

**Company Registration Number 01753465**

**GLEEDS MANAGEMENT SERVICES LIMITED**

**Annual report and financial statements  
for the year ended 31 December 2019**

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# **GLEEDS MANAGEMENT SERVICES LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS 2019**

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## **GLEEDS MANAGEMENT SERVICES LIMITED**

### **DIRECTORS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

S K Ball  
P Baston  
S C Byrne (resigned 31 July 2019)  
D J Calvert (resigned 12 October 2020)  
D N Corbin (appointed 2 April 2020)  
A J Cork (appointed 1 September 2020)  
R S D Costain  
S J Crichton (resigned 12 October 2020)  
D P Crocker  
P M Dennison  
G Duckworth (appointed 7 October 2019)  
S M Ewing  
M Finister  
G J Fisher (resigned 8 February 2019)  
D J Ford  
A L Fowler (resigned 31 October 2020)  
S A Green  
K M Griffiths  
N E J Hampson (resigned 21 January 2019)  
G E Harle  
A D Irving (appointed 1 September 2020)  
D J Mahood (resigned 14 February 2019)  
J R Marshall  
B V McArdle  
D A D McCormick (appointed 1 September 2020)

W S Morris (resigned 12 October 2020)  
K A Munro (resigned 30 November 2020)  
G C Murray (resigned 12 October 2020)  
T G O'Callaghan  
M E Otter (resigned 31 December 2019)  
C J Paxford (resigned 31 March 2019)  
M J Phillips (resigned 28 June 2019)  
M Plenty (resigned 23 August 2019)  
S A Price (resigned 12 October 2020)  
K R Reid (appointed 1 September 2020)  
E R Revell (resigned 23 January 2020)  
D W Rookes (resigned 4 March 2019)  
S Senior  
R P Steer  
D R Stewart (resigned 12 October 2020)  
J M Stewart  
P S A Sweeney  
K A Thompson (appointed 21 October 2019)  
J S Walker  
S A Wareing  
E J Wiggin (appointed 12 October 2020)  
S P Williams  
R J Young (resigned 12 April 2019)  
B W Whitworth (appointed 1 September 2020)

#### **REGISTERED NUMBER**

01753465

#### **REGISTERED OFFICE**

95 New Cavendish Street  
London  
W1W 6XF

#### **AUDITORS**

BDO LLP  
Bridgewater House  
Finzels Reach  
Counterslip  
Bristol  
BS1 6BX

## GLEEDS MANAGEMENT SERVICES LIMITED

### STRATEGIC REPORT

The directors present the Strategic Report of Gleeds Management Services Limited (the "company") for the year ended 31 December 2019.

#### Business model

The Gleeds Group (Gleeds) is a world-class independent property and construction consultancy with over 135 years' experience. Our vision is to create a business that attracts the very best clients, projects and people in the industry. We work on the world's most exciting projects, partner with great clients and attract top talent. To do that we need a strong sense of who we are and what we stand for.

There are 3 core values that form the basis of our success:

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

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

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

We believe in recruiting the best people who have extensive knowledge of specific sectors. Many of our team are thought leaders and opinion formers across the property and construction industry. We are also committed to developing our own talent. We are recognised as gold standard employers by the UK's 'Investor in People' scheme.

With nearly 2,000 staff based in 73 offices, over 20 countries and covering 6 continents, we're very much a global consultancy. Each and every one of those offices is staffed by local people with very specific experience and expertise. We unite local talent with global know-how to help clients meet challenges across countries, throughout regions and without borders.

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

#### Corporate responsibility

With our heritage comes great responsibility, and we firmly believe that it is only through acting responsibly that we earn the trust of our clients and our people.

Our approach to corporate responsibility is based on four strands – our workplace, our environment, our communities and our marketplace.

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

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

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

## **GLEEDS MANAGEMENT SERVICES LIMITED**

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

#### **Corporate responsibility (continued)**

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

Full reports on our commitments to Diversity & Inclusion, Environmental sustainability, Social Value and Gender equality can be found in the Corporate Responsibility section of our website; [www.gleeds.com](http://www.gleeds.com)

#### **Principal activities**

The company's principal activity is the provision of project management administration and consultancy services. The company is a wholly owned trading subsidiary of the Gleeds UK Partnership.

