

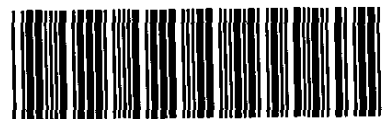
Registered number: 05013101

PROCUREMENT LEADERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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PROCUREMENT LEADERS LIMITED

COMPANY INFORMATION

Directors	N Basuthakur D C Wilkie
Company secretary	A Cox
Registered number	05013101
Registered office	Prospero House 241 Borough High Street London SE1 1GA
Independent auditor	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditor 45 Gresham Street London EC2V 7BG

PROCUREMENT LEADERS LIMITED

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PROCUREMENT LEADERS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the Strategic Report for Procurement Leaders Limited for the year ended 31 December 2022.

Business Review

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

The financial year ending 31 December 2022 saw the Group return to full operations as the impact of Covid-19 diminished allowing the complete events calendar to be held. Revenue for the year is reported at £19.03m an increase of £6.44m (51.2%) on the last financial year, and £3.97m (26.4%) ahead of the last full year pre Covid in 2019 of £15.06m. The increase in revenue has successfully translated into overall performance with Adjusted EBITDA increasing to £5.56m, an increase of £3.3m (146%) on the last financial year.

The key financial and other performance indicators of the Group for the year ending 31 December 2022 were as follows:

	2022	2021	Change
	£'000	£'000	£'000
Turnover	19,028	12,584	6,444
Operating profit	5,328	2,166	3,162
Equity shareholders' funds	4,437	4,750	(313)
Adjusted EBITDA	5,561	2,262	3,299
Profit after tax	4,271	1,739	2,532
Member count	317	311	6
Average number of employees	106	99	7

The results for the year of the Group as included in these financial statements are set out above.

Revenues have increased to £19.03m (2021 - £6.44m), an increase of 51%. The largest growth was seen in our Events division, with in person live Events returning in full delivering revenue of £6.30m an increase of £4.02m (176%) on 2021. Our Membership division saw revenue increase to £9.47m (2021 - £8.71m) an increase of 9%. Whilst member count increased to 317 from 311 at year end, revenue growth was primarily delivered from favourable foreign exchange movements on contracts denominated in foreign currency and new revenue streams from existing members by such as the Procurement Innovation Roundtable launched in the year which delivered £123k of additional revenue. Revenue from services recharged to our parent company, World 50 Inc., also delivered a significant increase in revenue generating £2.17m in 2022 (2021 - £538k). Operating Profit has increased to £5.33m (2021 - £2.17m) and Profit after tax has risen to £4.27m (2021 - £1.74k).

The Group's Adjusted EBITDA which represents a more accurate reflection of underlying performance has increased by £3.3m largely driven by the revenue growth of £6.44m, offset by increased costs of operating a full event calendar and the incurrence of costs related to the recharge of services to World 50, Inc., an increase in total expenditure of £3.21m to £13.58m (2021 - £10.37m). Adjusted EBITDA is calculated by removing non-trading costs which are recognised during the financial year from EBITDA. These costs include non-executive directors fees, advance commissions, restructuring costs and share based payment charges.

PROCUREMENT LEADERS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties

In the opinion of the directors the principal risks faced by the business include the economy-wide risks due to the ongoing Coronavirus pandemic, the risk of key supplier failure, the risk of significant client loss, the loss of key employees, exchange rate fluctuations, pricing risk and liquidity risk.

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

Suppliers:

The risk of key supplier failure is managed by the directors by ensuring that appropriate alternative providers or backup procedures exist where necessary to ensure provision of service will be unaffected.

Clients:

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

Employees:

The loss of key employees is managed by the directors by ensuring appropriate career development, remuneration and benefit packages are on offer to these individuals.

Foreign exchange:

Foreign exchange risk continues to be a principal risk faced by the business, with 71% (2021 - 72%) of membership contracts denominated in foreign currency. The directors seek to mitigate the currency risk by serving our members locally via our offices in London, Denver and Singapore which ensures the cost of service is largely denominated in the same currency as the revenue stream.

Pricing:

Pricing risk is considered limited given the frequent and regular review of the competitive landscape undertaken by the directors to ensure pricing remains competitive.

Liquidity:

Liquidity risk is managed principally through tight control on the company's trade debtors, to ensure sufficient cash balances are maintained to meet liabilities as they fall due. Invoices are issued on commencement of client engagement or in advance of event attendance and Debtor days for the Company at year end were 41 days (2021 - 40 days).

Future Developments

The Company plans to grow revenues from existing memberships and events in 2023 with no new revenue activities planned, with the directors anticipating strong organic revenue growth from these activities.

PROCUREMENT LEADERS LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Going concern

The Company generates strong cashflow with both memberships and events revenue streams paid prior to income recognition. The directors do not anticipate any changes to the operating model and have reviewed forecasts that were sensitised to assess the impact of adverse future performance. The impact was modelled over the going concern period, alongside reasonable mitigation the Company would expect to enact in such circumstances with regards operating costs. In all scenarios the directors believe the business can continue to operate as a going concern and meet all liabilities as they fall due.

