

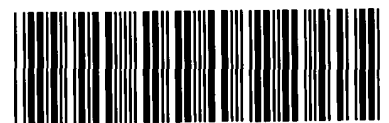
---

**PROCUREMENT LEADERS LIMITED**  
**(FORMERLY SIGARIA LIMITED)**

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

FRIDAY



\*A6G0J7TN\*

A06

29/09/2017

#484

COMPANIES HOUSE

---

## PROCUREMENT LEADERS LIMITED

---

### COMPANY INFORMATION

---

**DIRECTORS**

R Pope  
A Martinez  
M Perera  
R Bacon (resigned 28 February 2017)  
N Basuthakur (appointed 1 March 2017)  
D Gilbertson (appointed 1 March 2017)

**COMPANY SECRETARY**

A Cox

**REGISTERED NUMBER**

05013101

**REGISTERED OFFICE**

Prospero House  
241 Borough High Street  
London  
SE1 1GA

**INDEPENDENT AUDITOR**

Nexia Smith & Williamson  
Statutory Auditors & Chartered Accountants  
25 Moorgate  
London  
EC2R 6AY

---

**PROCUREMENT LEADERS LIMITED**

---

**CONTENTS**

---

	Page
<b>Group Strategic Report</b>	<b>1 - 2</b>
<b>Directors' Report</b>	<b>3 - 4</b>
<b>Directors' Responsibilities Statement</b>	<b>5</b>
<b>Independent Auditor's Report</b>	<b>6 - 7</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>8</b>
<b>Consolidated Balance Sheet</b>	<b>9</b>
<b>Company Balance Sheet</b>	<b>10</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>11 - 12</b>
<b>Company Statement of Changes in Equity</b>	<b>13 - 14</b>
<b>Consolidated Statement of Cash Flows</b>	<b>15</b>
<b>Notes to the Financial Statements</b>	<b>16 - 44</b>

---

## PROCUREMENT LEADERS LIMITED

---

### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### Business Review and Future Developments

The principal activity of the Group is the provision of procurement intelligence, professional development and peer-to-peer networking for procurement, sourcing and supply chain executives.

The key financial and other performance indicators of the Group during the year were as follows:

	2016 £'000	2015 £'000	Change %
Turnover	11,388	9,526	+20%
Operating profit	909	879	+3%
Profit after tax	667	549	+21%
Equity shareholders' funds	21	389	-95%
Invoice Sales	11,897	11,202	+6%
Adjusted EBITDA	1,569	1,465	+7%
Average number of employees	103	88	+17%

Overall 2016 was another good year for Procurement Leaders with turnover growth of 20% year on year. This was primarily the result of continued growth within our membership subscription business which grew revenues by 34% from 2015. The strategic focus of the business continued to be the growth of the membership base globally, with service offices now operational in London, Denver and Melbourne. The Denver office formally opened in April 2016 and the impact on US membership has been immediate with growth in annual contract values of US members of 47%.

To achieve further growth in membership during 2017 further product enhancement is expected, with the launch of our Transformation Accelerator tool to help our members benchmark their functional performance and identify the areas of where improvements will show the greatest return.

Operating profit growth of 3% was reported for the year which was in line with the Group's expectation following the investments made in the year in property and headcount. Continued investment is expected during 2017 with operating profits expected to grow significantly during 2018-2020.

Equity shareholders' funds have decreased from 2016 as a result of the creation of an Employee Benefit Trust during the year which invested in shares in Procurement Leaders with a view to providing employees with a long-term incentive plan.

Profit after tax has grown by £118k, 21% from the prior year. This is largely the result of the tax charge for the year reducing by £87k. Current tax on profits has increased by £70k from the prior year, as a result of the utilisation of losses in 2015. This has been offset by a decrease in the reversals in deferred tax timing differences of £81k and a prior period tax adjustment of £22k in the current year (2015: £84k).

The Group's Adjusted EBITDA continues to be a key indicator of the underlying performance of the business. Adjusted EBITDA is calculated by removing non-trading costs, which are recognised during the financial year. This includes the costs of non-executive directors, advance commissions and keyman insurance policies. The growth from the previous year of 7% is in line with expectations following the investments made during the year.

Investments made during 2016 include increasing Group Headcount by 17% from an average of 103 in 2016 compared to 88 in 2015. Continued headcount investment both in terms of seniority of role and absolute numbers is expected across all locations in 2017.

---

## PROCUREMENT LEADERS LIMITED

---

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### Principal risks and uncertainties

In the opinion of the directors the principal risks faced by the business, other than economy-wide risks are: the risk of key supplier failure, the risk of significant client loss, the loss of key employees, exchange rate fluctuations and cash flow management.

The directors seek to manage these risks through regular review with the strategies summarised below.

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.

The risk of significant client loss is managed by the directors by ensuring no over reliance on one particular client or one particular industry. Currently the largest client across the group makes up less than 5% of turnover.

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.

Exchange risk exists within the company with a number of events taking place outside the UK, and therefore having costs incurred in currencies other than GBP. The directors seek to manage this risk by pricing these events in the local currency. Further exchange risk exists with some sales contracts being priced in a client local currency. The directors do not consider this risk to be sufficiently large to warrant any hedging activity but the exposure is under regular review.

