

Company Registration Number 06472932

**GLEEDS COST MANAGEMENT LIMITED**

**Annual report and financial statements  
for the year ended 31 December 2022**

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# GLEEDS COST MANAGEMENT LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

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## **GLEEDS COST MANAGEMENT LIMITED**

### **DIRECTORS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

D G Ardley	P A Knighting
P Baston	J S Lucas
G Bonser	N P Malik
S C Boonham	P Mann
S M Bradley	P R Marfleet
R M Brodie Cooper	S G Mason (appointed 1 February 2022)
D N Coley	D A D McCormick
A J Cork	I L O'Toole
A Deacon	L D Purvis
A Dickson	M J Quirk
G Duckworth	K R Reid
D S Eldridge	R P Savage (resigned 6 April 2022)
J C Enever	S D Sawyer (resigned 4 March 2022)
S M Ewing	S Senior
C G Field	M B Smalley
J Garner	G C Souch (resigned 19 April 2022)
S A Green	D W Spray
M A P Hall	R P Steer
A D Halliday	P S A Sweeney
G E Harle	G J Tarling
R J Hine	C P Trew (resigned 3 March 2022)
B M Huskisson	N E Watkins
D M B Hutt	B W Whitworth
A D Irving	A G Wood
S J James	P E Wright

#### **REGISTERED NUMBER**

06472932

#### **REGISTERED OFFICE**

95 New Cavendish Street  
London  
W1W 6XF

#### **AUDITOR**

BDO LLP  
Bridgewater House  
Finzels Reach  
Counterslip  
Bristol  
BS1 6BX

## GLEEDS COST MANAGEMENT LIMITED

### STRATEGIC REPORT

The directors present the Strategic Report of Gleeds Cost Management Limited (the "company") for the year ended 31 December 2022.

#### Business model

The Gleeds Group (Gleeds) is a global property and construction consultancy that has built its reputation on delivering award-winning projects around the world.

We help business and investors achieve best value from their assets by providing advice that is free from conflicts of interest using impartial intelligence to help clients realise their projects on budget, on time and to an exceptional quality. To do that we need a strong sense of who we are and what we stand for.

There are three core values that form the basis of our success:

- We're committed to our clients and our people
- We're creative and realistic
- We combine professionalism with personality

Since 1885, we've worked across a wide range of sectors and understand the unique challenges facing each. Our principal services include:

- Commercial & Contract Management
- Programme & Project Management
- Property & Asset Management
- Advisory

We believe in recruiting the best people who have extensive knowledge of specific sectors. Many of our team are thought leaders and opinion formers across the property and construction industry. We are also committed to developing our own talent. We are recognised as one of the UK's Best Workplaces™ (2023) by Great Place to Work®, the global authority on workplace culture.

With more than 2,000 staff based in 80 offices, over 26 countries and covering 6 continents, we have the scale, strength and expertise to successfully manage complex projects and make sure our clients and the communities in which they operate benefit financially, economically and socially. Our offices are staffed by local people with very specific experience and expertise. We unite local talent with global know-how to help clients meet challenges across countries, throughout regions and without borders.

More information about Gleeds can be found on our website at [www.gleeds.com](http://www.gleeds.com).

#### Corporate Responsibility

With our heritage comes great responsibility, and we firmly believe that it is only through acting responsibly that we earn the trust of our clients and our people. Our approach to corporate responsibility is based on four strands – our workplace, our environment, our communities and our marketplace.

**Workplace** - Our people are our most valuable assets and we are committed to their wellbeing. Gleeds believes in the importance of a healthy work/life balance and we encourage all our people to make time for the other important things in life. Training and development have always been a top priority and we continually invest in our people to give them the skills they need to be at the top of their game.

**Environment** - Gleeds recognises that all activities can impact on the environment both locally and globally and acknowledges the need for responsible action in this area. We are committed to minimising any adverse impact on the environment and seek to continuously improve our environmental performance. We aim to ensure all our people are equipped with the knowledge, skills and awareness in this area.

## GLEEDS COST MANAGEMENT LIMITED

### STRATEGIC REPORT (continued)

#### Corporate responsibility (continued)

**Communities** - Working with the communities within which we operate is extremely important to Gleeds. It enables us to share the talent of our people with others, give and gain from work experience and help people develop to their full potential.

**Marketplace** – We believe that to be a responsible and sustainable business, collaboration is key. So whether it's building a sustainable supply chain, providing pro bono services or helping a client achieve their charitable goals, our long term relationships and mutual respect help drive innovative solutions for the industry as a whole.

The following reports can be found in the Corporate Responsibility section of our website; [www.gleeds.com](http://www.gleeds.com):

- ESG Report
- Corporate Governance Report
- Diversity & Inclusion Report
- Environmental Policy
- Social Value Report
- Gender Pay Gap Report

#### Principal activities

The principal activity of the company during the financial year was the provision of management consultancy services.