#### **Business review**

For the year ended 31 December 2019, Revenue decreased by 6% to £23,008,861 (2018: £24,583,854)

Operating profit for the year was £1,725,405 (2018: £132,888), an operating margin of 7% (2018: 1%)

During the year a dividend of £850,000 (2018: £nil) was paid. The directors do not recommend the payment of a final dividend (2018: £nil).

At the year end net assets have increased to £1,569,651 (2018: £1,056,366)

The directors are pleased with the results for the financial year having reshaped the business to provide greater value to our customers and at the same time having improved profitability of the business. The directors do not foresee any significant changes in the company's operations in the future.

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

The directors consider net revenue, operating profit and cash to revenue conversion to be the key financial performance indicators. We track these KPIs through the reporting of monthly actuals but equally importantly through our forward forecast lens to ensure proactive steps are identified and to ensure the health of the overall business.

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

**STRATEGIC REPORT (continued)**

**Principal risks and uncertainties**

The resilience of our business faces many inherent micro and macro level risks. As a business we recognise these risks and are constantly focused on mitigation activities to safeguard our future. We believe that complacency is our primary risk and as such we are committed to ensuring we don't fall into this trap.

Our Group Risk team are responsible for the management framework we use to control Risk overall and below we provide a list of the principal risks the business faces.

<b>Risk</b>	<b>Issue and Mitigation</b>
Customers & Markets	<p>Our markets are constantly evolving, and the needs of our clients do not stand still. To add to this issue, we operate in openly competitive environments. The business manages this risk by constantly challenging everything we do and sticking doggedly to our 3 Core Values:</p> <ul style="list-style-type: none"> <li>- Being committed to our clients and people</li> <li>- Being both creative and realistic</li> <li>- Combining professionalism with personality</li> </ul> <p>Additionally, to ensure the resilience of our business, we have created a global platform that is well diversified in terms of geography, services and sectors. This diversification means we are not exposed to any individual market or customer.</p>
Irrelevance and Disintermediation	<p>Game changing digitisation and the threats of disruption and disintermediation surround us all and are impacting our daily lives at an unprecedented pace. At Gleeds we manage this risk by embracing it. We encourage ideas and innovation from everyone within the firm, through dedicated investment and through our membership of external bodies, forums and thinktanks. We are very conscious that our future depends on by being at the forefront of the industry and constantly striving to add value and certainty to our customers and their projects.</p>
People	<p>We are a people business. We are only as strong as the people within our business. We hire the best and have a reputation for quality and delivery. This does mean that we need to be very good at identifying talent and ensuring our people want to stay within the firm. We recognise that there are other firms that covet our people and we see this is a compliment. Our management and HR teams are heavily invested in the welfare and career development of our people and this remains a constant and key focus for us all. We employ a dedicated resourcing team, hold regular 1:1 Check-in meetings, produce personalised development plans supported by in house training capabilities and encourage mobility around our wholly owned global business. We firmly believe that the opportunities available within Gleeds are second to none within our industry, a measure borne out by our continuing low levels of attrition and the numbers of applicants wanting to join the business.</p>

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Risk	Issue and Mitigation
Environmental	<p data-bbox="507 450 1433 622">Global market conditions are in a state of constant change. A wide variety of uncertainty exists around the world from the UK's departure from the EU, through to changing governments and the possible impacts of US/China trade disputes. We also have the incredible strain caused on our whole planet by the current climate emergency and with Covid 19 impacting virtually all aspects of our lives. We do not yet know what a post Covid world will look like.</p> <p data-bbox="507 656 1401 712">These risks can never be fully eliminated but our business strategy is aimed at mitigating their impact to an acceptable level.</p> <p data-bbox="507 745 1425 857">All of Gleeds trading entities are directly owned, allowing the business to effectively and decisively adjust to a changing environment. The vast majority of our services are delivered "in country" by local experts who fully understand their local markets.</p> <p data-bbox="507 891 1433 1003">Gleeds is widely diversified in terms of global presence, service lines and client base. This diversification runs through the company with a wide client base and a fully national UK presence. This diversification is a deliberate defence against specific micro market issues.</p> <p data-bbox="507 1037 1444 1149">In terms of the climate emergency, we believe that this wholly necessary agenda presents a significant opportunity for Gleeds, as we look to play our part in creating tomorrow's built environment. Internally we are constantly challenging our working methods to stay at the forefront of sustainability.</p> <p data-bbox="507 1182 1417 1294">We are also constantly challenging and analysing all areas of our cost base. We have contingency actions ready should they be needed to protect the business and our clients. These plans are reviewed by both our Risk and Finance Committees.</p>
Liquidity	<p data-bbox="507 1357 1428 1469">As a business we have actively balanced growth, with our desire not to burden ourselves with high level of external funding. As part of the wider UK based business, the company has access to significant unused debt funding through our bank, Barclays.</p> <p data-bbox="507 1473 1393 1552">We produce detailed 12 month rolling cash forecasts, based on P&amp;L budgets / forecasts agreed throughout the business and take early remedial action whenever needed.</p> <p data-bbox="507 1563 1473 1702">Gleeds has now traded for over 135 years and we see no reason why our operational planning, low levels of external gearing and detailed cash forecasting, would not allow us to deal with any events that may come our way. This successful management would include actions taken to deal with the current Covid 19 pandemic, without disruption to our clients.</p>