Cash flow is managed principally through tight control on the company's trade debtors. Invoices are issued on commencement of client engagement or in advance of event attendance and Debtor days for the company at year end were 55 days (2015: 39 days).

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



A Cox  
Secretary

Date: 29/09/2017

---

## PROCUREMENT LEADERS LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

---

The Directors present their report and the financial statements for the year ended 31 December 2016.

#### Results and dividends

The profit for the year, after taxation, amounted to £666,712 (2015 - £548,708).

The Directors declared an interim dividend of £nil (2015: £150,000) of which £nil (2015: £142,088) was paid during the year. The remaining balance remains unpaid. No final dividend has been declared or paid (2015: £nil).

The Directors who served during the year were:

R Pope  
A Martinez  
M Perera  
R Bacon (resigned 28 February 2017)

#### 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'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's auditor is aware of that information.

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

#### Post balance sheet events

Post year end dividends were declared and paid, amounting to £156,212.

A special resolution was passed on 5 July 2017 to change the name of the Company to Procurement Leaders Limited. The Company's dormant subsidiary, Procurement Leaders Limited, simultaneously changed its name to Sigaria Limited.

R Bacon resigned as a director on 28 February 2017. N Basuthakur and D Gilbertson were appointed directors on 1 March 2017.

371,136 of ordinary A shares, also known as growth shares, were issued on 28 April 2017. Growth shares only contain value once the enterprise value exceeds £20 million. This threshold reduces if any dividends are declared. Subsequently 37,115 growth share options were granted with performance based conditions such that they will either vest on achieving £17.5 million revenue in the financial year 2018 or £20 million in the financial year 2019. 187,425 growth shares were granted, which will only vest if an exit trigger occurs. 18,848 Employee Benefit Trust options were granted, which will only vest if an exit trigger occurs.

---

PROCUREMENT LEADERS LIMITED

---

DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016

---

**Auditors**

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.



A Cox  
Secretary

Date: 29/09/2017

---

## PROCUREMENT LEADERS LIMITED

---

### DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

---

The Directors are responsible for preparing the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and 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 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.



---

## PROCUREMENT LEADERS LIMITED

---

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

---

We have audited the financial statements of Procurement Leaders Limited for the year ended 31 December 2016, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

#### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2016 *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.

#### **Opinion on other matter 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 those financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

---

**PROCUREMENT LEADERS LIMITED**

---

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

---

**Matters on which we are required to report by exception:**

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

- adequate accounting records have not been kept 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.

*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: *29 September 2017*

**PROCUREMENT LEADERS LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover	3	11,387,586	9,525,961
Cost of sales		(2,352,620)	(1,772,071)
<b>Gross profit</b>		<b>9,034,966</b>	<b>7,753,890</b>
Administrative expenses		(8,126,404)	(6,875,035)
<b>Operating profit</b>	4	<b>908,562</b>	<b>878,855</b>
Interest receivable and similar income	8	1,639	2
<b>Profit before taxation</b>		<b>910,201</b>	<b>878,857</b>
Tax on profit	9	(243,489)	(330,149)
<b>Profit for the year</b>		<b>666,712</b>	<b>548,708</b>
Currency translation differences		(65,762)	(18,233)
<b>Other comprehensive income for the year</b>		<b>(65,762)</b>	<b>(18,233)</b>
<b>Total comprehensive income for the year</b>		<b>600,950</b>	<b>530,475</b>

The notes on pages 16 to 44 form part of these financial statements.

**PROCUREMENT LEADERS LIMITED**  
**REGISTERED NUMBER: 05013101**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £	As restated 2015 £
<b>Fixed assets</b>			
Intangible assets	11	357,849	498,566
Tangible assets	12	557,035	535,409
Investments	13	100,000	100,000
		<u>1,014,884</u>	<u>1,133,975</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	6,220,087	4,470,604
Cash at bank and in hand	15	2,283,304	3,365,756
		<u>8,503,391</u>	<u>7,836,360</u>
Creditors: amounts falling due within one year	16	(9,035,251)	(8,000,165)
<b>Net current liabilities</b>		<u>(531,860)</u>	<u>(163,805)</u>
<b>Total assets less current liabilities</b>		<u>483,024</u>	<u>970,170</u>
Creditors: amounts falling due after more than one year	17	(459,749)	(581,584)
Deferred tax	19	(2,462)	-
<b>Net assets</b>		<u><u>20,813</u></u>	<u><u>388,586</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	1,371	1,366
Share premium account	21	90,615	74,975
Foreign exchange reserve	21	(101,235)	(35,473)
Other reserves	21	(1,000,013)	-
Merger reserve	21	240,141	240,141
Profit and loss account	21	789,934	107,577
		<u><u>20,813</u></u>	<u><u>388,586</u></u>

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

**A Martinez**

Director

Date:

*29-SEP-2017*

The notes on pages 16 to 44 form part of these financial statements.