#### Business review

For the year ended 31 December 2022, revenue increased by 15% (2021: 17%) to £77,829,779 (2021: £67,658,000). Net revenue (gross revenue less sub-contract revenue) increased by 25% (2021: 21%) to £63,151,589 (2021: £50,631,574).

Operating profit for the year was £998,089 (2021: loss of £408,141), and operating margin of 1% (2021: -1%).

The directors are pleased with the increase in revenue which shows a strong performance due to an increased focus on framework contracts. The increase in operating profit is a result of client and project mix and will vary from year to year. The directors do not foresee any significant changes in the company's operations in the future.

At the year end net assets have increased to £5,713,647 (2021: reduced to £5,074,053). It is noted that there is a reduction in our cash balances from the prior year, this is because of the cashflow management opportunities set by the UK Government during the COVID-19 pandemic. These have been reversed in the current year. Cash is pooled among several of the Gleeds 'group' of companies and is managed as an overall 'group'.

Our forecasts have taken into account the rising costs of energy and other supplies as a result of increased inflation (itself the result of a number of global and national factors) and believe the business will continue to operate at an acceptable margin. We have considered the impact of rising costs on our client base and are satisfied after reviewing the latest UK Budget that public sector work, which is the company's main source of revenue, is secure for the foreseeable future.

## **GLEEDS COST MANAGEMENT LIMITED**

### **STRATEGIC REPORT (continued)**

#### **Business review (continued)**

During the year a dividend of £nil (2021: £nil) was paid. The directors do not recommend the payment of a final dividend (2021: £nil).

There have been no significant events affecting the company after the balance sheet date.

#### **Key financial performance indicators**

The directors consider net revenue and operating profit to be the key financial performance indicators. These are reported in the profit and loss account on page 18. We track these KPIs through the reporting of monthly actuals but equally importantly through our forward forecast lens to ensure proactive steps are identified and to ensure the health of the overall business. Other KPIs include staff utilisation, revenue conversion and debtor days.

We also track a variety of non-financial KPIs that are important to us as a business including metrics reporting on our performance for Diversity & Inclusion, Employee Wellbeing, Sustainability and Social Value.

STRATEGIC REPORT (continued)

Principal risks and uncertainties

The Supervisory Board is responsible for determining Gleeds' appetite for and tolerance of risk and to see that robust procedures for risk management are in place throughout the group. The board has mandated the Risk Directorate to oversee and review the effectiveness of Gleeds' risk control framework.

The principal risk areas potentially impacting on the business are set out in the table below.

Risk	Potential impact	Mitigation	Trend
<b>Market &amp; international risk</b>			
<p>Gleeds' markets are constantly evolving: they are susceptible to economic change. There is considerable global uncertainty arising from the conflict in Ukraine, the global energy crisis, persistent high levels of inflation, and the ongoing effects of the UK's departure from the EU.</p> <p>Gleeds is also exposed to risks associated with doing business in different jurisdictions around the world which include social or political instability, fluctuations in currency, exchange rates, changes in law and the challenges presented by the outcome of the UK's EU Referendum.</p>	<p>A new, substantial downturn in one of our key markets or in a number of markets at the same time could have an adverse impact on Gleeds' finances and prospects.</p> <p>Social or political instability could impact Gleeds' ability to win new contracts, deliver them profitably and collect cash in a timely manner.</p> <p>Significant movements in foreign exchange rates could affect sterling profits and the values of assets and liabilities on our balance sheet which are valued in foreign currencies.</p>	<p>We mitigate these risks by having a global platform that is well diversified in terms of geography, services and sectors meaning that the business is not unduly exposed to any individual market or customer.</p> <p>We mitigate a significant part of this risk by contracting a large proportion of our work with UK public sector and international blue chip clients meaning that business contractual and payment risk is minimal.</p> <p>Despite fluctuations in exchange rates, Gleeds does not consider it necessary to hedge such investments since the majority of its operational income and expenditure is incurred in the same currency.</p>	↑
<b>Climate change &amp; environment</b>			
<p>The climate emergency presents both risks and opportunities.</p>	<p>A failure to anticipate and address the strategic, regulatory and reputational impact of climate change could adversely impact Gleeds' business.</p> <p>New regulations such as energy efficiency standards impact directly on the construction industry as a whole, for example, the type and specification of materials and projects will change so that they are less carbon intensive, better able to withstand extreme weather events and easier to recycle.</p> <p>Shortages of materials, increased prices, delays in delivery to site directly affect our clients and the projects we work on with the</p>	<p>Gleeds business has a relatively low carbon footprint but we aim to reduce it further by reductions in travel and energy use, and improvements in our property portfolio. We have introduced Science Based Targets and intend to start reporting emissions against those targets.</p> <p>We have formed a board-level ESG Steering Group to drive the ESG strategy. It is supported by an ESG Consultation Group drawn from across the global business. Both groups can draw on the expertise of our client-facing sustainability team. We plan to develop our client-facing ESG skills and offering.</p>	↑

