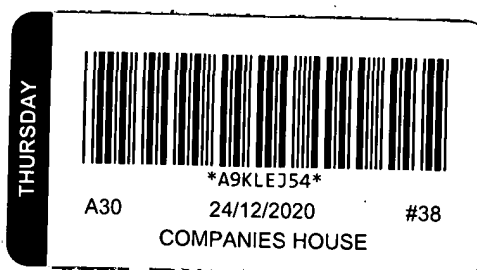


PROCUREMENT LEADERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



PROCUREMENT LEADERS LIMITED

COMPANY INFORMATION

Directors	N Basuthakur D Wilkie
Company secretary	A Cox
Registered number	05013101
Registered office	Prospero House 241 Borough High Street London England SE1 1GA
Independent auditor	Nexia Smith & Williamson Statutory Auditor & Chartered Accountants 25 Moorgate London EC2R 6AY

PROCUREMENT LEADERS LIMITED

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PROCUREMENT LEADERS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the Strategic Report for Procurement Leaders Limited for the year ended 31 December 2019.

Business Review and Future Developments

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.

On 25 July 2019 the entire share capital of the Procurement Leaders Limited was acquired by World 50, Inc., a company operating private communities for senior most executives from global organisations based in Atlanta, USA. In the year under review the commercial operations of the company and of the group were maintained as they were prior to the acquisition. Therefore the results of the business reflect a true like for like view of the underlying performance of the business when compared to the prior year.

The key financial and other performance indicators of the Group for the year ending 31 December 2019 were as follows:

	2019	2018	Change
	£'000	£'000	£'000
Turnover	15,064	13,724	1,342
Operating profit	55	844	(789)
Equity shareholders' funds	1,999	180	1,819
Adjusted EBITDA	2,346	1,719	627
Profit after tax	404	704	(300)
Member count	270	262	8
Average number of employees	111	109	2

The results for the year of the Group as included in these financial statements are set out above. Revenues have improved to £15.1m (2018: £13.7m), an increase of 10%. Profit after tax has fallen by £300k as a result of one-off costs incurred during the change of ownership in 2019 of £1.58m, with profit after tax for the year reported at £404k.

Growth in Events revenue has been the main driver of the £1.34m growth in revenue, with an increase of £1.06m on 2018. The addition of the new Indirect Category Leadership Forum as part of the expansion of the World Procurement Week, drove new revenues of £284k, alongside growth in all other commercial events. Membership revenue remained largely flat at £8.2m, with our member count remaining increasing moderately by year end to 270 (2018: 262).

The revenue mix of the Group has altered moderately during 2019, with a greater share of revenue now being delivered from the events division, as a result of launching a new event and expanding the larger events. Membership subscriptions account for 54% (2018: 58%), events 45% (2018: 42%) and other revenue 1% (2018: 0.05%) of the company's revenue.

Operating profit has reduced from 2018, falling by £789k. The fall is attributable to the costs incurred during the World 50, Inc. acquisition in July 2019. The Group's Adjusted EBITDA which represents a more accurate reflection of underlying performance has increased by £627k largely driven by the increase in revenue of £1.34m, offset by increased costs of operations of £715k. Adjusted EBITDA is calculated by removing non-trading costs, which are recognised during the financial year, including the costs of non-executive directors, advance commissions, restructuring costs and foreign exchange movements.

Equity shareholders' funds have increased by £1.8m from 2018 as a result of the acquisition by World 50, Inc. and the disposal of the assets held in the Employee Benefits Trust.

PROCUREMENT LEADERS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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 OECD expect the global economic impact of the Coronavirus pandemic to be the most significant since the Great Depression of the 1930's for many economies. The duration of the pandemic is unknown, and the resulting fallout cannot be reasonably predicted. The directors are managing the risks by preparing forecasts with differing scenarios depending on the continued duration of the pandemic and the expected impact on financial performance to stress test the ability of the business to continue as a going concern.

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 30% (2018: 30%) of membership contracts attributable to US customers and 31% (2018: 33%) of events revenue attributable to US based events. The Directors seek to mitigate the risk by matching the costs of each activity with 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 (2018: 52 days).

