

Company Registration Number 03547158

GLEEDS CORPORATE SERVICES LIMITED

**Annual report and unaudited financial statements
for the year ended 31 December 2017**

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GLEEDS CORPORATE SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2017

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GLEEDS CORPORATE SERVICES LIMITED

DIRECTORS AND PROFESSIONAL ADVISERS

DIRECTORS

R A Ayrton	(appointed 1 May 2017)
D P Bengé	
G Church	
S Davidson	
S J Earl	
N E J Hampson	
G D Hughes	
I J Miller	(resigned 31 December 2017)
M Regent	
R P Savage	(resigned 31 December 2017)
S Senior	
R P Steer	
L C Ellis	(appointed 15 January 2018)
D J Mohring	(appointed 3 January 2018)

SECRETARY

N E J Hampson

REGISTERED NUMBER

03547158

REGISTERED OFFICE

95 New Cavendish Street
London
W1W 6XF

ACCOUNTANTS

Frost Wiltshire LLP
Brick House
21 Horse Street
Chipping Sodbury
Bristol
BS37 6DA

GLEEDS CORPORATE SERVICES LIMITED

DIRECTORS' REPORT

The directors present their annual report and the unaudited financial statements of Gleeds Corporate Services Limited (the "company") for the year ended 31 December 2017.

Principal activities

The principal activity of the company during the financial year was the provision of professional services on behalf of the Gleeds UK partnership.

Results and dividends

The profit for the financial year amounted to £166,175 (2016: £118,480).

During the year the company paid dividends of £150,000 (2016: £40,000). The directors do not recommend the payment of a final dividend (2016: £nil).

Directors

The directors who served during the year and up to the date of signing the financial statements were:

R A Ayrton	(appointed 1 May 2017)
D P Bengé	
G Church	
S Davidson	
S J Earl	
N E J Hampson	
G D Hughes	
I J Miller	(resigned 31 December 2017)
M Regent	
R P Savage	(resigned 31 December 2017)
S Senior	
R P Steer	
L C Ellis	(appointed 15 January 2018)
D J Mohring	(appointed 3 January 2018)

At 31 December 2017, R P Steer, I J Miller, R P Savage and S Senior are all equity partners in the partnership, Gleeds UK, which indirectly owns 100% of the share capital of the company. No remuneration is paid to them for their services to Gleeds Corporate Services Ltd. The remaining directors are employed by the company.

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.

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:



N E J Hampson
Director

18 June 2018

GLEEDS CORPORATE SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 Section 1A have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 Section 1A used in the preparation of financial statements; 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 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. They 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 the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

GLEEDS CORPORATE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	6,448,628	5,707,245
Cost of sales		(4,478,298)	(4,000,242)
Gross profit		1,970,330	1,707,003
Administrative expenses		(1,714,848)	(1,508,223)
Operating profit		255,482	198,780
Finance costs (net)	8	(1,448)	(1,194)
Profit on ordinary activities before taxation		254,034	197,586
Tax on profit on ordinary activities	9	(87,859)	(79,106)
Profit for the financial year, being total comprehensive income for the year		166,175	118,480

All results relate to continuing operations.

GLEEDS CORPORATE SERVICES LIMITED

BALANCE SHEET At 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	11	399,119	141,895
Current assets			
Debtors – due within one year	12	1,533,644	1,247,369
Creditors: amounts falling due within one year	13	(1,315,719)	(788,395)
Net current assets		<u>217,925</u>	<u>458,974</u>
Total assets less current liabilities, being net assets		<u>617,044</u>	<u>600,869</u>
Capital and reserves			
Called-up share capital	15	1	1
Profit and loss account	16	<u>617,043</u>	<u>600,868</u>
Shareholder's funds		<u>617,044</u>	<u>600,869</u>

The company is exempt from the requirements relating to preparing audited accounts in accordance with section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 Corporate Services Limited, registered number 03547158, were approved by the board of directors and authorised for issue on 18 June 2018. They were signed on its behalf by:



NEJ Hampson
Director

GLEEDS CORPORATE SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2017

	Called-up share capital £	Profit and loss account £	Total £
At 1 January 2016	1	522,388	522,389
Profit for the financial year, being total comprehensive income	-	118,480	118,480
Dividends	-	(40,000)	(40,000)
At 31 December 2016	1	600,868	600,869
Profit for the financial year, being total comprehensive income	-	166,175	166,175
Dividends	-	(150,000)	(150,000)
At 31 December 2017	1	617,043	617,044

GLEEDS CORPORATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2017

1. General information

Gleeds Corporate Services Limited (the "company") was engaged in the provision of professional services on behalf of the Gleeds UK partnership.

The Company is a private company limited by shares and is incorporated and domiciled 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.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment 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) 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.

c) Going concern

The company is part of the Gleeds group of companies. The company meets its day-to-day working capital requirements through its bank facilities and balances with the Gleeds UK partnership and other Gleeds companies. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

d) 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.

GLEEDS CORPORATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the year ended 31 December 2017**

2. Accounting policies (continued)

e) Tangible fixed assets

Tangible fixed assets under the cost model are stated at historic cost less accumulated depreciation and any accumulated impairment losses. Historic 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit or loss during the period in which they are incurred.

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:

Computer equipment	33% on cost
Fixtures and fittings	15% on cost

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 within 'other operating income' in the Profit and loss account.

f) Operating leases

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

g) Debtors

Short term debtors are measured at transaction price, less any impairment.

h) 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 CORPORATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

2. Accounting policies (continued)

i) 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.

j) Creditors

Short term creditors are measured at the transaction price.

k) 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.

l) 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.

m) Pensions

Defined contribution pension plan

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

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

GLEEDS CORPORATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

2. Accounting policies (continued)

n) 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. JUDGMENTS 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.