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Risk	Potential impact	Mitigation	Trend
<b>Climate change &amp; environment (continued)</b>			
	potential for delay, cancellation and claims.	We carry out extensive research into construction materials specification, pricing and the supply chain to keep ourselves and our clients up to date with current issues and future developments. We build in sustainability reviews to our scopes of service. We are focussed on developing relationships with clients in the non-carbon/ green energy sectors.	
<b>Business Resilience</b>			
Our ability to withstand the impact of events that significantly disrupt all or a substantial part of Gleeds business or operations (e.g. pandemic).	Such an event or combination or series of events could significantly reduce global demand for our services or disrupt our ability to deliver our services to clients whether as a result of the impact on our own operations or those of our clients and the wider supply chain.	<p>We mitigate these risks by having internal control and risk management process in place to identify and manage risks, including emerging risks, that may impact the business.</p> <p>We take a prudent financial approach, have no external debt and a low risk property portfolio. Our partnership structure and senior management teams together with modest levels of staff turnover mean that we can focus on the long term. We have good, longstanding relationships with many key clients, partners and suppliers working in a sector which by and large governments are keen to protect and promote. We have business continuity plans, insurance and advisers in place to assist when required.</p> <p>Although as regards Covid-19, we proved that our business resilience plans were adequate to the task and demonstrated that it is possible to run the business remotely should this be required in any future pandemic, we also recognize that other, unforeseen threats may arise at any time for which a different response may be required.</p>	→
<b>Government spending</b>			
A substantial proportion of Gleeds' UK revenues is influenced by variations in UK government spending programmes.	Significant new reductions in UK government spending or other government support affecting sectors on which we rely could have an adverse effect on the business.	UK government support for the construction sector and major programmes of infrastructure generally appears secure regardless of the political party in power. Nevertheless, by maintaining a balanced portfolio of work across several sectors we seek to mitigate the risk of a significant downturn in spending on, or cancellation of, any particular project or sector.	→

# GLEEDS COST MANAGEMENT LIMITED

## STRATEGIC REPORT (continued)

### Principal risks and uncertainties (continued)

Risk	Potential impact	Mitigation	Trend
<b>Key clients and frameworks</b>			
A significant proportion of Gleeds' revenue is dependent on a number of key clients and it being designated an approved supplier by those clients and other purchasing organisations.	The loss of a number of key clients or our status as an approved supplier to certain purchasing organisations could adversely impact Gleeds' finances and ability to win new work.	We mitigate these risks by ensuring we have regular meaningful dialogue with our clients, investing in securing appointments to key framework contracts and maintaining close business relationships with key partners. To that end, we have continued to invest in our Global Key Accounts Programme over the past 12 months.	→
<b>Large, complex contracts</b>			
We undertake a number of large complex projects, some with slim margins and others that are subject to factors outside our control.	Underperformance on a major contract or series of contracts whether or not due to factors within Gleeds' control could cause significant financial loss and or reputational damage to the business.	We have robust operating processes for decision making with mandatory project management controls and reviews from inception to completion.  We seek to mitigate this risk further by taking on a balanced portfolio of such projects to ensure but a significant loss on one is offset by being on target or outperforming on others.	→
<b>Irrelevance and disintermediation</b>			
Game changing digitisation is changing the way our services are carried out and delivered.	Failing to keep up with new developments in our industry could lead to loss of business and make it harder to attract and retain experienced talent and graduates alike. Gleeds' reputation could also be adversely impacted.	We mitigate these risks by encouraging ideas and innovation from everyone in the business, through specific investment and our membership of external bodies, forums and think tanks. We have invested significantly in the development of digital enhancements to our core services and established a Digital Management Board to develop our strategy and oversee the implementation of our plans and investment in our processes.	↓
<b>Liquidity &amp; treasury</b>			
The risk of the business being unable to meet its current and future obligations.	A significant increase in interest rates or adverse reduction in cash generated from operations or in Gleeds' credit rating could reduce our cash resources or limit our ability to borrow or increase the cost of borrowing, which in turn could limit our ability to make the investments required to support our growth plans.  Persistent high rates of inflation could impact our own and our clients' supply chains, the affordability of clients' projects, and profitability on contracts where we are unable to pass on rising costs leading to reductions in revenue and margin.	Gleeds has low levels of external gearing. We produce detailed 12 month rolling cash forecasts based P&L Budgets/ forecasts agreed throughout the business enabling us to take early remedial action should it be required. Our Finance and Risk committees regularly review all areas of our cost base and have contingency plans ready should they be needed to protect the business.  Gleeds' companies cashflow is managed as a group and so when considering the liquidity of the business, the wider business is taken into consideration. Gleeds' companies also have access to a significant unused debt facility through our bank, Barclays.	→