## **GLEEDS MANAGEMENT SERVICES LIMITED**

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

#### **Future developments**

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

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

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

In the same way, today's Gleeds continues to challenge industry concepts, working methods and the tools in use across our trade. In 2019 we spent over £4m on Research & Development activity across our businesses. This expenditure will continue over the years ahead, as we look to play our part in meeting today's generational challenges and to digitise our business model.

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

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



G E Harle  
Director  
11 February 2021



## **GLEEDS MANAGEMENT SERVICES LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements of Gleeds Management Services Limited (the "company") for the year ended 31 December 2019.

#### **Principal activities**

The principal activities of the company during the financial year were the provision of project management administration and consultancy services.

#### **Going concern**

Management has assessed whether the company is a going concern specifically with assessment in relation to impact that the uncertainties that COVID19 has introduced to the Global economy. The management continually assess the expected performance and cash flows of the business and has extended this assessment to include the impact of the current COVID19 environment.

As the company is part of the Gleeds group of companies and manages its day-to-day working capital requirements at a Group level and has shared bank facilities with fellow subsidiaries of Gleeds UK partnership Management has considered the overall Groups performance in making its assessment of the going concern assumption. In response to the impact of COVID19, a number of decisive measures were taken post year end to manage the cost base and cash flow across the Group. This has resulted in the Group increasing its cash reserves and reporting a strong performance against budget.

Management have considered what circumstances would need to occur to have a significant impact on the ability of the Group to trade for the foreseeable future and assessed monthly rolling forecasts and weekly cash flow projections for the next 12 months, and the longer term. Whilst the COVID19 situation continues to evolve daily, making scenario planning difficult, the company has addressed this by stress testing the cash flow through negative impacts on revenue and debtor collections, both with and without corrective measures being taken on the cost base. The stressed forecasts and projections demonstrate that the company will operate profitably and can operate within its current facilities to meet its day-to-day obligations as they fall due for a period of at least 12 months from the signing of these financial statements.

Based on this analysis, the current financial position and post year end trading results of the group, Management consider the likelihood of a reduction in revenue or deterioration of debtor profile of this magnitude to be remote.

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

#### **Directors**

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

R P Steer and G E Harle hold all 200,000 £1 Ordinary shares of the company. All shares are held on trust for the Gleeds UK partnership.

The following directors of the company are also partners in this partnership: R P Steer, S Senior, P S A Sweeney, A L Fowler, S K Ball, P Baston, S A Green, G E Harle and J M Stewart. The remaining directors have no interests in the partnership.

The company has no direct employees (2018: none).

## **GLEEDS MANAGEMENT SERVICES LIMITED**

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

#### **Directors' indemnities**

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

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

#### **Independent auditor**

BDO LLP were appointed as independent auditor since the balance sheet date. BDO LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



**G E Harle**

Director

11 February 2021

## **GLEEDS MANAGEMENT SERVICES LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

## **GLEEDS MANAGEMENT SERVICES LIMITED**

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

#### **Opinion**

We have audited the financial statements of Gleeds Management Services Limited ("the Company") for the year ended 31 December 2019 which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **GLEEDS MANAGEMENT SERVICES LIMITED**

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

#### **Other information (continued)**

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic and Directors' report has 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime.