**PROCUREMENT LEADERS LIMITED**  
**REGISTERED NUMBER: 05013101**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £	As restated 2015 £
<b>Fixed assets</b>			
Intangible assets	11	357,849	498,566
Tangible assets	12	545,069	532,957
Investments	13	110,001	110,001
		<u>1,012,919</u>	<u>1,141,524</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	6,559,391	4,799,710
Cash at bank and in hand	15	2,197,879	3,328,317
		<u>8,757,270</u>	<u>8,128,027</u>
Creditors: amounts falling due within one year	16	(8,984,320)	(7,965,743)
<b>Net current (liabilities)/assets</b>		<u>(227,050)</u>	<u>162,284</u>
<b>Total assets less current liabilities</b>		<u>785,869</u>	<u>1,303,808</u>
Creditors: amounts falling due after more than one year	17	(459,749)	(581,584)
Deferred tax	19	(2,462)	-
<b>Net assets</b>		<u><u>323,658</u></u>	<u><u>722,224</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	1,371	1,366
Share premium account	21	90,615	74,975
Other reserves	21	(1,000,013)	-
Merger reserve	21	240,141	240,141
Profit and loss account	21	991,544	405,742
		<u><u>323,658</u></u>	<u><u>722,224</u></u>

The Company's profit for the year ended 31 December 2016 was £570,157.

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

**A Martinez**

Director

Date:

The notes on pages 16 to 44 form part of these financial statements.

  
**29-SEP-2017**

PROCUREMENT LEADERS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Share premium account £	Foreign exchange reserve £	Investment in own shares £	Merger reserve £	Retained earnings £	Total equity £
At 1 January 2016	1,366	74,975	(35,473)	-	240,141	107,577	388,586
Profit for the year	-	-	-	-	-	666,712	666,712
Movement on foreign exchange reserve	-	-	(65,762)	-	-	-	(65,762)
Other comprehensive income for the year	-	-	(65,762)	-	-	-	(65,762)
Total comprehensive income for the year	-	-	(65,762)	-	-	666,712	600,950
Shares issued during the year	5	15,640	-	-	-	-	15,645
Investment in own shares	-	-	-	(1,000,013)	-	-	(1,000,013)
Share based payment	-	-	-	-	-	15,645	15,645
At 31 December 2016	1,371	90,615	(101,235)	(1,000,013)	240,141	789,934	20,813

The notes on pages 16 to 44 form part of these financial statements.

PROCUREMENT LEADERS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Merger reserve £	Profit and loss account £	Total equity £
At 1 January 2015	1,366	74,975	(17,240)	240,141	(291,131)	8,111
Profit for the year	-	-	-	-	548,708	548,708
Movement on foreign exchange reserve	-	-	(18,233)	-	-	(18,233)
Other comprehensive income for the year	-	-	(18,233)	-	-	(18,233)
Total comprehensive income for the year	-	-	(18,233)	-	548,708	530,475
Dividends	-	-	-	-	(150,000)	(150,000)
At 31 December 2015	1,366	74,975	(35,473)	240,141	107,577	388,586

The notes on pages 16 to 44 form part of these financial statements.

PROCUREMENT LEADERS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Share premium account	Investment in own shares	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2016	1,366	74,975	-	240,141	405,742	722,224
Profit for the year	-	-	-	-	570,157	570,157
<b>Total comprehensive income for the year</b>	-	-	-	-	570,157	570,157
Shares issued during the year	5	15,640	-	-	-	15,645
Investment in own shares	-	-	(1,000,013)	-	-	(1,000,013)
Share based payment	-	-	-	-	15,645	15,645
<b>At 31 December 2016</b>	<b>1,371</b>	<b>90,615</b>	<b>(1,000,013)</b>	<b>240,141</b>	<b>991,544</b>	<b>323,658</b>

The notes on pages 16 to 44 form part of these financial statements.



---

PROCUREMENT LEADERS LIMITED

---

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015

---

	Called up share capital	Share premium account	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2015	1,366	74,975	240,141	18,588	335,070
Profit for the year	-	-	-	537,154	537,154
<b>Total comprehensive income for the year</b>	-	-	-	537,154	537,154
Dividends	-	-	-	(150,000)	(150,000)
<b>At 31 December 2015</b>	<b>1,366</b>	<b>74,975</b>	<b>240,141</b>	<b>405,742</b>	<b>722,224</b>

The notes on pages 16 to 44 form part of these financial statements.

PROCUREMENT LEADERS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	666,712	548,708
<b>Adjustments for:</b>		
Amortisation of intangible assets	377,874	446,612
Depreciation of tangible assets	201,881	52,672
Loss on disposal of tangible assets	-	990
Interest received	(1,639)	(2)
Taxation	243,489	330,149
(Increase) in debtors	(1,784,770)	(831,364)
Increase in creditors	819,635	1,704,853
Movement in foreign exchange	(65,762)	(18,233)
Share based payment charge	15,645	-
Corporation tax	(112,124)	-
<b>Net cash generated from operating activities</b>	<b>360,941</b>	<b>2,234,385</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(237,157)	(46,285)
Purchase of tangible fixed assets	(223,507)	(542,876)
Purchase of unlisted and other investments	-	(100,000)
Interest received	1,639	2
<b>Net cash from investing activities</b>	<b>(459,025)</b>	<b>(689,159)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	15,645	-
Repurchase of shares	(1,000,013)	-
Loans to directors	-	(100,000)
Dividends paid	-	(142,088)
<b>Net cash used in financing activities</b>	<b>(984,368)</b>	<b>(242,088)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,082,452)</b>	<b>1,303,138</b>
Cash and cash equivalents at beginning of year	3,365,756	2,062,618
<b>Cash and cash equivalents at the end of year</b>	<b>2,283,304</b>	<b>3,365,756</b>
Cash at bank and in hand	2,283,304	3,365,756

---

## PROCUREMENT LEADERS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

Sigaria Limited is a private limited company, limited by shares, incorporated in England and Wales. The address of the registered office is Prospero House, 241 Borough High Street, London, SE1 1GA.