## GLEEDS COST MANAGEMENT LIMITED

### STRATEGIC REPORT (continued)

#### Principal risks and uncertainties (continued)

Risk	Potential impact	Mitigation	Trend
<b>Key employees and resourcing</b>			
<p>Gleeds' business depends to a significant extent on our directors and senior managers who have substantial experience and connections in the industry.</p> <p>In certain sectors market growth has resulted in increased competition for talented specialists and higher salary expectations.</p>	<p>The loss of members of the senior management team and other highly qualified individuals could be detrimental to the business.</p> <p>Higher staff turnover rates and the loss of accumulated knowledge could make it harder to resource major projects and, potentially, lead to the loss of associated clients.</p> <p>Failure to attract and retain high quality people would impact Gleeds' ability to win new work and grow the business.</p>	<p>Our management and People teams are heavily invested in the welfare and career development of our people. We mitigate the risk through succession planning, our reward and benefits programme and enforcing appropriate notice periods and restrictive covenants for senior people.</p> <p>We employ a dedicated resourcing team which has been further strengthened in 2022, and uses a range of recruitment methods including social media, increasing brand awareness and place a strong emphasis on our programme of graduate and apprentice hire. We carry out regular reviews of salary and benefits, benchmarking and realigning them as required to improve attraction and retention levels. We also hold regular 1:1 check-in meetings, produce personalised development plans supported by an in-house learning &amp; development team and encourage mobility around our global business.</p>	→
<b>Litigation risk</b>			
<p>We operate in a number of markets in which there is an inherent risk of claims for alleged professional negligence.</p>	<p>In common with our competitors, Gleeds receives professional negligence or similar claims on an ongoing basis.</p>	<p>Gleeds Cost Management, as part of the Gleeds 'group', is insured against the majority of professional negligence claims and seeks to mitigate the risks of such claims through its internal processes and controls.</p>	→
<b>Bribery and corruption</b>			
<p>Gleeds operates in certain countries where the inherent risk of bribery and corruption is higher than in our more established and stable markets.</p>	<p>Exposure to such practices may lead to loss making contracts, other financial losses and have an adverse effect of the business's reputation elsewhere.</p>	<p>We have a clearly defined ethics and anti-bribery policy which is supported by training and internal checks.</p>	→

**GLEEDS COST MANAGEMENT LIMITED**

**STRATEGIC REPORT (continued)**

**Principal risks and uncertainties (continued)**

Risk	Potential impact	Mitigation	Trend
<b>Health &amp; Safety</b>			
<p>Involvement in the construction industry including for example working at height, underground, trackside, airside or close to heavy machinery gives rise to health and safety risks for both our people and third parties.</p>	<p>Physical risks to our people, clients and other contractors, which may in turn lead to death or injury could lead to significant financial claims and fines as well as the potential for reputational damage to Gleeds.</p>	<p>Gleeds aims continually to improve its health and safety performance and has well established accident reporting procedures and processes in place to mitigate such risks.</p> <p>We have a team providing Health and Safety advice to our clients which also informs our own approach. We have insurance in place to cover employee and third party risks.</p>	→
<b>IT Infrastructure, Cyber and Data Security</b>			
<p>Gleeds' daily operational activities are dependent on having a robust IT infrastructure.</p> <p>Risks associated with cyber security are constantly increasing. Gleeds recognizes the rising incidence of third party attempts to exploit weaknesses in cyber security.</p> <p>The implementation of the General Data Protection Regulation and changes to the Privacy in Electronic Communications Regulation have led to heightened awareness of the rights of data subjects and the responsibilities of data controllers and processors.</p>	<p>Prolonged outage or corruption of the IT infrastructure could result in failure to deliver projects on time which, in turn, could lead to loss of customers and future business opportunities causing a decline in profitability, potential for reputational damage and difficulties in producing timely and accurate information for internal and external reporting.</p> <p>Inadequate security could cause significant business disruption and loss of sensitive data. This could result in financial loss and/ or reputational damage to the group.</p> <p>A lack of suitable procedures or inadequate modification of existing business processes could cause Gleeds to be in breach of regulations leading to fines and reputational damage.</p>	<p>Gleeds aims to continuously improve its IT infrastructure. This has resulted in the UK business achieving ISO 27001. We continue to work on getting our international businesses accredited to ISO 27001 as part of the ongoing cyber security programme.</p> <p>Gleeds' IT Team undertakes regular backups and penetration testing. There is insurance cover in place to mitigate against business disruption.</p> <p>We seek to mitigate such risks by having access controls, firewalls and virus checkers and have attained the Cyber Essentials Security Plus certificate.</p> <p>Gleeds has performed risk assessments, obtained external advice from specialists and introduced new policies and procedures as part of an integrated Personal Information Management System. Training has been provided to key teams within the business that required and new mandatory cyber and information security modules have been introduced for all employees.</p>	→

## GLEEDS COST MANAGEMENT LIMITED

### STRATEGIC REPORT (continued)

#### Future developments

With a global population growing by more than 200,000 each day and the associated strain this is placing on our limited planet, the construction industry is faced with an enormous challenge. Standing still and delivering projects to designs and methodologies in the same way as old, simply isn't going to help us meet this challenge.

