
PROCUREMENT LEADERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

THURSDAY



AAE4AGP7

A09

30/09/2021

#378

COMPANIES HOUSE

PROCUREMENT LEADERS LIMITED

COMPANY INFORMATION

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

PROCUREMENT LEADERS LIMITED

CONTENTS

	Page
Group Strategic Report	1 - 3
Directors' Report	4
Directors' Responsibilities Statement	5
Independent Auditor's Report	6 - 9
Consolidated Statement of Comprehensive Income	10
Consolidated Balance Sheet	11
Company Balance Sheet	12 - 13
Consolidated Statement of Changes in Equity	14
Company Statement of Changes in Equity	15
Consolidated Statement of Cash Flows	16 - 17
Consolidated Analysis of Net Debt	18
Notes to the Financial Statements	19 - 41

PROCUREMENT LEADERS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the Strategic Report for Procurement Leaders Limited for the year ended 31 December 2020.

Business Review

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

The financial year ending 31 December 2020 saw the impact of COVID-19 significantly impact the financial results of Procurement Leaders. Despite the significant risks faced we were able to successfully navigate the global economic downturn and deliver an Adjusted EBITDA of £1.12m despite a fall in revenue of £4.26m (28%).

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

The key financial and other performance indicators of the Group for the year ending 31 December 2020 were as follows:

	2020 £'000	2019 £'000	Change £'000
Turnover	10,803	15,064	(4,261)
Operating profit	1,057	55	1,002
Equity shareholders' funds	2,978	1,999	979
Adjusted EBITDA	1,117	2,346	(1,229)
Profit after tax	942	404	538
Member count	273	270	3
Average number of employees	108	111	3

The results for the year of the Group as included in these financial statements are set out above. Whilst Revenues have fallen to £10.8m (2019: £15.1m), a decrease of 28%, our Membership business was able to increase revenues to £8.48m (2019: £8.21m), an increase of 3%, as a result of an increase in member count to 273 (2019: 270). The Events business was more significantly disrupted by the global pandemic and saw revenues fall to £1.36m (2019: £6.11m) a decrease of 78%. Operating Profit has increased to £1.06m (2019: £55k) and Profit after tax has risen to £725k (2019: £404k) despite the reduction in Adjusted EBITDA as 2019 included significant one-off costs during the change of ownership in 2019 of £1.58m.

The Group's Adjusted EBITDA which represents a more accurate reflection of underlying performance has decreased by £1.23m largely driven by the reduction in revenue of £4.26m, offset by reduced costs of operations of £3.03m. 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 share based payment charges.

PROCUREMENT LEADERS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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 Coronavirus pandemic continues to impact our ability to host in person live events. The directors seek to mitigate the risks of this continued uncertainty by planning hybrid virtual and in-person events to minimise the profit risk associated with the cancellation of any events.

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% (2019: 30%) of membership contracts attributable to US customers. The directors seek to mitigate the currency risk by serving our US members in local currency to matching the currency of 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 Group'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 Group at year end were 35 days (2019: 40 days).

Future developments

The ongoing Coronavirus pandemic has impacted our scheduled activities for 2021 with an amended events calendar now in place to minimise the risks associated with the uncertainty of hosting in person events. The events calendar in 2021 will consist largely of hybrid events which can be quickly pivoted to virtual events should any location not be able to host large numbers of delegates.

The Group has continued to prioritise the health and well-being of staff with all offices having re-opened for staff to utilise as required but with the continued flexibility of working remotely. All non-essential spend continues to be closely monitored to ensure any further unexpected reductions in revenue do not significantly impact the Group.

PROCUREMENT LEADERS LIMITED

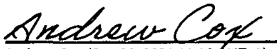
**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Going concern

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

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

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


Andrew Cox (Sep 30, 2021 11:16 GMT+1)

A Cox
Secretary

Date: 30/09/2021

PROCUREMENT LEADERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The profit for the year, after taxation, amounted to £941,592 (2019: £403,733).