The consolidated financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The first date at which FRS 102 was applied was 1 January 2014.

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 company's accounting policies (see note 2).

##### **Exemptions under the reduced disclosure framework**

The parent company has taken advantage of the following exemption available under FRS 102:

- the exemption from preparing a statement of cash flows.

The following principal accounting policies have been applied:

##### 1.2 Basis of consolidation

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

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

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

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

The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual Income Statement, Statement of Other Comprehensive Income and related notes.

##### 1.3 Going concern

The Group has net current liabilities at 31 December 2016 of £531,860. The Directors have reviewed forecasts which indicate the Group has adequate resources to meet liabilities as they fall due for the foreseeable future and as such believe the preparing of the financial statements on a going concern basis is appropriate.

---

## PROCUREMENT LEADERS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### 1. Accounting policies (continued)

##### 1.4 Revenue

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

##### **Sale of goods**

Revenue from the sale of goods comprises the delivery of Whitepaper articles and is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **Rendering of services**

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

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

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

##### **Events**

Revenue from events is recognised when the event takes place.

A change in accounting policy occurred in the year with respect to the recognition of Whitepaper revenue. Previously fifty percent of revenue was recognised two months prior to and fifty percent one month prior to the expected publication date of the Whitepaper, as it was considered a 'rendering of service'. Whitepaper revenue is now considered a 'sale of goods' according to the conditions listed out above and is recognised in full on the date the Whitepaper is accepted by the customer as that is deemed to be the point in time when the significant risks and rewards are transferred to the buyer. This resulted in an adjustment to the current year of £47,214. No prior year restatement was made as it was deemed immaterial to the financial statements.

---

## PROCUREMENT LEADERS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### 1. Accounting policies (continued)

##### 1.5 Business combinations & goodwill

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

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

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

##### 1.6 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.

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.

---

## PROCUREMENT LEADERS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### 1. Accounting policies (continued)

##### 1.7 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	- 20% - 33% straight line
Motor vehicles	- 20% straight line
Office equipment	- 25% straight line
Computer equipment	- 33% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

##### 1.8 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

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

##### 1.9 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 1.10 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.

In the Consolidated and Company Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

---

## PROCUREMENT LEADERS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### 1. Accounting policies (continued)

##### 1.11 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.

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 Group would receive for the asset if it were to be sold at the Balance Sheet date.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

If the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

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.

##### 1.12 Employee benefit trust

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

---

## PROCUREMENT LEADERS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### 1. Accounting policies (continued)

##### 1.13 Foreign currency translation

###### Functional and presentation currency

The Parent's functional and presentational currency is GBP. The Group's presentational currency is GBP. The Parent's subsidiary's functional currency is USD and the treatment and recognition of foreign exchange on the consolidation of the subsidiary into the Group's financial statements is detailed below.

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

At each period end foreign currency monetary items are translated using the closing rate. 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 the Profit and Loss Account.

All foreign exchange gains and losses are presented in the Profit and Loss Account 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.

##### 1.14 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 Board of Directors.



---

## PROCUREMENT LEADERS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### 1. Accounting policies (continued)

##### 1.15 Share based payments

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

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

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

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

##### 1.16 Pensions

###### Defined contribution pension plan

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

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

##### 1.17 Provisions for Liabilities

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

Provisions are charged as an expense to the Profit and Loss Account 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.

---

## PROCUREMENT LEADERS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### 1. Accounting policies (continued)

##### 1.18 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 2016

---

#### 2. Judgments in applying accounting policies and key sources of estimation uncertainty

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

##### Judgements

##### Financial instruments classification

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

##### Key sources of estimation uncertainty

##### Impairment of investments and goodwill

Impairment testing of goodwill is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectation of:

- growth in EBITDA, calculated as adjusted operating profit before depreciation and amortisation
- timing and quantum of future capital expenditure;
- long-term growth rates; and
- the selection of discount rates to reflect the risks involved.

Impairment testing of investments requires assessment as to whether the carrying value of the assets can be supported by a review of the net present value of future cash flow projections which have been discounted at an appropriate rate. Where such future cash flow information is unavailable, an assessment of impairment is made by management by reviewing recent transactions in the investment to confirm the valuation does not require the writing down of the carrying value.

##### Bad debt provisions

The trade debtor balance of £5,231,462 recorded in the Company's Balance Sheet comprises a relatively small number of large 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.