At Gleeds we recognise this challenge and are excited to play our part in creating a more sustainable built environment. This is at the very heart of what we do and how seek to add value to our clients.

In the 1880s Richard Gleed fought to improve communication within the construction industry by fostering an agreement for a standard method of measuring quantities, designing the *Standard Method of Measuring Quantities*. This methodology still underpins our industry to this day.

The Directors believe that providing a strong focus on quality and service development is the best way to add value and demonstrate relevance to our clients. This activity will also safeguard our business into the future.

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



G E Harle  
Director

27 September 2023

## **GLEEDS COST MANAGEMENT LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements of Gleeds Cost Management Limited (the "company") for the year ended 31 December 2022.

#### **Principal activities**

The principal activity of the company during the financial year was the provision of cost management consultancy services.

#### **Directors**

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, are disclosed on page 1.

At 31 December 2022 R P Steer and G E Harle held all 250,000 £1 Ordinary shares of the company. All shares are held on trust for the Gleeds UK partnership.

The following directors of the company are also partners in this partnership, R P Steer, P Baston, J C Enever, S A Green, S Senior, A Deacon, R M Brodie Cooper, G E Harle, A D Irving, KR Reid, M B Smalley, P S A Sweeney. The remaining directors have no interests in the company.

The company has no direct employees (2021: none).

#### **Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

#### **Management of financial risks**

The company's operations expose it to a variety of financial risks, including the effects of credit risk, interest rate risk and liquidity risk. The policies in place to mitigate the potential impact of these financial risks are as follows.

##### *Credit risk*

The company's credit risk is primarily attributable to its trade debtors. Where appropriate, credit checks are made prior to the invitation of trading with a new customer and these are reviewed on a periodic basis together with ongoing checks in respect of existing customers. Weekly reviews of the debtors' ledger are carried out with the finance and sales teams and action initiated, as appropriate, to collect any overdue amounts, thus optimising the company's liquidity position.

##### *Interest rate risk*

The rate of interest earned/paid on the company's cash balances/loans and overdrafts are monitored on an ongoing basis by continuing review of rates available in the market. Deposits, loans and overdrafts are made with reference to these rates, in conjunction with projections of future cash requirements.

##### *Liquidity risk*

The company, as part of the Gleeds 'group' of companies, actively maintains an appropriate level of cash reserves that are available for operations and planned expansions. In addition, the company has flexible credit terms from its main suppliers, which are the ultimate controlling parties of the company, thereby allowing the directors to manage the company's working capital requirements.

## **GLEEDS COST MANAGEMENT LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **Future developments**

The future developments of the company are discussed in the Strategic Report.

#### **Going concern**

Management has assessed whether the company is a going concern. As the company is part of the Gleeds group of companies, manages its day-to-day working capital requirements at a Group level and has shared bank facilities with fellow subsidiaries of Gleeds UK partnership, management has considered the overall Groups performance in making its assessment of the going concern assumption.

Management have considered what circumstances would need to occur to have a significant impact on the ability of the Group to trade for the foreseeable future and assessed monthly rolling forecasts and weekly cash flow projections for the next 15 months until the end of the next fiscal year.

Sensitivity analysis has been performed on backlog and pipeline revenues and its associated impact on cash flows. The Group have demonstrated supportable mitigating actions to their view of a worst case, downside scenario and additionally assessed the sensitivity of cashflows to each of its financial and liquidity covenants. The Group's Revolving Credit Facility is due for renewal in July 2024. This is a long-standing facility as such the risk of non-renewal is considered remote. Given the increasing size of the Group a full review of bank funding is underway aimed at supporting the Group's medium to long term plans. Despite the increase in inflation and the cost of living, and even in the event of a significant downturn in expected trading revenue, the Group will continue to be able to meet its liabilities as they fall due and remains within its current banking facilities.

As such the directors have concluded that no material uncertainty exists in relation to going concern and are satisfied that the company has adequate resources to continue to operate for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Disclosure of information to auditors**

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Independent auditor**

BDO LLP 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 by:



**G E Harle**  
Director  
27 September 2023

## **GLEEDS COST MANAGEMENT LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 company will continue in business.

The directors 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

## **GLEEDS COST MANAGEMENT LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLEEDS COST MANAGEMENT LIMITED**

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 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.