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

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



A Cox
Secretary

Date: 28/09/2023

PROCUREMENT LEADERS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The profit for the year, after taxation, amounted to £4,271,044 (2021 - £1,738,741).

During the year dividends of £4,809,211 (2021 - £Nil) were paid.

Directors

The directors who served during the year were:

N Basuthakur
D C Wilkie

Matters covered in the Strategic Report

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

Disclosure of Information to auditor

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

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


Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditor

The auditor, CLA Evelyn Partners Limited, 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: 28/09/2023

PROCUREMENT LEADERS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

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

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

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

Opinion

We have audited the financial statements of Procurement Leaders Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

PROCUREMENT LEADERS LIMITED

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

PROCUREMENT LEADERS LIMITED

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Group's and Company's financial statements to material misstatement, including how fraud might occur.

The key areas identified as part of the discussion were:

- Manipulation of the financial statements through the posting of manual journal entries and incorrect recognition of revenue. This was communicated to the other members of the engagement team who were not present at the discussion.

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

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

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

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

PROCUREMENT LEADERS LIMITED

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

Use of our report

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

Timothy Adams

Timothy Adams (5 Sep 28, 2023 14:55 GMT+1)

Timothy Adams (Senior Statutory Auditor)

for and on behalf of

CLA Evelyn Partners Limited

Statutory Auditor

Chartered Accountants

45 Gresham Street

London

EC2V 7BG

Date: 28/09/2023

PROCUREMENT LEADERS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	19,027,669	12,584,295
Cost of sales		(2,702,771)	(965,848)
Gross profit		16,324,898	11,618,447
Administrative expenses		(10,873,664)	(9,406,638)
Other operating income		5,000	4,000
Share-based payment charge		(128,420)	(49,692)
Operating profit	5	5,327,814	2,166,117
Interest receivable and similar income	9	4,737	4,517
Profit before taxation		5,332,551	2,170,634
Tax on profit	10	(1,061,507)	(431,893)
Profit for the financial year		4,271,044	1,738,741
Currency translation differences		96,889	(17,123)
Total comprehensive income for the year		4,367,933	1,721,618

The notes on pages 20 to 42 form part of these financial statements.

PROCUREMENT LEADERS LIMITED
REGISTERED NUMBER:05013101

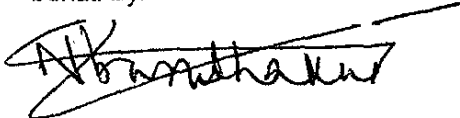
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	-	1,666
Tangible assets	13	116,766	86,397
Investments	14	100,000	100,000
		<u>216,766</u>	<u>188,063</u>
Current assets			
Debtors: amounts falling due within one year	15	7,894,405	10,211,379
Cash at bank and in hand		8,337,752	6,141,720
		<u>16,232,157</u>	<u>16,353,099</u>
Creditors: amounts falling due within one year	16	(2,021,414)	(819,031)
Net current assets		<u>14,210,743</u>	<u>15,534,068</u>
Total assets less current liabilities		<u>14,427,509</u>	<u>15,722,131</u>
Dilapidation provision	18	(105,795)	(101,028)
Accruals and deferred income	19	(9,885,042)	(10,871,573)
Net assets		<u><u>4,436,672</u></u>	<u><u>4,749,530</u></u>
Capital and reserves			
Called up share capital	20	1,788	1,788
Share premium account	21	346,064	346,064
Foreign exchange reserve	21	(65,945)	(162,834)
Merger reserve	21	240,141	240,141
Profit and loss account	21	3,914,624	4,324,371
Shareholders' funds		<u><u>4,436,672</u></u>	<u><u>4,749,530</u></u>

PROCUREMENT LEADERS LIMITED
REGISTERED NUMBER:05013101

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

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



N Basuthakur
Director

Date: 28/09/2023

The notes on pages 20 to 42 form part of these financial statements.

PROCUREMENT LEADERS LIMITED
REGISTERED NUMBER:05013101

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	-	1,666
Tangible assets	13	116,765	85,165
Fixed asset investments	14	105,542	105,542
		<u>222,307</u>	<u>192,373</u>
Current assets			
Debtors: amounts falling due within one year	15	7,250,412	9,609,401
Cash at bank and in hand		7,297,746	5,640,772
		<u>14,548,158</u>	<u>15,250,173</u>
Creditors: amounts falling due within one year	16	(3,171,097)	(1,736,923)
Net current assets		<u>11,377,061</u>	<u>13,513,250</u>
Total assets less current liabilities		<u>11,599,368</u>	<u>13,705,623</u>
Dilapidation provision	18	(105,795)	(101,028)
Accruals and deferred Income	19	(8,750,685)	(9,726,126)
Net assets		<u>2,742,888</u>	<u>3,878,469</u>
Capital and reserves			
Called up share capital	20	1,788	1,788
Share premium account	21	346,064	346,064
Merger reserve	21	240,141	240,141
Profit and loss account	21	2,154,895	3,290,476
Shareholders' funds		<u>2,742,888</u>	<u>3,878,469</u>