**PROCUREMENT LEADERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**3. Turnover**

	2016 £	2015 £
Asia Pacific	752,598	642,943
Europe, Middle East & Africa	3,203,663	2,592,693
UK	4,238,925	3,826,944
Latin America	52,048	56,962
USA	3,140,352	2,406,419
	<u>11,387,586</u>	<u>9,525,961</u>

**Analysis of turnover by class of business:**

	2016 £	2015 £
Membership	6,020,461	4,492,941
Advertising	375,869	584,096
Academy	268,313	347,138
Events (Delegates)	1,604,658	1,411,555
Events (PLMS)	3,108,575	2,681,553
Other	9,710	8,678
	<u>11,387,586</u>	<u>9,525,961</u>

**4. Operating profit**

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

	2016 £	2015 £
Research & development charged as an expense	50,903	69,803
Depreciation of tangible fixed assets	201,881	52,672
Amortisation of intangible assets, including goodwill	377,874	446,612
Impairment of trade debtors	72,410	33,116
Exchange differences	(590,040)	(134,021)
Other operating lease rentals	466,671	183,882
Defined contribution pension cost	101,634	54,777

**PROCUREMENT LEADERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**5. Auditor's remuneration**

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	18,500	14,500
	<u>18,500</u>	<u>14,500</u>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Tax compliance services	4,000	2,500
Tax advisory services	4,200	1,200
Audit-related assurance services	2,975	6,385
	<u>11,175</u>	<u>10,085</u>

**6. Employees**

**Group**

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

	2016 £	2015 £
Wages and salaries	5,174,631	4,503,496
Social security costs	554,750	514,358
Cost of defined contribution scheme	101,634	54,777
	<u>5,831,015</u>	<u>5,072,631</u>

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

	2016 No.	2015 No.
Membership	48	38
Events	26	23
Corporate Operations	13	12
Marketing	12	10
Academy	4	5
	<u>103</u>	<u>88</u>

---

PROCUREMENT LEADERS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

---

6. Employees (continued)

Parent

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

	2016 £	2015 £
Wages and salaries	4,721,375	4,297,746
Social security costs	520,870	514,358
Cost of defined contribution scheme	94,481	54,777
	<u>5,336,726</u>	<u>4,866,881</u>

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

	2016 £	2015 £
Membership	43	37
Events	25	22
Corporate Operations	12	12
Marketing	12	10
Academy	4	4
	<u>96</u>	<u>85</u>

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	388,117	386,939
Company contributions to defined contribution pension schemes	10,028	3,533
	<u>398,145</u>	<u>390,472</u>

During the year retirement benefits were accruing to 2 Directors (2015 - 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £195,842 (2015 - £196,313).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £5,600 (2015 - £867).

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

8. Interest receivable

	2016 £	2015 £
Other interest receivable	1,639	2
	<u>1,639</u>	<u>2</u>

9. Taxation

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	205,740	136,413
Foreign tax on income for the year	-	-
<b>Total current tax</b>	<u>205,740</u>	<u>136,413</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	14,961	95,477
Adjustments in respect of prior periods	22,053	83,729
Changes to tax rates	735	14,530
<b>Total deferred tax</b>	<u>37,749</u>	<u>193,736</u>
<b>Taxation on profit on ordinary activities</b>	<u>243,489</u>	<u>330,149</u>

---

**PROCUREMENT LEADERS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**9. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<b>910,201</b>	<b>878,857</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%)	<b>182,040</b>	<b>177,939</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>6,719</b>	<b>3,914</b>
Fixed asset differences	<b>75,826</b>	<b>64,484</b>
Adjustments to tax charge in respect of prior periods	<b>(8,505)</b>	<b>83,729</b>
Other timing differences leading to an increase (decrease) in taxation	<b>6,955</b>	<b>-</b>
Non-taxable income	<b>(18,394)</b>	<b>(5,523)</b>
Foreign taxes	<b>753</b>	<b>-</b>
Unrelieved tax losses carried forward	<b>-</b>	<b>2,993</b>
Adjustments for changes in tax rates	<b>(1,905)</b>	<b>2,613</b>
<b>Total tax charge for the year</b>	<b>243,489</b>	<b>330,149</b>

**Factors that may affect future tax charges**

On 16 March 2016 the Government announced its intention to propose to Parliament a reduction in the corporation tax rate to 19% for the tax years from 2017 to 2020 and 17% for the tax year 2020.

Finance Bill 2016 provides that the rate of corporation tax for the 2017 Financial Year (commencing 1 April 2017) will be 19% and that the rate from 1 April 2020 would be 17%. This bill became substantively enacted on 15 September 2016.