We have audited the financial statements of Gleeds Cost Management Limited ("the Company") for the year ended 31 December 2022 which comprise Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, 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).

#### **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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

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.

#### **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 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.

#### **Other matter**

The corresponding figures are unaudited.

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, 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.

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

## **GLEEDS COST MANAGEMENT LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLEEDS COST MANAGEMENT LIMITED (continued)**

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.

#### **Other Companies Act 2006 reporting**

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.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the 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, 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.

#### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement, 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.

## GLEEDS COST MANAGEMENT LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLEEDS COST MANAGEMENT LIMITED (continued)

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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:

- Obtaining an understanding of the legal and regulatory frameworks that are applicable to the Company. These include, but are not limited to, compliance with the Companies Act, United Kingdom Generally Accepted Accounting Practice and the tax legislation.
- Making enquiries of management of the company policies and procedures relating to:
  - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; and
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- Reviewing minutes of the board of directors in order to identify any instances of fraud or non-compliance with laws and regulations.
- Assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur in the financial statements and any potential indicators of fraud. We identified potential for fraud in the following areas and performed the following procedures:
  - Communicating relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
  - Management override of controls: we evaluated managements' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates and judgements. Audit procedures performed included identifying and testing journal entries, in particular any journal entries between unusual balance combinations and post year end journals.
  - We challenged the assumptions and judgements made by management in respect of the period revenue had been recognised, while vouching to supporting documentation. We concluded that the exposure of potential error in cut off and management bias at year end is not material.
  - To address the fraud risk within revenue, we have traced revenue recognised during the year to invoices, evidence of work performed and bank statements for amounts paid. No significant issues have been identified in our work.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

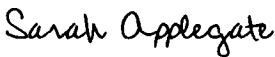
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**GLEEDS COST MANAGEMENT LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLEEDS COST MANAGEMENT LIMITED (continued)**

**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.

DocuSigned by:  
  
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Sarah Applegate (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Bristol, UK

27 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## GLEEDS COST MANAGEMENT LIMITED

### PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	4	77,829,779	67,658,000
Cost of sales		(63,060,411)	(52,651,075)
<b>Gross profit</b>		<u>14,769,368</u>	<u>15,006,925</u>
Administrative expenses		(13,986,519)	(15,509,926)
Other operating income		<u>215,240</u>	<u>94,860</u>
<b>Operating profit/(loss)</b>	5	<u>998,089</u>	<u>(408,141)</u>
Finance costs (net)	8	(91,499)	(40,303)
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>906,590</u>	<u>(448,444)</u>
Tax on profit/(loss) on ordinary activities	9	(266,996)	120,745
<b>Profit/(loss) for the financial year, being total comprehensive income/(expense) for the year</b>		<u><u>639,594</u></u>	<u><u>(327,699)</u></u>

All results relate to continuing operations.

# GLEEDS COST MANAGEMENT LIMITED

## BALANCE SHEET At 31 December 2022

	Note	2022 £	2021 £
<b>Non-current assets</b>			
Investments	11	-	-
		<u>-</u>	<u>-</u>
<b>Current assets</b>			
Debtors – due within one year	12	15,887,899	14,248,250
Cash at bank and in hand		32,554	6,613
		<u>15,920,453</u>	<u>14,254,863</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(10,206,806)</u>	<u>(9,180,810)</u>
<b>Net current assets</b>		<u>5,713,647</u>	<u>5,074,053</u>
<b>Total assets less current liabilities, being net assets</b>		<u>5,713,647</u>	<u>5,074,053</u>
<b>Capital and reserves</b>			
Called-up share capital	15	250,000	250,000
Profit and loss account	16	5,463,647	4,824,053
<b>Total shareholder's funds</b>		<u>5,713,647</u>	<u>5,074,053</u>

The financial statements of Gleeds Cost Management Limited, registered number 06472932 were approved by the board of directors and authorised for issue on 27 September 2023. They were signed on its behalf by:



**G E Harle**  
Director

**GLEEDS COST MANAGEMENT LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2022**

	<b>Called-up share capital £</b>	<b>Profit and loss account £</b>	<b>Total shareholder's funds £</b>
<b>At 31 December 2020</b>	250,000	5,151,752	5,401,752
Loss for the financial year, being total comprehensive expense	-	(327,699)	(327,699)
<b>At 31 December 2021</b>	250,000	4,824,053	5,074,053
Profit for the financial year, being total comprehensive income	-	639,594	639,594
<b>At 31 December 2022</b>	<u>250,000</u>	<u>5,463,647</u>	<u>5,713,647</u>