PROCUREMENT LEADERS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Going concern

The outlook for 2020 was expected to provide a continuation of the growth achieved by the business over the past few years. However, the emerging Coronavirus crisis has shifted the expected outcomes for 2020, with all live events planned for the year now postponed and rescheduled for 2021.

The business has been quick to introduce virtual event offerings which are expected to provide a smaller alternative revenue stream and has also taken advantage of the government furlough scheme to reduce costs and protect jobs.

The Group also moved quickly to protect the well-being of its employees by introducing remote working prior to the UK lockdown in March 2020, with the company systems and processes already being in place to facilitate such working arrangements. All non-essential spend has been removed, with significant reductions in office-based expenditure, personnel costs and travel expenditure.

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 company would expect to enact in such circumstances, primarily the reduction in personnel costs and office based expenditure as took place during the initial lockdown in 2020. In all scenarios the directors believe the business can continue to operate as a going concern and meet all liabilities as they fall due for at least 12 months from the approval of these financial statements.

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.

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

Andrew Cox
Andrew Cox (Dec 22, 2020 14:46 GMT)

A Cox
Secretary

Date: 22/12/2020

PROCUREMENT LEADERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Directors

The directors who served during the year were:

R Pope (resigned 25 July 2019)
A Martinez (resigned 25 July 2019)
M Perera (resigned 25 July 2019)
N Basuthakur
D Gilbertson (resigned 25 July 2019)
D Wilkie (appointed 25 July 2019)
W Simmons (appointed 25 July 2019, resigned 23 January 2020)
J Henry (appointed 25 July 2019, resigned 23 January 2020)

Results and dividends

The profit for the year, after taxation, amounted to £403,733 (2018: £703,544).

The directors declared an interim dividend of £Nil (2018: £590,000) of which £Nil (2018: £590,000) was paid during the year. No final dividend has been declared or paid (2018: £Nil).

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.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

PROCUREMENT LEADERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Post balance sheet events

Post year end, the Group extended the lease on their UK office premises to 30 September 2021.

On 11 March 2020, COVID-19 was declared a pandemic by the World Health Organisation. The spread of the virus has caused business disruption in the UK, including the closure of office facilities and remote working. However, ultimately the impact of the COVID-19 pandemic on the business remains unquantifiable at this stage, particularly in relation to the Group's financial condition and future cash flows. The impact of COVID-19 is considered to be a non-adjusting post balance sheet event and as such the Balance Sheet has been prepared on the facts and circumstances as at 31 December 2019.

Post year end, 2,079,848 awards of Class B units of W50 Parent LLC have been granted.

Post year end, a charge with full title guarantee over the bank balances of the Group was entered into by way of fixed charge in favour of World 50, Inc.

Auditor

The auditor, Nexia Smith & Williamson, 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
Andrew Cox (Dec 22, 2020 14:46 GMT)

A Cox
Secretary

Date: 22/12/2020

PROCUREMENT LEADERS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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;
- 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.

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

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 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Parent Company Balance Sheets, Consolidated and Parent Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Analysis of Net Debt and the 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 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 2019 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's 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

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

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

Emphasis of matter - impact of COVID-19

We draw attention to note 2.3 of the financial statements, which describes the impact of COVID-19 on the Group. Our opinion is not modified in respect of this matter.

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

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 and the Directors' Report.

We have nothing to report in respect of the following matters where 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 set out on page 6, 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 or 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.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.

Nexia Smith & Williamson

Timothy Adams (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Statutory Auditor

Chartered Accountants

25 Moorgate

London

EC2R 6AY

Date: 22/12/2020

PROCUREMENT LEADERS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	15,064,115	13,724,244
Cost of sales		(2,725,114)	(2,304,097)
Gross profit		12,339,001	11,420,147
Administrative expenses		(12,283,642)	(10,187,869)
Share based payment charge	24	-	(388,295)
Operating profit	6	55,359	843,983
Interest receivable and similar income	10	16,388	12,994
Profit before taxation		71,747	856,977
Tax on profit	11	331,986	(153,433)
Profit for the financial year		403,733	703,544
Currency translation differences		16,635	(74,449)
Total comprehensive income for the year		420,368	629,095

The notes on pages 19 to 43 form part of these financial statements.