---

PROCUREMENT LEADERS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

---

10. Dividends

	2016 £	2015 £
Dividends	-	150,000
	<u>-</u>	<u>150,000</u>

The above dividend distribution included amounts of £nil (2015 - £65,315) paid to one Director of the Company, £nil (2015 - £55,364) paid to a second Director of the Company and £nil (2015 - £12,303) paid to a third Director of the Company.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

11. Intangible assets

Group

	Content £	Website develop- ment costs £	Computer software & content £	Goodwill £	Total £
<b>Cost</b>					
At 1 January 2016 (as previously stated)	687,597	86,498	-	1,424,039	2,198,134
Prior Year Adjustment	-	-	28,118	-	28,118
At 1 January 2016 (as restated)	687,597	86,498	28,118	1,424,039	2,226,252
Additions	36,347	177,060	23,750	-	237,157
At 31 December 2016	723,944	263,558	51,868	1,424,039	2,463,409
<b>Amortisation</b>					
At 1 January 2016 (as previously stated)	637,469	67,204	-	996,829	1,701,502
Prior Year Adjustment	-	-	26,184	-	26,184
At 1 January 2016 (as restated)	637,469	67,204	26,184	996,829	1,727,686
Charge for the year	54,953	35,559	2,555	284,807	377,874
At 31 December 2016	692,422	102,763	28,739	1,281,636	2,105,560
<b>Net book value</b>					
At 31 December 2016	31,522	160,795	23,129	142,403	357,849
At 31 December 2015 (as restated)	50,128	19,294	1,934	427,210	498,566

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

Computer software & content has been reclassified from tangible fixed assets to intangible fixed assets with a net book value at 1 January 2016 of £1,934 and £23,129 at 31 December 2016. It has been reclassified due to the fact that its nature is best reflected as an intangible fixed asset given no hardware is associated with the computer software.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

11. Intangible assets (continued)

Company

	Content £	Website develop- ment costs £	Computer software & content £	Goodwill £	Total £
<b>Cost</b>					
At 1 January 2016 (as previously stated)	687,597	86,498	-	1,424,039	2,198,134
Prior Year Adjustment	-	-	28,118	-	28,118
At 1 January 2016 (as restated)	687,597	86,498	28,118	1,424,039	2,226,252
Additions	36,347	177,060	23,750	-	237,157
At 31 December 2016	723,944	263,558	51,868	1,424,039	2,463,409
<b>Amortisation</b>					
At 1 January 2016 (as previously stated)	637,469	67,204	-	996,829	1,701,502
Prior Year Adjustment	-	-	26,184	-	26,184
At 1 January 2016 (as restated)	637,469	67,204	26,184	996,829	1,727,686
Charge for the year	54,953	35,559	2,555	284,807	377,874
At 31 December 2016	692,422	102,763	28,739	1,281,636	2,105,560
<b>Net book value</b>					
At 31 December 2016	31,522	160,795	23,129	142,403	357,849
At 31 December 2015 (as restated)	50,128	19,294	1,934	427,210	498,566

Computer software & content has been reclassified from tangible fixed assets to intangible fixed assets with a net book value at 1 January 2016 of £1,934 and £23,129 at 31 December 2016. It has been reclassified due to the fact that its nature is best reflected as an intangible fixed asset given no hardware is associated with the computer software.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

12. Tangible fixed assets

Group

	Improve- ments to property £	Motor vehicles £	Computer equipment £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2016	334,721	72,580	132,923	161,642	701,866
Additions	148,774	-	74,606	127	223,507
Disposals	(51,219)	-	-	-	(51,219)
At 31 December 2016	432,276	72,580	207,529	161,769	874,154
<b>Depreciation</b>					
At 1 January 2016	48,350	8,468	80,335	29,304	166,457
Charge for the period on owned assets	100,793	14,516	48,328	38,244	201,881
Disposals	(51,219)	-	-	-	(51,219)
At 31 December 2016	97,924	22,984	128,663	67,548	317,119
<b>Net book value</b>					
At 31 December 2016	334,352	49,596	78,866	94,221	557,035
At 31 December 2015	286,371	64,112	52,588	132,338	535,409

Computer software & content has been reclassified from tangible fixed assets to intangible fixed assets with a net book value at 1 January 2016 of £1,934 and £23,129 at 31 December 2016. It has been reclassified due to the fact that its nature is best reflected as an intangible fixed asset given no hardware is associated with the computer software.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

12. Tangible fixed assets (continued)

Company

	Improve- ments to property £	Motor vehicles £	Computer equipment £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2016	334,721	72,580	129,982	161,642	698,925
Additions	148,774	-	60,532	127	209,433
Disposals	(51,219)	-	-	-	(51,219)
At 31 December 2016	<u>432,276</u>	<u>72,580</u>	<u>190,514</u>	<u>161,769</u>	<u>857,139</u>
<b>Depreciation</b>					
At 1 January 2016	48,350	8,468	79,846	29,304	165,968
Charge for the period on owned assets	100,793	14,516	43,768	38,244	197,321
Disposals	(51,219)	-	-	-	(51,219)
At 31 December 2016	<u>97,924</u>	<u>22,984</u>	<u>123,614</u>	<u>67,548</u>	<u>312,070</u>
<b>Net book value</b>					
At 31 December 2016	<u>334,352</u>	<u>49,596</u>	<u>66,900</u>	<u>94,221</u>	<u>545,069</u>
At 31 December 2015	<u>286,371</u>	<u>64,112</u>	<u>50,136</u>	<u>132,338</u>	<u>532,957</u>

Computer software & content has been reclassified from tangible fixed assets to intangible fixed assets with a net book value at 1 January 2016 of £1,934 and £23,129 at 31 December 2016. It has been reclassified due to the fact that its nature is best reflected as an intangible fixed asset given no hardware is associated with the computer software.