**GLEEDS COST MANAGEMENT LIMITED**

**STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	639,594	(327,699)
Adjustments for:		
Interest payable	91,499	40,303
Taxation	266,996	(120,745)
Increase in debtors	(1,903,543)	(2,855,935)
Increase in creditors	1,269,078	1,403,871
	<u>363,624</u>	<u>(1,860,205)</u>
Cash generated from/(used in) operations		
Taxation paid	(3,102)	(647,005)
	<u>360,522</u>	<u>(2,507,210)</u>
<b>Net cash (used in)/generated from operating activities</b>		
	<u>360,522</u>	<u>(2,507,210)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(91,499)	(40,303)
	<u>(91,499)</u>	<u>(40,303)</u>
<b>Net cash flows used in financing activities</b>		
	<u>(91,499)</u>	<u>(40,303)</u>
<b>Net movement in cash and cash equivalents</b>	269,023	(2,547,513)
Cash and cash equivalents at beginning of year	(3,237,229)	(689,716)
	<u>(2,968,206)</u>	<u>(3,237,229)</u>
<b>Cash and cash equivalents at end of year</b>		
	<u>(2,968,206)</u>	<u>(3,237,229)</u>
<b>Reconciliation to cash at bank and in hand:</b>		
Cash at bank and in hand	32,554	6,613
Overdraft	(3,000,760)	(3,243,842)
	<u>(2,968,206)</u>	<u>(3,237,229)</u>
<b>Cash and cash equivalents</b>		
	<u>(2,968,206)</u>	<u>(3,237,229)</u>

## GLEEDS COST MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

#### 1. GENERAL INFORMATION

Gleeds Cost Management Limited (the "company") was engaged in the provision of cost management consultancy services.

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of its registered office is 95 New Cavendish Street, London, W1W 6XF.

#### 2. ACCOUNTING POLICIES

##### a) Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

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

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

##### b) Going concern

Management has assessed whether the company is a going concern. As the company is part of the Gleeds group of companies, manages its day-to-day working capital requirements at a Group level and has shared bank facilities with fellow subsidiaries of Gleeds UK partnership, management has considered the overall Groups performance in making its assessment of the going concern assumption.

Management have considered what circumstances would need to occur to have a significant impact on the ability of the Group to trade for the foreseeable future and assessed monthly rolling forecasts and weekly cash flow projections for the next 15 months until the end of the next fiscal year.

Sensitivity analysis has been performed on backlog and pipeline revenues and its associated impact on cash flows. The Group have demonstrated supportable mitigating actions to their view of a worst case, downside scenario and additionally assessed the sensitivity of cashflows to each of its financial and liquidity covenants. The Group's Revolving Credit Facility is due for renewal in July 2024. This is a long-standing facility as such the risk of non-renewal is considered remote. Given the increasing size of the Group a full review of bank funding is underway aimed at supporting the Group's medium to long term plans. Despite the increase in inflation and the cost of living, and even in the event of a significant downturn in expected trading revenue, the Group will continue to be able to meet its liabilities as they fall due and remains within its current banking facilities.

As such the directors have concluded that no material uncertainty exists in relation to going concern and are satisfied that the company has adequate resources to continue to operate for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

## GLEEDS COST MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

#### 2. ACCOUNTING POLICIES (continued)

##### c) Investments

Investments in subsidiary undertakings are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

##### d) Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

##### e) Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

##### f) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### *Rendering of services*

Revenue from the provision services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due; and
- the costs incurred can be measured reliably.

##### g) Cash and cash equivalents

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

## GLEEDS COST MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

#### 2. ACCOUNTING POLICIES (continued)

##### h) Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### i) Dividends

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

##### j) Foreign currency translation

The company's functional and presentational currency is the pound sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. 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 the Profit and Loss Account within Administrative expenses.

##### k) Taxation

Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date in the countries where the company operates and generates income.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

## GLEEDS COST MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

#### l) Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

#### 3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### *Trade debtor provisions*

Management provides for debts based on a combination of age and other known factors which might affect the recoverability of the debtor. Management continues to chase all debts unless there is a legal reason that a debt cannot be recovered.

##### *Revenue for professional services*

When calculating fee revenue for professional services management may be required to make specific estimates as to the progress towards satisfaction of performance obligations. A different assessment of the outrun on a contract may result in a different value being determined for revenue.

#### 4. TURNOVER

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

#### 5. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	2022 £	2021 £
Exchange differences	(232)	-
Rentals under operating leases	380,963	366,090
	<u>380,731</u>	<u>366,090</u>

#### 6. AUDITOR'S REMUNERATION

	2022 £	2021 £
Fees payable to the company's auditor for the audit of the company's financial statements	27,000	15,370
	<u>27,000</u>	<u>15,370</u>

## GLEEDS COST MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

#### 7. DIRECTORS' REMUNERATION AND STAFF NUMBERS

The remuneration for employee directors is paid by one of the Gleeds Employment Services companies, which is then recharged to Gleeds UK. Gleeds UK subsequently makes a recharge for these costs and other expenses to the applicable trading companies, however, no specific allocation for the company's share of an individual directors' remuneration is made.