PROCUREMENT LEADERS LIMITED
REGISTERED NUMBER:05013101

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	13	132,184	259,288
Tangible assets	14	78,621	196,941
Investments	15	100,000	100,000
		310,805	556,229
Current assets			
Debtors: amounts falling due within one year	16	9,428,864	5,640,216
Cash at bank and in hand	17	1,765,254	3,902,751
		11,194,118	9,542,967
Creditors: amounts falling due within one year	18	(532,723)	(906,779)
Net current assets		10,661,395	8,636,188
Total assets less current liabilities		10,972,200	9,192,417
Dilapidation provision	20	(76,275)	(57,207)
Accruals and deferred income	21	(8,896,844)	(8,955,706)
Net assets		1,999,081	179,504
Capital and reserves			
Called up share capital	22	1,788	1,388
Share premium account	23	346,064	142,003
Foreign exchange reserve	23	(131,584)	(148,219)
Other reserves	23	-	(1,000,013)
Merger reserve	23	240,141	240,141
Profit and loss account	23	1,542,672	944,204
		1,999,081	179,504

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

Nandini Basuthakur

Nandini Basuthakur (Dec 22, 2020 15:59 GMT)

N Basuthakur

Director

Date: 22/12/2020

The notes on pages 19 to 43 form part of these financial statements.

PROCUREMENT LEADERS LIMITED
REGISTERED NUMBER:05013101

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	13	132,184	259,288
Tangible assets	14	71,951	192,968
Fixed asset investments	15	105,542	105,542
		<u>309,677</u>	<u>557,798</u>
Current assets			
Debtors: amounts falling due within one year	16	9,650,875	5,660,288
Cash at bank and in hand	17	1,520,551	3,774,975
		<u>11,171,426</u>	<u>9,435,263</u>
Creditors: amounts falling due within one year	18	(583,757)	(891,664)
Net current assets		<u>10,587,669</u>	<u>8,543,599</u>
Total assets less current liabilities		<u>10,897,346</u>	<u>9,101,397</u>
Dilapidation provision	20	(76,275)	(57,207)
Accruals and deferred income	21	(8,553,344)	(8,685,749)
Net assets		<u><u>2,267,727</u></u>	<u><u>358,441</u></u>
Capital and reserves			
Called up share capital	22	1,788	1,388
Share premium account	23	346,064	142,003
Other reserves	23	-	(1,000,013)
Merger reserve	23	240,141	240,141
Profit and loss account	23	1,679,734	974,922
		<u><u>2,267,727</u></u>	<u><u>358,441</u></u>

PROCUREMENT LEADERS LIMITED
REGISTERED NUMBER:05013101

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

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 £510,077 (2018: £510,659).

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

Nandini Basuthakur

Nandini Basuthakur (Dec 22, 2020 15:59 GMT)

N Basuthakur

Director

Date: 22/12/2020

The notes on pages 19 to 43 form part of these financial statements.

PROCUREMENT LEADERS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Other reserves £	Merger reserve £	Profit and loss account £	Total equity £
At 1 January 2018	1,388	142,003	(73,770)	(1,000,013)	240,141	442,365	(247,886)
Profit for the year							
Profit for the year	-	-	-	-	-	703,544	703,544
Movement on foreign exchange reserve	-	-	(74,449)	-	-	-	(74,449)
Dividends	-	-	-	-	-	(590,000)	(590,000)
Share based payment	-	-	-	-	-	388,295	388,295
At 1 January 2019	1,388	142,003	(148,219)	(1,000,013)	240,141	944,204	179,504
Profit for the year							
Profit for the year	-	-	-	-	-	403,733	403,733
Movement on foreign exchange reserve	-	-	16,635	-	-	-	16,635
Shares issued during the year	400	204,061	-	-	-	-	204,461
Settlement of EBT scheme	-	-	-	1,000,013	-	194,735	1,194,748
At 31 December 2019	1,788	346,064	(131,584)	-	240,141	1,542,672	1,999,081