#### **Responsibilities of Directors**

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

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

## **GLEEDS MANAGEMENT SERVICES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLEEDS MANAGEMENT SERVICES 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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*BDO LLP*

Sarah Joannidi (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Bristol, UK  
12 February 2021

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

# GLEEDS MANAGEMENT SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2019

	Note	2019 £	2018 £
<b>Turnover</b>	4	23,008,861	24,583,854
Cost of sales		(16,951,278)	(19,103,410)
<b>Gross profit</b>		6,057,583	5,480,444
Administrative expenses		(4,639,679)	(5,347,556)
Other operating income		307,501	-
<b>Operating profit</b>	5	1,725,405	132,888
Finance costs (net)	7	(6,598)	(4,382)
<b>Profit on ordinary activities before taxation</b>		1,718,807	128,506
Tax on profit on ordinary activities	8	(355,522)	(54,255)
<b>Profit for the financial year, being total comprehensive income for the year</b>		<u>1,363,285</u>	<u>74,251</u>

All results relate to continuing operations.

# GLEEDS MANAGEMENT SERVICES LIMITED

## BALANCE SHEET At 31 December 2019

	Note	2019 £	2018 £
<b>Current assets</b>			
Debtors – due within one year	9	4,430,070	4,342,246
<b>Creditors: amounts falling due within one year</b>	10	(2,860,419)	(3,285,880)
<b>Net current assets</b>		<u>1,569,651</u>	<u>1,056,366</u>
<b>Total assets less current liabilities, being net assets</b>		<u>1,569,651</u>	<u>1,056,366</u>
<b>Capital and reserves</b>			
Called-up share capital	12	200,000	200,000
Profit and loss account	13	<u>1,369,651</u>	<u>856,366</u>
<b>Total shareholder's funds</b>		<u>1,569,651</u>	<u>1,056,366</u>

The company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A for small entities.

The financial statements of Gleeds Management Services Limited, registered number 01753465 were approved by the board of directors and authorised for issue on 11 February 2021. They were signed on its behalf by:



**G E Harle**  
Director



**GLEEDS MANAGEMENT SERVICES LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2019**

	<b>Called-up share capital £</b>	<b>Profit and loss account £</b>	<b>Total shareholder's funds £</b>
<b>At 1 January 2018</b>	200,000	782,115	982,115
Profit for the financial year, being total comprehensive income	-	74,251	74,251
<b>At 31 December 2018</b>	200,000	856,366	1,056,366
Profit for the financial year, being total comprehensive income	-	1,363,285	1,363,285
Dividends		(850,000)	(850,000)
<b>At 31 December 2019</b>	200,000	1,369,651	1,569,651

## **GLEEDS MANAGEMENT SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2019**

#### **1. GENERAL INFORMATION**

Gleeds Management Services Limited (the "company") was engaged in the provision of project management administration and consultancy services.

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

#### **2. ACCOUNTING POLICIES**

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

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006 as applied to small companies.

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

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

##### **b) Going concern**

Management has assessed whether the company is a going concern specifically with assessment in relation to impact that the uncertainties that COVID19 has introduced to the Global economy. The management continually assess the expected performance and cash flows of the business and has extended this assessment to include the impact of the current COVID19 environment.

As the company is part of the Gleeds group of companies and manages its day-to-day working capital requirements at a Group level and has shared bank facilities with fellow subsidiaries of Gleeds UK partnership Management has considered the overall Groups performance in making its assessment of the going concern assumption. In response to the impact of COVID19, a number of decisive measures were taken post year end to manage the cost base and cash flow across the Group. This has resulted in the Group increasing its cash reserves and reporting a strong performance against budget.

Management have considered what circumstances would need to occur to have a significant impact on the ability of the Group to trade for the foreseeable future and assessed monthly rolling forecasts and weekly cash flow projections for the next 12 months, and the longer term. Whilst the COVID19 situation continues to evolve daily, making scenario planning difficult, the company has addressed this by stress testing the cash flow through negative impacts on revenue and debtor collections, both with and without corrective measures being taken on the cost base. The stressed forecasts and projections demonstrate that the company will operate profitably and can operate within its current facilities to meet its day-to-day obligations as they fall due for a period of at least 12 months from the signing of these financial statements.