In respect of the directors who are also equity partners of Gleeds UK, the company bears a share of the notional charge which is recharged from Gleeds UK to the company, however, it is not possible to make an accurate apportionment of the emoluments in respect of each individual director.

Gleeds Cost Management Limited had no employees during the year (2020: nil).

#### 8. FINANCE COSTS (NET)

	2022 £	2021 £
Bank interest payable	91,499	40,303

#### 9. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profit/(loss) for the year	226,100	-
Adjustments in respect of prior years	40,896	(120,745)
<b>Total tax on profit/(loss) on ordinary activities</b>	<u>266,996</u>	<u>(120,745)</u>

**GLEEDS COST MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2022**

**9. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher (2021: higher) than the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%). The differences are explained below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before taxation	<u>906,590</u>	<u>(448,444)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	172,252	(85,204)
Effects of:		
Expenses not deductible for tax purposes	68,042	41,297
Unutilised losses	(14,194)	43,907
Adjustments in respect of prior years	<u>40,896</u>	<u>(120,745)</u>
Total tax charge for the year	<u>266,996</u>	<u>(120,745)</u>

**Factors that may affect future tax charges**

In March 2021 the Chancellor of the Exchequer announced in the Budget that the main rate of corporation tax in the UK would increase from 19% to 25% with effect from 1 April 2023. This was substantively enacted on 10 June 2021 following receipt of Royal Assent of the Finance Bill 2021.

**10. DIVIDENDS**

	2022 £	2021 £
Dividends paid of £nil (2021: £nil) per £1 share	<u>-</u>	<u>-</u>

**11. INVESTMENTS**

	Investments £
<b>Cost</b>	
At 1 January 2022 and 31 December 2022	<u>10,000</u>
<b>Impairment</b>	
At 1 January 2022 and 31 December 2022	<u>10,000</u>
<b>Net book value</b>	
At 1 January 2022 and 31 December 2022	<u>-</u>

**GLEEDS COST MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2022**

**12. DEBTORS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	10,081,634	9,115,957
Amounts owed by group undertakings	911,512	100,065
Prepayments and accrued income	3,782,096	3,837,552
Other taxation and social security	453,514	506,101
Other debtors	31,915	12,693
Corporation tax	627,228	675,882
	<u>15,887,899</u>	<u>14,248,250</u>

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand. Trade debtors are stated after provision for impairment of £440,496 (2021: £377,412).

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	3,000,760	3,243,842
Trade creditors	2,227,078	708,551
Amounts owed to group undertakings	1,579,609	1,206,800
Other creditors	326,999	238,672
Accruals and deferred income	3,072,360	3,782,945
	<u>10,206,806</u>	<u>9,180,810</u>

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand. The overdraft is secured by a cross guarantee given by certain other Gleeds companies.

**GLEEDS COST MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2022**

**14. FINANCIAL INSTRUMENTS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>11,025,064</u>	<u>9,228,715</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(10,206,806)</u>	<u>(9,180,810)</u>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, amounts owed to group undertakings, other creditors and accruals.

**15. CALLED-UP SHARE CAPITAL**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called-up and fully paid</b>		
250,000 (2021: 250,000) ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>

**16. RESERVES**

**Profit and loss account**

The profit and loss account represents the accumulated profits, losses and distributions of the company.

**17. CONTINGENT LIABILITIES**

The company has given an unlimited cross guarantee for the overdrafts of certain other Gleeds companies. The directors are of the opinion that no liability will arise as a result of these guarantees.

**18. POST BALANCE SHEET EVENTS**

There have been no significant events affecting the company after the balance sheet date.

## GLEEDS COST MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

#### 19. RELATED PARTY TRANSACTIONS

The company acquires services from the Gleeds UK partnership and a number of Gleeds companies to enable it to provide services to its customers.

The parties to these transactions are all under the common control of the Gleeds partners and the nature of the transactions are similar.

The total of services acquired from the Gleeds UK partnership and companies during the financial year was £60,356,123 (2021: £47,805,812).

The total of services sold to the Gleeds UK partnership and companies during the financial year was £11,716,444 (2021: £7,905,801).

At the year end the company owed £1,579,609 (2021: £1,206,800) to the Gleeds UK partnership and companies.

At the year end the company was owed £911,512 (2021: £100,065) from Gleeds UK partnership and companies.

#### 20. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Within one year	318,640	297,726
Between two and five years	636,912	153,123
Over five years	15,348	-
	<u>970,900</u>	<u>450,849</u>

#### 21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate controlling party is the partnership listed below which owns the entire total issued share capital of the company:

Gleeds UK  
95 New Cavendish Street  
London  
W1W 6XF