PROCUREMENT LEADERS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Share premium account £	Other reserves £	Merger reserve £	Profit and loss account £	Total equity £
At 1 January 2018	1,388	142,003	(1,000,013)	240,141	665,968	49,487
Profit for the year	-	-	-	-	510,659	510,659
Dividends	-	-	-	-	(590,000)	(590,000)
Share based payment	-	-	-	-	388,295	388,295
At 1 January 2019	1,388	142,003	(1,000,013)	240,141	974,922	358,441
Profit for the year	-	-	-	-	510,077	510,077
Shares issued during the year	400	204,061	-	-	-	204,461
Settlement of EBT scheme	-	-	1,000,013	-	194,735	1,194,748
At 31 December 2019	1,788	346,064	-	240,141	1,679,734	2,267,727

PROCUREMENT LEADERS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	403,733	703,544
Adjustments for:		
Amortisation of intangible assets	147,104	126,301
Depreciation of tangible assets	162,663	187,409
Loss on disposal of tangible assets	-	(7,484)
Interest received	(16,388)	(12,994)
Taxation (credit)/charge	(331,986)	153,433
(Increase)/decrease in debtors	(67,254)	71,887
Decrease in creditors	(188,246)	(288,864)
(Decrease)/increase in provisions	19,068	19,069
Corporation tax (paid)/received	(67,280)	143,873
Movement in foreign exchange	16,635	(74,449)
Share based payment charge	-	388,295
Net cash generated from operating activities	78,049	1,410,020
Cash flows from investing activities		
Purchase of intangible fixed assets	(20,000)	(190,917)
Purchase of tangible fixed assets	(44,343)	(8,702)
Sale of tangible fixed assets	-	35,911
Interest received	16,388	12,994
Net cash from investing activities	(47,955)	(150,714)

PROCUREMENT LEADERS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Cash flows from financing activities		
Share issue	204,461	-
Repayment of director loans	364,411	-
Settlement of EBT scheme	1,194,748	-
Dividends paid	-	(590,000)
Loans advanced to directors	(260,000)	-
Loan to parent	(3,671,211)	-
Net cash used in financing activities	<u>(2,167,591)</u>	<u>(590,000)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(2,137,497)</u>	<u>669,306</u>
Cash and cash equivalents at beginning of year	3,902,751	3,233,445
Cash and cash equivalents at the end of year	<u><u>1,765,254</u></u>	<u><u>3,902,751</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,765,254	3,902,751
	<u><u>1,765,254</u></u>	<u><u>3,902,751</u></u>

PROCUREMENT LEADERS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	3,902,751	(2,137,497)	1,765,254
Amounts due from group undertakings	-	3,671,211	3,671,211
Loans to directors	104,411	(104,411)	-
	<u>4,007,162</u>	<u>1,429,303</u>	<u>5,436,465</u>

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 Company 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 Company 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 and also incorporate the financial statements of STM Fidecs Trust Company Limited Employee Benefit Trust. 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.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 COVID-19 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, primarily the reduction in personnel costs and office based expenditure as took place during the initial lockdown in 2020. In all scenarios the directors believe the business can continue to operate as a going concern and meet all liabilities as they fall due for at least 12 months from the approval of these financial statements.

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 and have hence prepared the financial statements on a going concern basis.

2.4 Foreign currency translation

The Parent's functional and presentational currency is GBP. The Group's presentational currency is GBP. The Parent's subsidiary's functional currency is USD and the treatment and recognition of foreign exchange on the consolidation of the subsidiary 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. Nonmonetary 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 the Statement of Comprehensive Income.

All foreign exchange gains and losses are presented in the Statement of Comprehensive Income 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.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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

Membership

Revenue 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 revenue 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

Revenue from events is recognised when the events take place.

2.6 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income 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 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 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 the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.9 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Consolidated Statement of Comprehensive Income 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).

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 Consolidated Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Consolidated Statement of Comprehensive Income is charged with fair value of goods and services received.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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.