No dividends were paid or proposed in the year (2019: £Nil).

Directors

The directors who served during the year were:

N Basuthakur

D C Wilkie

J R Henry (resigned 23 January 2020)

W C Simmons (resigned 23 January 2020)

Matters covered in the strategic report

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

Disclosure of information to auditor

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

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


Post balance sheet events

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

Auditor

The auditor, 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 (Sep 30, 2021 11:16 GMT+1)

A Cox
Secretary

Date: 30/09/2021

PROCUREMENT LEADERS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the Annual Report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns;
or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

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

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

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

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

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

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

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

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: 30/09/2021

PROCUREMENT LEADERS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	10,802,636	15,064,115
Cost of sales		(671,265)	(2,725,114)
Gross profit		10,131,371	12,339,001
Administrative expenses		(9,127,424)	(12,283,642)
Other operating income	5	105,197	-
Share-based payment charge		(51,674)	-
Operating profit	6	1,057,470	55,359
Interest receivable and similar income	10	5,072	16,388
Profit before taxation		1,062,542	71,747
Tax on profit	11	(120,950)	331,986
Profit for the financial year		941,592	403,733
Currency translation differences		(14,127)	16,635
Total comprehensive income for the year		927,465	420,368

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

PROCUREMENT LEADERS LIMITED
REGISTERED NUMBER:05013101

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	50,267	132,184
Tangible assets	13	22,895	78,621
Investments	14	100,000	100,000
		<u>173,162</u>	<u>310,805</u>
Current assets			
Debtors: amounts falling due within one year	15	8,593,942	9,428,864
Cash at bank and in hand	16	4,799,505	1,765,254
		<u>13,393,447</u>	<u>11,194,118</u>
Creditors: amounts falling due within one year	17	(665,814)	(532,723)
Net current assets		<u>12,727,633</u>	<u>10,661,395</u>
Total assets less current liabilities		<u>12,900,795</u>	<u>10,972,200</u>
Dilapidation provision	19	(95,344)	(76,275)
Accruals and deferred income	20	(9,827,231)	(8,896,844)
Net assets		<u><u>2,978,220</u></u>	<u><u>1,999,081</u></u>
Capital and reserves			
Called up share capital	21	1,788	1,788
Share premium account	22	346,064	346,064
Foreign exchange reserve	22	(145,711)	(131,584)
Merger reserve	22	240,141	240,141
Profit and loss account	22	2,535,938	1,542,672
Shareholders' funds		<u><u>2,978,220</u></u>	<u><u>1,999,081</u></u>

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

Nandini Basuthakur

Nandini Basuthakur (Sep 30, 2021 11:28 GMT+1)

N Basuthakur
Director

Date: 30/09/2021

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

PROCUREMENT LEADERS LIMITED
REGISTERED NUMBER:05013101

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	50,267	132,184
Tangible assets	13	19,047	71,951
Fixed asset investments	14	105,542	105,542
		<u>174,856</u>	<u>309,677</u>
Current assets			
Debtors: amounts falling due within one year	15	8,393,417	9,650,875
Cash at bank and in hand	16	4,521,900	1,520,551
		<u>12,915,317</u>	<u>11,171,426</u>
Creditors: amounts falling due within one year	17	(1,016,932)	(583,757)
Net current assets		<u>11,898,385</u>	<u>10,587,669</u>
Total assets less current liabilities		<u>12,073,241</u>	<u>10,897,346</u>
Dilapidation provision	19	(95,344)	(76,275)
Accruals and deferred income	20	(8,985,567)	(8,553,344)
Net assets		<u><u>2,992,330</u></u>	<u><u>2,267,727</u></u>
Capital and reserves			
Called up share capital	21	1,788	1,788
Share premium account	22	346,064	346,064
Merger reserve	22	240,141	240,141
Profit and loss account	22	2,404,337	1,679,734
Shareholders' funds		<u><u>2,992,330</u></u>	<u><u>2,267,727</u></u>

PROCUREMENT LEADERS LIMITED
REGISTERED NUMBER:05013101

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

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 £672,929 (2019: £510,077).

