</b>	<b>(147,226)</b>

Company

	2021 £	2020 £
At beginning of year	(147,226)	(219,620)
Charged to profit or loss	120,576	72,394
<b>Deferred tax asset at end of year</b>	<b>(26,650)</b>	<b>(147,226)</b>

The deferred tax asset is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	(1,393)	(12,404)	(1,393)	(12,404)
Tax losses carried forward	-	(18,116)	-	(18,116)
Short-term timing differences	(25,257)	(116,706)	(25,257)	(116,706)
	<b>(26,650)</b>	<b>(147,226)</b>	<b>(26,650)</b>	<b>(147,226)</b>

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19. Provisions

Group

	Dilapidation provision £
At 1 January 2021	95,344
Charged to profit or loss	5,684
At 31 December 2021	<u>101,028</u>

Company

	Dilapidation provision £	Total £
At 1 January 2021	95,344	95,344
Charged to profit or loss	5,684	5,684
At 31 December 2021	<u>101,028</u>	<u>101,028</u>

20. Accruals and deferred income

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accruals and deferred income	<u>10,871,573</u>	<u>9,827,231</u>	<u>9,726,126</u>	<u>8,985,567</u>

Within accruals and deferred income, £586,971 (2020 - £727,189) relates to deferred income falling due in more than one year.

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21. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
1,456,544 Ordinary shares of £0.001 each	1,456	1,456
331,775 A Ordinary shares of £0.001 each	332	332
	<u>1,788</u>	<u>1,788</u>

22. Reserves

**Share premium account**

The share premium arises as a result of the excess consideration over and above the nominal value received on issue of the Company's share capital.

**Foreign exchange reserve**

The foreign exchange reserve arises on translation of the overseas subsidiaries, Procurement Leaders Inc. and Procurement Leaders Pte. Limited, on consolidation.

**Merger reserve**

The merger reserve relates to the premium paid on the shares issued through a share for share exchange arrangement as required under sections 612 - 613 of the Companies Act 2006 less any transfers permitted due to a permanent diminution of the fair value of the investment which was acquired through the share for share exchange.

In accordance with the transitional exemption available in FRS 102, the Group chose not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

**Profit and loss account**

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

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23. Share-based payments

During the prior year, W50 Parent LLC, the parent company of the Company, granted Class B Share Units ("B Units") to employees of the Company. The total number of Units granted during the year were 80,303 (2020 - 2,079,848) and were split into the following categories.

	Number of B Units
Performance Based Units	34,416
Time Based Units	45,887
	<u>80,303</u>

The Performance Based Units will only vest based on the consummation of change in control in W50 Group. The probability of the change in control is considered to be very low in the foreseeable future and no share-based payment is recognised in the year.

The Time Based Units will vest equally on an annual basis over a period of five years starting from 10 January 2021.

The value of the Time Based units were measured using the Black Scholes model. The charge for the year recognised in the financial statements was £49,692 (2020 - £51,674).

Details of the share-based payments are as follows:

	Performance Based Units		Time Based Units	
	Number of B Units	Weighted average exercise price US\$	Number of B Units	Weighted average exercise price US\$
Outstanding at the beginning of the year	891,363	1.00	1,188,485	1.00
Granted during the year	34,416	1.20	45,887	1.20
Lapsed during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	<u>925,779</u>	<u>1.01</u>	<u>1,234,372</u>	<u>1.01</u>
Exercisable at the end of the year	<u>-</u>		<u>-</u>	

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24. Pension commitments

The Group operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the Group and amounted to £194,224 (2020 - £202,330). No contributions were payable to the fund at the balance sheet date (2020 - £Nil).

25. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	113,852	349,507	113,852	328,808
Later than 1 year and not later than 5 years	1,727,582	-	1,727,582	-
	<u>1,841,434</u>	<u>349,507</u>	<u>1,841,434</u>	<u>328,808</u>

26. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Group, or in relation to the Company. In the opinion of the board, the Group and Company's key management personnel are considered to be the board of directors, the Chief Operating Officer, the Chief Commercial Officer, the Chief Product Officer, the Finance Director and the MD of Events. Total key management personnel compensation amounted to £1,735,148 (2020 - £1,407,144).

27. Controlling party

The immediate parent undertaking is World 50, Inc., a company registered in the United States.

The ultimate parent undertaking is North Haven Eagle Aggregator, LLC, a company registered in the United States.

The largest group of undertakings for which group accounts for the year ending 31 December 2021 have been drawn up, is that headed by W50 Holdings Inc. The financial statements are not publicly available.

The directors consider the ultimate controlling party to be North Haven Eagle Aggregator, LLC.