2.11 Business combinations & goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The cost of a business combination is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group in exchange for control and the costs directly attributable to the business combination. The consideration transferred includes the estimate of any asset or liability resulting from a contingent consideration arrangement where the transfer of further consideration is probable and can be measured reliably. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date. Contingent liabilities are only recognised where the fair value can be measured reliably.

The Group measures goodwill at the acquisition date as the excess of the cost of the business combination over the acquirer's interest in the net amount of the identifiable assets, liabilities and contingent liabilities recognised. Subsequently goodwill is amortised on a straight-line basis over its useful life of five years.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.12 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.

2.13 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% straight-line
Computer equipment	- 33% straight-line

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 the Consolidated Statement of Comprehensive Income.

2.14 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.15 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 the Consolidated Statement of Comprehensive Income 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.

2.16 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. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. 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.

2.17 Employee benefit trust

The cost of the Group's shares held by the Employee Benefit Trust (EBT) in connection with the Group's employee share schemes is deducted from equity in the Group and Company Balance Sheets under the heading 'Investment in own shares reserve' until such time as they vest unconditionally to the participating employees. Any cash received by the EBT on disposal of the shares it holds is also recognised directly in equity. Other assets and liabilities of the EBT (including borrowings) are recognised as assets and liabilities of the Group.

2.18 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.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Judgements

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.

Key sources of estimation uncertainty

Bad debt provisions

The trade debtor balance of £3,583,718 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.

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 management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

4. Turnover

An analysis of turnover by destination is as follows:

	2019 £	2018 £
Asia Pacific	1,280,360	941,291
Europe, Middle East & Africa	3,440,657	3,552,172
UK	6,013,431	5,174,695
USA	4,329,667	4,056,086
	<u>15,064,115</u>	<u>13,724,244</u>

PROCUREMENT LEADERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Analysis of turnover by class of business:

	2019 £	2018 £
Membership	8,211,038	7,931,435
Events	6,847,083	5,785,714
Other	5,994	7,095
	<u>15,064,115</u>	<u>13,724,244</u>

6. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	162,663	187,409
Amortisation of intangible assets, including goodwill	147,104	126,301
Impairment of trade debtors	56,887	33,671
Difference on foreign exchange	93,497	(70,337)
Other operating lease rentals	564,539	514,434
Defined contribution pension cost	173,763	150,065
Costs relating to change of control	<u>1,584,050</u>	<u>-</u>

7. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	46,000	27,515
	<u>46,000</u>	<u>27,515</u>

Fees payable to the Group's auditor and its associates in respect of:

Tax compliance services	4,600	4,200
Tax advisory services	2,000	4,111
Audit-related assurance services	5,500	3,665
	<u>12,100</u>	<u>11,976</u>

PROCUREMENT LEADERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Employees

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

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Wages and salaries	7,496,847	6,828,086	6,472,577	5,939,581
Social security costs	828,241	711,830	765,292	646,149
Cost of defined contribution scheme	173,763	150,065	159,315	130,018
	<u>8,498,851</u>	<u>7,689,981</u>	<u>7,397,184</u>	<u>6,715,748</u>

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

	Group 2019 No.	<i>Group 2018 No.</i>	Company 2019 No.	<i>Company 2018 No.</i>
Membership	47	53	35	43
Events	28	26	27	26
Corporate Operations	36	30	35	28
	<u>111</u>	<u>109</u>	<u>97</u>	<u>97</u>

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	877,914	482,528
Company contributions to defined contribution pension schemes	9,000	20,250
	<u>886,914</u>	<u>502,778</u>

During the year retirement benefits were accruing to 1 director (2018: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £572,357 (2018: £353,582).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,000 (2018: £20,250).

During the year three directors (2018: None) exercised 215,826 (2018: None) share options for consideration of £164,061 (2018: £Nil).

Details of the scheme are included in note 24.