Based on this analysis, the current financial position and post year end trading results of the group, Management consider the likelihood of a reduction in revenue or deterioration of debtor profile of this magnitude to be remote.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2019**

**2. ACCOUNTING POLICIES (continued)**

**c) Cash flow**

The financial statements do not include a Statement of Cash Flows because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Section 1A of FRS 102.

**d) Finance costs**

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

**e) Interest income**

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

**f) Revenue**

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

*Rendering of services*

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

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

**g) Cash and cash equivalents**

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

## GLEEDS MANAGEMENT SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2019

#### 2. ACCOUNTING POLICIES (continued)

##### h) Financial instruments

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

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

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

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

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

##### i) Dividends

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

##### j) Taxation

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

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

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

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

##### *Trade debtor provisions*

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

##### *Revenue for professional services*

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

## GLEEDS MANAGEMENT SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2019

#### 4. TURNOVER

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

#### 5. OPERATING PROFIT

Operating profit is stated after charging:

	2019 £	2018 £
Fees payable to the company's auditor for the audit of the company's financial statements	7,638	7,416
Rentals under operating leases	36,300	33,000

#### 6. DIRECTORS' REMUNERATION

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

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

#### 7. FINANCE (INCOME)/COSTS (NET)

	2019 £	2018 £
Overdrafts	7,084	5,231
Other interest (receivable)/payable	(486)	(849)
	6,598	4,382

#### 8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2019 £	2018 £
Corporation tax		
Current tax on profit for the year	355,522	54,255

#### Factors that may affect future tax charges

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19 percent, rather than the previously enacted reduction to 17 percent.

**GLEEDS MANAGEMENT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2019**

**9. DEBTORS: DUE WITHIN ONE YEAR**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	3,719,582	3,779,771
Amounts owed by group undertakings	5,018	133,875
Prepayments and accrued income	596,619	422,142
Other taxation and social security	108,851	6,458
	<u>4,430,070</u>	<u>4,342,246</u>

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand. Trade debtors are stated after provision for impairment of £345,090 (2018: £746,890).

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Overdrafts	1,279,623	1,060,680
Trade creditors	252,052	184,084
Amounts owed to group undertakings	410,409	1,350,977
Corporation tax	109,170	54,133
Accruals and deferred income	613,352	561,000
Other creditors	195,813	75,006
	<u>2,860,419</u>	<u>3,285,880</u>

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

**11. FINANCIAL INSTRUMENTS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>3,724,600</u>	<u>4,220,944</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(2,751,249)</u>	<u>(3,175,187)</u>

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

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

## GLEEDS MANAGEMENT SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2019

#### 12. CALLED-UP SHARE CAPITAL

	2019 £	2018 £
<b>Allotted, called-up and fully paid</b>		
200,000 (2018: 200,000) ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

#### 13. RESERVES

##### Profit and loss account

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

#### 14. CONTINGENT LIABILITIES

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

#### 15. RELATED PARTY TRANSACTIONS

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

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

The total of services acquired from the Gleeds partnership and companies during the financial year was £20,709,395 (2018: £21,478,858).

The total of services sold to the Gleeds partnership and companies during the financial year was £7,067,723 (2018: £5,927,915).

At the year end the company owed £410,409 (2018: £1,350,977) to the Gleeds partnership and companies. The amounts are included in amounts owed to related parties and accruals and deferred income.

At the year end the company was owed £5,018 (2018: £133,875) by the Gleeds partnership and companies. The amounts are included in amounts owed by related parties.

#### 16. OPERATING LEASE COMMITMENTS

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

	2019 £	2018 £
Within one year	<u>9,075</u>	<u>8,250</u>

## **GLEEDS MANAGEMENT SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)** **For the year ended 31 December 2019**

#### **17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

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

Gleeds UK  
95 New Cavendish Street  
London  
W1W 6XF

#### **18. POST BALANCE SHEET EVENTS**

In early 2020, the existence of a new coronavirus, known as COVID-19, was confirmed and since this time COVID-19 has spread across a significant number of countries. COVID-19 has caused disruption to businesses and economic activity which has been reflected in the fluctuations in the global stock markets. The Company considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event.