---

PROCUREMENT LEADERS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

---

13. Fixed asset investments

Group

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 January 2016	100,000
At 31 December 2016	<u>100,000</u>
<b>Net book value</b>	
At 31 December 2016	<u>100,000</u>
At 31 December 2015	<u>100,000</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Sigaria Inc. (incorporated in the USA)	Ordinary	100 %	Provision of Event Management Services
Sigaria Limited, formerly Procurement Leaders Limited (incorporated in the UK)	Ordinary	100 %	Dormant

The registered office of Sigaria Inc. is 1550 Wewatta Street, 2nd Floor, Denver, Colorado 80202, United States. The registered office of Sigaria Limited (formerly Procurement Leaders Limited) is Prospero House, 241 Borough High Street, London, SE1 1GA.

---

PROCUREMENT LEADERS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

---

13. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
<b>Cost or valuation</b>			
At 1 January 2016	10,001	100,000	110,001
At 31 December 2016	<u>10,001</u>	<u>100,000</u>	<u>110,001</u>
<b>Net book value</b>			
At 31 December 2016	<u>10,001</u>	<u>100,000</u>	<u>110,001</u>
At 31 December 2015	<u>10,001</u>	<u>100,000</u>	<u>110,001</u>

**PROCUREMENT LEADERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**14. Debtors**

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2016 £</b>	<b>Company 2015 £</b>
Trade debtors	<b>5,231,462</b>	3,820,679	<b>5,231,462</b>	3,820,679
Amounts owed by group undertakings	-	-	<b>379,833</b>	337,277
Other debtors	<b>554,257</b>	443,966	<b>525,326</b>	438,810
Prepayments and accrued income	<b>434,368</b>	170,672	<b>422,770</b>	167,657
Deferred taxation	-	35,287	-	35,287
	<b><u>6,220,087</u></b>	<b><u>4,470,604</u></b>	<b><u>6,559,391</u></b>	<b><u>4,799,710</u></b>

Included within other debtors due within one year is a loan to a Director, amounting to £100,000 (2015 - £100,000). Amounts repaid during the year totalled £nil (2015: £nil)

No interest is charged on loans to directors.

**15. Cash and cash equivalents**

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2016 £</b>	<b>Company 2015 £</b>
Cash at bank and in hand	<b>2,283,304</b>	3,365,756	<b>2,197,879</b>	3,328,317
	<b><u>2,283,304</u></b>	<b><u>3,365,756</u></b>	<b><u>2,197,879</u></b>	<b><u>3,328,317</u></b>



**PROCUREMENT LEADERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**16. Creditors: Amounts falling due within one year**

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2016 £</b>	<b>Company 2015 £</b>
Trade creditors	258,681	117,850	250,816	117,659
Amounts owed to group undertakings	-	-	10,000	10,000
Corporation tax	236,298	136,413	236,298	136,413
Other taxation and social security	261,029	256,223	262,795	244,614
Other creditors	235,843	123,335	227,692	116,527
Accruals and deferred income	8,043,400	7,366,344	7,996,719	7,340,530
	<u>9,035,251</u>	<u>8,000,165</u>	<u>8,984,320</u>	<u>7,965,743</u>

In the event of default on any bank debt held, there is a debenture including a fixed charge over all present freehold and leasehold property. There is also a first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future.

There is also a first floating charge over all assets and undertaking both present and future dated 23 December 2009.

**17. Creditors: Amounts falling due after more than one year**

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2016 £</b>	<b>Company 2015 £</b>
Accruals and deferred income	459,749	581,584	459,749	581,584
	<u>459,749</u>	<u>581,584</u>	<u>459,749</u>	<u>581,584</u>

**PROCUREMENT LEADERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**18. Financial instruments**

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	5,806,726	4,235,583	6,157,628	4,569,572
Financial assets measured at cost less impairment	100,000	100,000	100,000	100,000
	<u>5,906,726</u>	<u>4,335,583</u>	<u>6,257,628</u>	<u>4,669,572</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(1,175,636)	(1,008,742)	(1,122,937)	(985,929)
	<u>(1,175,636)</u>	<u>(1,008,742)</u>	<u>(1,122,937)</u>	<u>(985,929)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors and intercompany balances.

Financial assets that are equity instruments measured at cost less impairment comprise unlisted investments.

Financial liabilities measured at amortised cost comprise trade creditors, intercompany balances, other creditors and accruals.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

19. Deferred taxation

Group

	2016 £	2015 £
At beginning of year	35,287	229,023
Charged to the profit or loss	(37,749)	(193,736)
<b>At end of year</b>	<b>(2,462)</b>	<b>35,287</b>

Company

	2016 £	2015 £
At beginning of year	35,287	229,023
Charged to the profit or loss	(37,749)	(193,736)
<b>At end of year</b>	<b>(2,462)</b>	<b>35,287</b>

The deferred taxation balance is made up as follows:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Accelerated capital allowances	(6,707)	(51,901)	(6,707)	(51,901)
Tax losses and other deductions carried forward	706	83,441	706	83,441
Short term timing differences	3,539	3,747	3,539	3,747
	<b>(2,462)</b>	<b>35,287</b>	<b>(2,462)</b>	<b>35,287</b>
<b>Comprising:</b>				
Asset - due within one year	-	35,287	-	35,287
Provision - due after one year	(2,462)	-	(2,462)	-
	<b>(2,462)</b>	<b>35,287</b>	<b>(2,462)</b>	<b>35,287</b>

---

PROCUREMENT LEADERS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

---

20. Share capital

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1,370,794 (2015 - 1,365,544) Ordinary shares of £0.001 each	<u>1,371</u>	<u>1,366</u>

5,250 ordinary shares of £0.001 each were allotted during the period with an aggregate nominal value of £5.25. Consideration of £15,645 was received in respect of the ordinary shares allotted and the residual value of £15,639.75 was credited to share premium.