10. Interest receivable

	2019 £	2018 £
Interest receivable	16,388	12,994
	<u>16,388</u>	<u>12,994</u>

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	(177,392)	235,727
	<u>(177,392)</u>	<u>235,727</u>
Total current tax	<u>(177,392)</u>	<u>235,727</u>
Deferred tax		
Origination and reversal of timing differences	(154,512)	(81,329)
Adjustments in respect of prior periods	(82)	(965)
Total deferred tax	<u>(154,594)</u>	<u>(82,294)</u>
Taxation on profit on ordinary activities	<u>(331,986)</u>	<u>153,433</u>

PROCUREMENT LEADERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>71,747</u>	<u>856,977</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	13,632	162,826
Effects of:		
Expenses not deductible for tax purposes	208,205	87,788
Capital allowances for year in excess of depreciation	4,257	5,602
Utilisation of tax losses	225,537	-
Foreign taxes	88,257	9,895
Adjustments to tax charge in respect of prior periods	(225,914)	(965)
Short term timing difference leading to an increase (decrease) in taxation	82,903	(73,776)
Other timing differences leading to an increase in taxation	33,219	-
Non-taxable income	-	(38,825)
Tax deduction arising from exercise of employee options	(774,637)	-
Unrelieved tax losses carried forward	(5,031)	-
Adjustments for changes in tax rates	17,586	888
Total tax (credit)/charge for the year	<u><u>(331,986)</u></u>	<u><u>153,433</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

PROCUREMENT LEADERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Dividends

	2019 £	2018 £
Dividends paid	-	590,000
	<u>-</u>	<u>590,000</u>

13. Intangible assets

Group and Company

	Website development costs £	Content £	Goodwill £	Computer software & content £	Total £
Cost					
At 1 January 2019	544,219	725,343	1,424,039	60,360	2,753,961
Additions	-	-	-	20,000	20,000
Disposals	-	-	(1,424,039)	-	(1,424,039)
At 31 December 2019	<u>544,219</u>	<u>725,343</u>	<u>-</u>	<u>80,360</u>	<u>1,349,922</u>
Amortisation					
At 1 January 2019	296,815	725,343	1,424,039	48,476	2,494,673
Charge for the year	132,594	-	-	14,510	147,104
On disposals	-	-	(1,424,039)	-	(1,424,039)
At 31 December 2019	<u>429,409</u>	<u>725,343</u>	<u>-</u>	<u>62,986</u>	<u>1,217,738</u>
Net book value					
At 31 December 2019	<u>114,810</u>	<u>-</u>	<u>-</u>	<u>17,374</u>	<u>132,184</u>
At 31 December 2018	<u>247,404</u>	<u>-</u>	<u>-</u>	<u>11,884</u>	<u>259,288</u>

Amortisation of content, website development costs and goodwill is included within administrative expenses in the Consolidated Statement of Comprehensive Income.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. Tangible fixed assets

Group

	Improvements to property £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2019	432,276	175,956	260,878	869,110
Additions	-	2,706	41,637	44,343
Exchange adjustments	-	(25)	(4,734)	(4,759)
At 31 December 2019	432,276	178,637	297,781	908,694
Depreciation				
At 1 January 2019	293,666	140,072	238,431	672,169
Charge for the year	97,871	30,017	34,775	162,663
Exchange adjustments	-	(7)	(4,752)	(4,759)
At 31 December 2019	391,537	170,082	268,454	830,073
Net book value				
At 31 December 2019	40,739	8,555	29,327	78,621
At 31 December 2018	138,610	35,884	22,447	196,941

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. Tangible fixed assets (continued)

Company

	Improvements to property £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2019	432,276	175,298	233,480	841,054
Additions	-	2,706	33,993	36,699
At 31 December 2019	432,276	178,004	267,473	877,753
Depreciation				
At 1 January 2019	293,666	139,907	214,513	648,086
Charge for the year	97,871	29,859	29,986	157,716
At 31 December 2019	391,537	169,766	244,499	805,802
Net book value				
At 31 December 2019	40,739	8,238	22,974	71,951
At 31 December 2018	138,610	35,391	18,967	192,968

PROCUREMENT LEADERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Fixed asset investments

Group

	Unlisted investments £
Cost or valuation	
At 1 January 2019	100,000
At 31 December 2019	<u>100,000</u>
Net book value	
At 31 December 2019	<u>100,000</u>
At 31 December 2018	<u>100,000</u>

Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2019	5,542	100,000	105,542
At 31 December 2019	<u>5,542</u>	<u>100,000</u>	<u>105,542</u>

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 1550 Wewatta 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.