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

Nandini Basuthakur
Nandini Basuthakur (Sep 30, 2021 11:28 GMT+1)

N Basuthakur
Director

Date: 30/09/2021

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

PROCUREMENT LEADERS LIMITED

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

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Other reserves £	Merger reserve £	Profit and loss account £	Total equity £
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
Contributions by and distributions to owners							
Shares issued during the year	400	204,061	-	-	-	-	204,461
Settlement of EBT scheme	-	-	-	1,000,013	-	194,735	1,194,748
At 1 January 2020	1,788	346,064	(131,584)	-	240,141	1,542,672	1,999,081
Profit for the year							
Profit for the year	-	-	-	-	-	941,592	941,592
Movement on foreign exchange reserve	-	-	(14,127)	-	-	-	(14,127)
Contributions by and distributions to owners							
Share-based payment expense	-	-	-	-	-	51,674	51,674
At 31 December 2020	1,788	346,064	(145,711)	-	240,141	2,535,938	2,978,220

PROCUREMENT LEADERS LIMITED

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

	Called up share capital £	Share premium account £	Other reserves £	Merger reserve £	Profit and loss account £	Total equity £
At 1 January 2019	1,388	142,003	(1,000,013)	240,141	974,922	358,441
Comprehensive income for the year						
Profit for the year	-	-	-	-	510,077	510,077
Contributions by and distributions to owners						
Shares issued during the year	400	204,061	-	-	-	204,461
Settlement of EBT scheme	-	-	1,000,013	-	194,735	1,194,748
At 1 January 2020	1,788	346,064	-	240,141	1,679,734	2,267,727
Comprehensive income for the year						
Profit for the year	-	-	-	-	672,929	672,929
Contributions by and distributions to owners						
Share-based payment expense	-	-	-	-	51,674	51,674
At 31 December 2020	1,788	346,064	-	240,141	2,404,337	2,992,330

PROCUREMENT LEADERS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	941,592	403,733
Adjustments for:		
Amortisation of intangible assets	81,917	147,104
Depreciation of tangible assets	67,389	162,663
Foreign exchange adjustments to tangible assets	(113)	-
Interest received	(5,072)	(16,388)
Taxation charge	120,950	(331,986)
Decrease/(increase) in debtors	344,915	(67,254)
Increase/(decrease) in creditors	1,452,180	(188,246)
Corporation tax paid	(19,645)	(67,280)
Movement in foreign exchange	(14,127)	16,635
Increase in provisions	19,069	19,068
Share-based payment	51,674	-
Net cash generated from operating activities	3,040,729	78,049
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(20,000)
Purchase of tangible fixed assets	(11,550)	(44,343)
Interest received	5,072	16,388
Net cash used in investing activities	(6,478)	(47,955)

PROCUREMENT LEADERS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows from financing activities		
Issue of ordinary shares	-	204,461
Repayment of director loans	-	364,411
Settlement of EBT scheme	-	1,194,748
Loans advanced to directors	-	(260,000)
Loan to parent	-	(3,671,211)
Net cash used in financing activities	-	(2,167,591)
Net increase/(decrease) in cash and cash equivalents	3,034,251	(2,137,497)
Cash and cash equivalents at the beginning of the year	1,765,254	3,902,751
Cash and cash equivalents at the end of the year	4,799,505	1,765,254
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	4,799,505	1,765,254

PROCUREMENT LEADERS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	1,765,254	3,034,251	4,799,505
	<u>1,765,254</u>	<u>3,034,251</u>	<u>4,799,505</u>

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

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

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

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

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

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

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Going concern

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

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

2.4 Foreign currency translation

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

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

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

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

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

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

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Turnover

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

Rendering of services

Membership

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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

Events

Turnover from events is recognised when the events take place.