21. 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 subsidiary, Sigaria Inc., on consolidation.

**Other reserves**

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

**Merger Reserve**

The merger reserve relates to the premium paid on the shares issued through a share for share exchange arrangement as required under sections 612 - 613 of the Companies Act 2006 less any transfers permitted due to a permanent diminution of the fair value of the investment which was acquired through the share for share exchange.

In accordance with the transitional exemption available in FRS 102, the Group chose not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

**Profit & loss account**

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

---

PROCUREMENT LEADERS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

---

**22. Share based payments**

The company has a HMRC approved share option scheme for certain employees. Options were granted in 2012 and 2013 at an exercise price of £2.98 per share.

Options are either exercisable in the event of certain performance criteria being met or in the event of a sale or listing of the company. The options are settled in equity once exercised. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if an individual leaves the company before the options vest.

As at 31 December 2016, 5,250 (2015: nil) options vested upon approval of the Board and were exercised. A charge of £15,645 (2015: £nil) has been recognised in the Statement of Comprehensive Income. 5,250 options met the performance criteria in the year ended 31 December 2015 and are still exercisable as at 31 December 2016. 5,250 did not meet the performance criteria in the year ended 31 December 2015 and were therefore forfeited. Nil were forfeited in the year ended 31 December 2016.

For the options that are only exercisable in the event of a sale or listing of the company, as no sale or listing of the company is considered probable, no charge (2015: £nil) has been recognised for share based payments.

	<b>Weighted average exercise price (pence) 2016</b>	<b>Number 2016</b>	<i>Weighted average exercise price (pence) 2015</i>	<i>Number 2015</i>
Outstanding at the beginning of the year	298	124,250	298	134,750
Forfeited during the year	-	-	298	(5,250)
Lapsed during the year	-	-	298	(5,250)
Exercised during the year	298	(5,250)	-	-
<b>Outstanding at the end of the year</b>	<b>298</b>	<b>119,000</b>	<b>298</b>	<b>124,250</b>

**23. Employee Benefit Trust**

An Employee Benefit Trust (EBT) has been set up to facilitate employee shareholdings under remuneration schemes, specifically share-based payments of ordinary A shares.

**24. Pension commitments**

The group operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the Group and amounted to £101,634 (2015: £54,777). Contributions totalling £20,372 were payable to the fund at the balance sheet date and are included in other creditors (2015: £20,819).

---

PROCUREMENT LEADERS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

---

**25. Commitments under operating leases**

At 31 December 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2016 £</b>	<i>Group 2015 £</i>	<b>Company 2016 £</b>	<i>Company 2015 £</i>
Not later than 1 year	<b>444,124</b>	303,369	<b>444,124</b>	303,369
Later than 1 year and not later than 5 years	<b>1,059,727</b>	1,512,636	<b>1,059,727</b>	1,512,636
	<b><u>1,503,851</u></b>	<u>1,816,005</u>	<b><u>1,503,851</u></b>	<u>1,816,005</u>

**26. Related party transactions**

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

During the prior year, the Company purchased a 1.668% interest for consideration of £100,000 in a company, a Director of which is also a Director of Procurement Leaders Limited. No additional interest in this company was purchased in the current year. During the year, Procurement Leaders Limited purchased services from this company to the value of £nil (2015: £1,895). No amounts were outstanding as at 31 December 2016 (as at 31 December 2015: £nil).

Loans to directors are disclosed in Note 14 and dividends paid to directors are disclosed in Note 10.

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, 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 and the Finance Director. Total key management personnel compensation amounted to £932,385 (2015: £624,641).

---

## PROCUREMENT LEADERS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### **27. Post balance sheet events**

Post year end dividends were declared and paid, amounting to £156,212.

A special resolution was passed on 5 July 2017 to change the name of the Company to Procurement Leaders Limited. The Company's dormant subsidiary, Procurement Leaders Limited, simultaneously changed its name to Sigaria Limited.

R Bacon resigned as a director on 28 February 2017. N Basuthakur and D Gilbertson were appointed directors on 1 March 2017.

371,136 of ordinary A shares, also known as growth shares, were issued on 28 April 2017. Growth shares only contain value once the enterprise value exceeds £20 million. This threshold reduces if any dividends are declared. Subsequently 37,115 growth share options were granted with performance based conditions such that they will either vest on achieving £17.5 million revenue in the financial year 2018 or £20 million in the financial year 2019. 187,425 growth shares were granted, which will only vest if an exit trigger occurs. 18,848 Employee Benefit Trust options were granted, which will only vest if an exit trigger occurs.

#### **28. Controlling party**

The Directors do not consider there to be a controlling party.