PROCUREMENT LEADERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	3,583,718	4,208,065	3,450,622	4,087,081
Amounts owed by group undertakings	3,671,211	-	4,094,450	161,323
Other debtors	744,948	824,641	712,522	807,597
Prepayments and accrued income	833,035	542,484	806,249	539,261
Tax recoverable	376,332	-	367,412	-
Deferred taxation	219,620	65,026	219,620	65,026
	9,428,864	5,640,216	9,650,875	5,660,288

Included within other debtors due within one year are three loans to directors, amounting to £Nil (2018: £104,411). £260,000 (2018: £235,917) was advanced during the year to directors. Amounts repaid during the year totalled £364,411 (2018: £267,859).

No interest is charged on loans to directors.

17. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	1,765,254	3,902,751	1,520,551	3,774,975
	1,765,254	3,902,751	1,520,551	3,774,975

18. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	204,815	179,442	193,861	175,724
Amounts owed to group undertakings	-	-	71,309	-
Corporation tax	956	245,628	-	245,628
Other taxation and social security	274,329	322,729	272,975	320,473
Other creditors	52,623	158,980	45,612	149,839
	532,723	906,779	583,757	891,664

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

19. Deferred taxation

Group

	2019 £	2018 £
At beginning of year	65,026	(17,268)
Credited to profit or loss	154,594	82,294
Deferred tax asset at end of year	219,620	65,026

Company

	2019 £	2018 £
At beginning of year	65,026	(17,268)
Credited to profit or loss	154,594	82,294
Deferred tax asset at end of year	219,620	65,026

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Accelerated capital allowances	4,713	(8,886)	4,713	(8,886)
Tax losses carried forward	210,558	-	210,558	-
Short term timing differences	4,349	73,912	4,349	73,912
	219,620	<i>65,026</i>	219,620	<i>65,026</i>

Deferred tax assets of £nil (2019: £73,912) relate to timing differences expected to reverse in the next financial year.

PROCUREMENT LEADERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

20. Provisions

Group

	Dilapidation provision £
At 1 January 2019	57,207
Charged to profit or loss	19,068
At 31 December 2019	76,275

Company

	Dilapidation provision £	Total £
At 1 January 2019	57,207	57,207
Charged to profit or loss	19,068	19,068
At 31 December 2019	76,275	76,275

21. Accruals and deferred income

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Accruals and deferred income	8,896,844	<i>8,955,706</i>	8,553,344	<i>8,685,749</i>

Within accruals and deferred income, £509,625 (2018: £630,090) relates to deferred income falling due in more than one year.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

22. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1,456,544 (2018 - 1,388,040) Ordinary shares of £0.0010 each	1,456	1,388
331,775 (2018 - 0) A Ordinary shares of £0.0010 each	332	-
	<hr/>	<hr/>
	1,788	1,388
	<hr/>	<hr/>

On 25 July 2019, 100% of the share capital of the Group and Company was acquired by World 50, Inc.

23. 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.

Other reserves

The investment in own shares reserve relates to the cost of the Company's shares held by the Employee Benefit Trust.

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 & loss account

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

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

24. Share based payments

Ordinary options

The Company has a HMRC approved share option scheme for certain employees. Options were granted over the Ordinary shares of the business in 2012 and 2013 at an exercise price of £2.98 per share.

During the year, Nil options lapsed (2018: 10,500).

Options are exercisable in the event of a sale or listing of the Company. The options are settled in equity once exercised. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if an individual leaves the Company before the options vest. 68,500 options were exercised during the year (2018: Nil).

Ordinary A share options

During the year Nil (2018: 157,340) ordinary A share options, also known as growth share options, were issued at an exercise price of £0.001. The options are settled in equity once exercised. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if an individual leaves the Company before the options vest.