2.6 Operating leases

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

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

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure.

2.8 Interest income

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

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Intangible assets

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

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

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

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

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

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

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

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

2.11 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.12 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.13 Provisions for liabilities

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

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

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

2.14 Financial instruments

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

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

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

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

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

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.15 Share-based payments

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

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

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

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

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

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

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

Financial instruments classification

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

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

Bad debt provisions

The trade debtor balance of £2,854,681 (2019: £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. The total bad debt provision at the year end was £96,840.

Share option valuation

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

PROCUREMENT LEADERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Turnover

An analysis of turnover by destination is as follows:

	2020	2019
	£	£
Asia Pacific	992,128	1,280,360
Europe, Middle East & Africa	3,351,739	3,440,657
UK	3,600,023	6,013,431
USA	2,837,163	4,329,667
Latin America	21,583	-
	10,802,636	15,064,115

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

	2020	2019
	£	£
Membership	8,446,161	8,211,038
Events	2,339,224	6,847,083
Other	17,251	5,994
	10,802,636	15,064,115

5. Other operating income

	2020	2019
	£	£
Coronavirus job retention scheme income	105,197	-

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Operating profit

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

	2020 £	2019 £
Depreciation of tangible fixed assets	67,389	162,663
Amortisation of intangible assets, including goodwill	81,917	147,104
Impairment of trade debtors	(19,717)	56,887
Difference on foreign exchange	(33,618)	93,497
Operating lease rentals	632,243	564,539
Costs relating to change of control	-	1,584,050
	<u> </u>	<u> </u>

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	54,400	46,000
	<u>54,400</u>	<u>46,000</u>
Fees payable to the Group's auditor and its associates in respect of:		
Tax compliance services	4,600	4,600
Tax advisory services	10,000	2,000
Audit-related assurance services	3,350	5,500
	<u>17,950</u>	<u>12,100</u>

PROCUREMENT LEADERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Employees

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

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Wages and salaries	6,302,012	<i>7,496,847</i>	5,284,178	<i>6,472,577</i>
Social security costs	645,360	<i>828,241</i>	594,566	<i>765,292</i>
Cost of defined contribution scheme	202,330	<i>173,763</i>	174,808	<i>159,315</i>
	<u>7,149,702</u>	<i><u>8,498,851</u></i>	<u>6,053,552</u>	<i><u>7,397,184</u></i>

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

	Group 2020 No.	<i>Group 2019 No.</i>	Company 2020 No.	<i>Company 2019 No.</i>
Membership	55	<i>47</i>	42	<i>35</i>
Events	21	<i>28</i>	20	<i>27</i>
Corporate Operations	24	<i>36</i>	23	<i>35</i>
Marketing	8	<i>-</i>	8	<i>-</i>
	<u>108</u>	<i><u>111</u></i>	<u>93</u>	<i><u>97</u></i>

9. Directors' remuneration

	2020 £	<i>2019 £</i>
Directors' emoluments	332,482	<i>877,914</i>
Directors pension costs	8,970	<i>9,000</i>
	<u>341,452</u>	<i><u>886,914</u></i>

During the year retirement benefits were accruing to 1 directors (2019: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £332,482 (2019: £572,357).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,970 (2019: £9,000).