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

	2017 £	2016 £
Depreciation of tangible fixed assets	115,157	83,608
Pension costs	87,541	96,626
Operating lease charges	21,856	25,293

GLEEDS CORPORATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

6. DIRECTORS' REMUNERATION

	2017 £	2016 £
Directors' emoluments	868,952	778,428
Pension contributions	25,037	26,553
	<u>893,989</u>	<u>804,981</u>

During the year retirement benefits were accruing to 8 directors (2016: 7) in respect of defined contribution pension schemes.

The directors who are also equity partners of Gleeds UK are remunerated through Gleeds UK with no subsequent recharge in respect of their services as directors of this company.

7. STAFF NUMBERS AND COSTS

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

	2017 number	2016 Number
Services, administration and management	<u>60</u>	<u>58</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	2,523,866	2,474,674
Social security costs	279,001	276,235
Other pension costs	87,541	96,626
	<u>2,890,408</u>	<u>2,847,535</u>

8. FINANCE COSTS (NET)

	2017 £	2016 £
Other interest payable	1,438	76
Other interest receivable	(78)	-
Bank interest payable	88	1,118
	<u>1,448</u>	<u>1,194</u>

GLEEDS CORPORATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2017 £	2016 £
UK corporation tax charge on profit for the financial year	89,423	79,106
Adjustments in respect of prior years	(1,564)	-
Total tax charge for the year	<u>87,859</u>	<u>79,106</u>

Factors that may affect future tax charges

The Finance Act 2015 which was substantively enacted on 26 October 2015 included legislation to reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020.

The March 2016 Budget Statement announced a further change to the UK Corporation tax rate which will now reduce the main rate of corporation tax to 17% from 1 April 2020.

10. DIVIDENDS

	2017 £	2016 £
Dividends paid of £150,000 (2016: £40,000) per £1 share	<u>150,000</u>	<u>40,000</u>

11. TANGIBLE FIXED ASSETS

	Computer equipment £	Fixtures & fittings £	Total £
Cost or valuation			
At 1 January 2017	302,732	10,331	313,063
Additions	372,145	236	372,381
Disposals	(2,274)	(1,898)	(4,172)
At 31 December 2017	<u>672,603</u>	<u>8,669</u>	<u>681,272</u>
Depreciation			
At 1 January 2017	163,610	7,558	171,168
Charge for the year	114,125	1,032	115,157
Disposals	(2,274)	(1,898)	(4,172)
At 31 December 2017	<u>275,461</u>	<u>6,692</u>	<u>282,153</u>
Net book value			
At 31 December 2017	<u>397,142</u>	<u>1,977</u>	<u>399,119</u>
At 31 December 2016	<u>139,122</u>	<u>2,773</u>	<u>141,895</u>

GLEEDS CORPORATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

12. DEBTORS

	2017 £	2016 £
Trade debtors	-	631
Amounts owed by related parties	1,338,583	1,000,499
Prepayments and accrued income	180,355	230,077
Other debtors	14,706	16,162
	<u>1,533,644</u>	<u>1,247,369</u>

Amounts owed by related parties are unsecured, interest-free and repayable on demand.

Trade debtors are stated after provision for impairment of £nil (2016: £nil).

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Bank overdraft	759	6,429
Trade creditors	127,940	163,984
Amounts owed to related parties	645,853	198,130
Accruals and deferred income	177,235	71,061
Corporation tax	88,034	65,982
Other taxation and social security	265,724	272,408
Other creditors	10,174	10,401
	<u>1,315,719</u>	<u>788,395</u>

Amounts owed to related parties are unsecured, interest-free and repayable on demand.

The overdraft is secured by a cross-guarantee given by certain other Gleeds companies.

14. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>1,353,289</u>	<u>1,017,292</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(961,961)</u>	<u>(450,005)</u>

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

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors, amounts owed to related parties, accruals and other creditors.

GLEEDS CORPORATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2017

15. CALLED-UP SHARE CAPITAL

	2017 £	2016 £
Allotted, called-up and fully paid		
1 (2016: 1) ordinary share of £1 each	<u>1</u>	<u>1</u>

16. RESERVES

Profit and loss account

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

17. CONTINGENT LIABILITIES

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

18. PENSION COMMITMENTS

During the period the company paid £87,541 (2016: £96,626) in pension contributions to a defined contribution scheme. Contributions of £7,371 (2016: £7,548) were outstanding at the balance sheet date.

19. OPERATING LEASE COMMITMENTS

The company had future minimum lease payments under non-cancellable operating leases falling due as follows:

	2017 £	2016 £
Within one year	20,031	23,539
Between 1 and 5 years	<u>26,454</u>	<u>36,329</u>
	<u>46,485</u>	<u>59,868</u>

GLEEDS CORPORATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the year ended 31 December 2017**

20. RELATED PARTY TRANSACTIONS

During the financial year the company acquired services from the Gleeds partnership and Gleeds companies amounting to £977,021 (2016: £739,091).

During the financial year the company sold services to the Gleeds partnership and Gleeds companies amounting to £6,350,509 (2016: £5,631,517).

At the year end the company owed £645,853 (2016: £198,130) to the Gleeds UK partnership and companies.

At the year end the company was owed £1,338,583 (2016: £1,000,499) from the Gleeds UK partnership and companies.

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

Gleeds UK
95 New Cavendish Street London
W1W 6XF