Nil (2018: 331,775) ordinary A share options are exercisable only in the event of a sale or listing of the Company. None (2018: 5,567) of these options lapsed during the year. No (2018: Nil) ordinary A share options are either exercisable in the event of certain performance criteria being met or in the event of a sale or listing of the Company. None (2018: 22,269) of these options lapsed during the year. 331,775 options were exercised in the year (2018: Nil).

EBT options

During the year no options were issued at an exercise price of £13.47 (2018: £53,237). The options are settled in equity once exercised. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options lapse if an individual leaves the Company before the options vest. 7,171 (2018: None) options lapsed or were exercised during the year. 46,066 options were exercised during the year (2018: None).

As the sale of the business was deemed probable as at 31 December 2018, a charge of £388,295 was recognised for share based payments based on a Black Scholes model. No charge has been recognised in 2019 as all options had vested and were exercised as part of the acquisition of the business by World 50 Inc.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

24. Share based payments (continued)

	Weighted average exercise price (pence) 2019	Number 2019	Weighted average exercise price (pence) 2018	Number 2018
Outstanding at the beginning of the year	203.2	453,512	90.9	281,271
Granted during the year	-	-	340.6	210,577
Lapsed during the year	1347.0	(7,171)	81.7	(38,336)
Exercised during the year	184.8	(446,341)	-	-
Outstanding at the end of the year	-	-	203.2	453,512

25. Employee Benefit Trust

In 2016, an Employee Benefit Trust (EBT) was set up to facilitate employee shareholdings under remuneration schemes, specifically share-based payments. During the year no options were issued at an exercise price of £13.47 (2018: £53,237).

During the year, 46,066 options were exercised, and 7,171 options lapsed, prior to the acquisition of the entire shareholdings of the Group. (2018: 74,240 ordinary shares held by the EBT).

On 24 July 2019, the EBT was terminated.

26. Pension commitments

The Group operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the Group and amounted to £173,763 (2018: £150,065). Contributions totalling £Nil were payable to the fund at the balance sheet date and are included in other creditors (2018: £4,591).

PROCUREMENT LEADERS LIMITED

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27. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Not later than 1 year	184,145	438,011	183,705	438,011
Later than 1 year and not later than 5 years	137	183,705	-	183,705
	<u>184,282</u>	<u>621,716</u>	<u>183,705</u>	<u>621,716</u>

28. Related party transactions

All related parties other than those disclosed below are transactions entered into between two or more members of a group where any subsidiary which is a party to the transaction is wholly owned by such a member.

Loans to directors are disclosed in note 16, dividends paid to directors are disclosed in note 12 and the exercise of share options by directors is disclosed in note 9.

In the prior year, a motor vehicle was sold to one of the directors for £35,911. The proceeds were included in loans to directors.

During 2015, the Company purchased a 1.668% interest for consideration of £100,000 in a company, a director of which is also a director of Procurement Leaders Limited. No additional interest in this company was purchased in the current or prior year. No transactions occurred and no amounts were outstanding with this company in the current or prior year.

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 £2,094,222 (2018: £1,294,975).

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

29. Post balance sheet events

Post year end, the Group extended the lease on their UK office premises to 30 September 2021 for an annual rent of £492,176.

On 11 March 2020, COVID-19 was declared a pandemic by the World Health Organisation. The spread of the virus has caused business disruption in the UK, including the closure of office facilities and remote working. However, ultimately the impact of the COVID-19 pandemic on the business remains unquantifiable at this stage, particularly in relation to the Group's financial condition and future cash flows. The impact of COVID-19 is considered to be a non-adjusting post balance sheet event and as such the Balance Sheet has been prepared on the facts and circumstances as at 31 December 2019.

Post year end, 2,079,848 awards of Class B units of W50 Parent LLC have been granted.

Post year end, a charge with full title guarantee over the bank balances of the Group was entered into by way of fixed charge in favour of World 50, Inc.

30. Controlling party

The directors consider the ultimate controlling party to be W50 Parent LLC.

The parent undertaking of the largest group of undertakings for which group financial statements are prepared that include the Group and Company is W50 Holdings Inc. Its registered office is The Corporation Trust, Corporation Trust Center 1209 Orange St, Wilmington, New Castle, Delaware 19801.

The financial statements are not publicly available.