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. Interest receivable and similar income

	2020 £	2019 £
Interest receivable	5,072	16,388

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	48,556	(177,392)
Total current tax	48,556	(177,392)
Deferred tax		
Origination and reversal of timing differences	152,924	(154,512)
Adjustments in respect of prior periods	(48,935)	(82)
Effect of change in tax rates	(31,595)	-
Total deferred tax	72,394	(154,594)
Taxation on profit on ordinary activities	120,950	(331,986)

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: *lower than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	1,062,542	71,747
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	201,883	13,632
Effects of:		
Expenses not deductible for tax purposes	10,362	208,205
Capital allowances for year in excess of depreciation	-	4,257
Utilisation of tax losses	-	225,537
Other permanent differences including relief on exercise of share options	950	-
Foreign taxes	(12,183)	88,257
Adjustments to tax charge in respect of prior periods - current tax	-	(225,914)
Adjustments to tax charge in respect of prior periods - deferred tax	(48,935)	-
Short-term timing difference leading to an increase in taxation	-	82,903
Other timing differences leading to an increase in taxation	468	33,219
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
Remeasurement of deferred tax for changes in tax rates	(31,595)	-
Total tax charge/(credit) for the year	120,950	(331,986)

Factors that may affect future tax charges

Since the year end, the standard rate of corporation tax in the UK has been substantively enacted and will increase from 19% to 25% with effect from 1 April 2023. The new rate will also be applicable in calculating deferred tax assets and liabilities.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Intangible assets

Group and Company

	Website development costs £	Content £	Computer software & content £	Total £
Cost				
At 1 January 2020	544,219	725,343	80,360	1,349,922
At 31 December 2020	544,219	725,343	80,360	1,349,922
Amortisation				
At 1 January 2020	429,409	725,343	62,986	1,217,738
Charge for the year	72,904	-	9,013	81,917
At 31 December 2020	502,313	725,343	71,999	1,299,655
Net book value				
At 31 December 2020	41,906	-	8,361	50,267
At 31 December 2019	114,810	-	17,374	132,184

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Tangible fixed assets

Group

	Improvements to property £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 January 2020	432,276	178,637	297,781	908,694
Additions	-	-	11,550	11,550
Exchange adjustments	-	(18)	(877)	(895)
At 31 December 2020	432,276	178,619	308,454	919,349
Depreciation				
At 1 January 2020	391,537	170,082	268,454	830,073
Charge for the year	40,739	4,549	22,101	67,389
Exchange adjustments	-	(316)	(692)	(1,008)
At 31 December 2020	432,276	174,315	289,863	896,454
Net book value				
At 31 December 2020	-	4,304	18,591	22,895
At 31 December 2019	40,739	8,555	29,327	78,621

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Tangible fixed assets (continued)

Company

	Improvements to property £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 January 2020	432,276	178,004	267,473	877,753
Additions	-	-	11,550	11,550
At 31 December 2020	432,276	178,004	279,023	889,303
Depreciation				
At 1 January 2020	391,537	169,766	244,499	805,802
Charge for the year	40,739	4,088	19,627	64,454
At 31 December 2020	432,276	173,854	264,126	870,256
Net book value				
At 31 December 2020	-	4,150	14,897	19,047
At 31 December 2019	40,739	8,238	22,974	71,951

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14. Fixed asset investments

Group

	Unlisted investments £
Cost	
At 1 January 2020	100,000
At 31 December 2020	100,000
Net book value	
At 31 December 2020	100,000
At 31 December 2019	100,000

Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost			
At 1 January 2020	5,542	100,000	105,542
At 31 December 2020	5,542	100,000	105,542
Net book value			
At 31 December 2020	5,542	100,000	105,542
At 31 December 2019	5,542	100,000	105,542

PROCUREMENT LEADERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

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

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

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

15. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	2,854,681	3,583,718	2,407,913	3,450,622
Amounts owed by group undertakings	3,671,211	3,671,211	3,922,738	4,094,450
Other debtors	728,399	744,948	695,614	712,522
Prepayments and accrued income	845,960	833,035	836,341	806,249
Tax recoverable	346,465	376,332	383,585	367,412
Deferred taxation	147,226	219,620	147,226	219,620
	8,593,942	9,428,864	8,393,417	9,650,875

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

16. Cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Cash at bank and in hand	4,799,505	<i>1,765,254</i>	4,521,900	<i>1,520,551</i>

17. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Trade creditors	73,715	<i>204,815</i>	50,188	<i>193,861</i>
Amounts owed to group undertakings	-	-	387,746	<i>71,309</i>
Corporation tax	-	<i>956</i>	-	-
Other taxation and social security	514,215	<i>274,329</i>	512,706	<i>272,975</i>
Other creditors	77,884	<i>52,623</i>	66,292	<i>45,612</i>
	665,814	<i>532,723</i>	1,016,932	<i>583,757</i>

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

18. Deferred taxation

Group

	2020 £	2019 £
At beginning of year	(219,620)	(65,026)
Charged/(credited) to profit or loss	72,394	(154,594)
Deferred tax asset at end of year	(147,226)	(219,620)

Company

	2020 £	2019 £
At beginning of year	(219,620)	(65,026)
Charged/(credited) to profit or loss	72,394	(154,594)
Deferred tax asset at end of year	(147,226)	(219,620)

The deferred tax asset is made up as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	(12,404)	(4,713)	(12,404)	(4,713)
Tax losses carried forward	(18,116)	(210,558)	(18,116)	(210,558)
Short-term timing differences	(116,706)	(4,349)	(116,706)	(4,349)
	(147,226)	(219,620)	(147,226)	(219,620)

PROCUREMENT LEADERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. Provisions

Group

	Dilapidation provision £
At 1 January 2020	76,275
Charged to profit or loss	19,069
At 31 December 2020	95,344

Company

	Dilapidation provision £	Total £
At 1 January 2020	76,275	76,275
Charged to profit or loss	19,069	19,069
At 31 December 2020	95,344	95,344

20. Accruals and deferred income

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Accruals and deferred income	9,827,231	<i>8,896,844</i>	8,985,567	<i>8,553,344</i>

Within accruals and deferred income, £727,189 (2019: £509,625) 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 2020

21. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1,456,544 Ordinary shares of £0.001 each	1,456	1,456
331,775 A Ordinary shares of £0.001 each	332	332
	<hr/>	<hr/>
	1,788	1,788
	<hr/>	<hr/>

22. Reserves

Share premium account

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

Foreign exchange reserve

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

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 and 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 2020**

23. Share-based payments

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

	Number of B Units
Performance Based Units	891,363
Time Based Units	1,188,485
	<u>2,079,848</u>

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

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

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

Details of the share-based payments are as follows:

	Performance Based Units		Time Based Units	
	Number of B Units	Weighted average exercise price US\$	Number of B Units	Weighted average exercise price US\$
Granted during the year	891,363	1.00	1,188,485	1.00
Lapsed during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	<u>891,363</u>	<u>1.00</u>	<u>1,188,485</u>	<u>1.00</u>
Exercisable at the end of the year	<u>-</u>		<u>-</u>	

There were no share options outstanding in 2019 and there was no share-based payment charge recognised in 2019.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

24. Pension commitments

The Group operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the Group and amounted to £202,330 (2019: £173,763). No contributions were payable to the fund at the balance sheet date (2019: £Nil).

25. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Not later than 1 year	349,507	<i>184,145</i>	328,808	<i>183,705</i>
Later than 1 year and not later than 5 years	-	<i>137</i>	-	-
	349,507	<i>184,282</i>	328,808	<i>183,705</i>

26. Related party transactions

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

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Group, or in relation to the Company. In the opinion of the board, the Group and Company's key management personnel are considered to be the board of directors, the Chief Operating Officer, the Chief Commercial Officer, the Chief Product Officer, the Finance Director and the MD of Events. Total key management personnel compensation amounted to £1,407,144 (2019: £2,094,222).

27. Controlling party

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

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

The largest group of undertakings for which group accounts for the year ending 31 December 2020 have been drawn up, is that headed by W50 Holdings Inc. The financial statements are not publicly available.

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