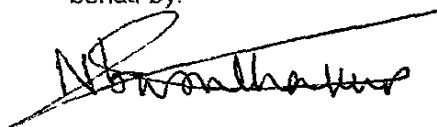
PROCUREMENT LEADERS LIMITED
REGISTERED NUMBER:05013101

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

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

The profit after tax of the Company for the year was £3,545,210 (2021 - £836,447).

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



N Basuthakur
Director

Date: 28/09/2023

The notes on pages 20 to 42 form part of these financial statements.

PROCUREMENT LEADERS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Merger reserve £	Profit and loss account £	Total equity £
At 1 January 2021	1,788	346,064	(145,711)	240,141	2,535,938	2,978,220
Comprehensive Income for the year						
Profit for the year	-	-	-	-	1,738,741	1,738,741
Movement on foreign exchange reserve	-	-	(17,123)	-	-	(17,123)
Contributions by and distributions to owners						
Share-based payment expense	-	-	-	-	49,692	49,692
At 1 January 2022	1,788	346,064	(162,834)	240,141	4,324,371	4,749,530
Comprehensive Income for the year						
Profit for the year	-	-	-	-	4,271,044	4,271,044
Movement on foreign exchange reserve	-	-	96,889	-	-	96,889
Contributions by and distributions to owners						
Dividends	-	-	-	-	(4,809,211)	(4,809,211)
Share-based payment expense	-	-	-	-	128,420	128,420
At 31 December 2022	1,788	346,064	(65,945)	240,141	3,914,624	4,436,672

PROCUREMENT LEADERS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Share premium account £	Merger reserve £	Profit and loss account £	Total equity £
At 1 January 2021	1,788	346,064	240,141	2,404,337	2,992,330
Comprehensive Income for the year					
Profit for the year	-	-	-	836,447	836,447
Contributions by and distributions to owners					
Share-based payment expense	-	-	-	49,692	49,692
At 1 January 2022	1,788	346,064	240,141	3,290,476	3,878,469
Comprehensive Income for the year					
Profit for the year	-	-	-	3,545,210	3,545,210
Contributions by and distributions to owners					
Dividends	-	-	-	(4,809,211)	(4,809,211)
Share-based payment expense	-	-	-	128,420	128,420
At 31 December 2022	1,788	346,064	240,141	2,154,895	2,742,888

PROCUREMENT LEADERS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	4,271,044	1,738,741
Adjustments for:		
Amortisation of intangible assets	1,666	48,601
Depreciation of tangible assets	42,427	33,509
Loss on disposal of tangible assets	(317)	-
Interest received	(4,737)	(4,517)
Taxation charge	1,061,507	431,893
Decrease/(increase) in debtors	2,325,891	(2,055,133)
(Decrease)/increase in creditors	(527,780)	892,442
Increase in provisions	4,767	5,684
Corporation tax (paid)/received	(326,792)	310,920
Movement in foreign exchange	96,889	(17,123)
Share-based payment charge	128,420	49,692
Net cash generated from operating activities	7,072,985	1,434,709
Cash flows from investing activities		
Purchase of tangible fixed assets	(73,199)	(97,011)
Sale of tangible fixed assets	720	-
Interest received	4,737	4,517
Net cash used in investing activities	(67,742)	(92,494)
Cash flows from financing activities		
Dividends paid	(4,809,211)	-
Net cash used in financing activities	(4,809,211)	-

PROCUREMENT LEADERS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Net increase in cash and cash equivalents	2,196,032	1,342,215
Cash and cash equivalents at beginning of year	6,141,720	4,799,505
Cash and cash equivalents at the end of year	8,337,752	6,141,720
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	8,337,752	6,141,720
	8,337,752	6,141,720

PROCUREMENT LEADERS LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	6,141,720	2,196,032	8,337,752
	<u>6,141,720</u>	<u>2,196,032</u>	<u>8,337,752</u>

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 General information

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

2 Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

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

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

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Going concern

The Company generates strong cashflow with both memberships and events revenue streams paid prior to income recognition. The directors do not anticipate any changes to the operating model and have reviewed forecasts that were sensitised to assess the impact of adverse future performance. The impact was modelled over the going concern period, alongside reasonable mitigation the Company would expect to enact in such circumstances with regards operating costs. In all scenarios the directors believe the business can continue to operate as a going concern and meet all liabilities as they fall due.

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

2.4 Foreign currency translation

Functional and presentation currency

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

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

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

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

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

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

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.5 Turnover

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

Rendering of services

Membership

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

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

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

Events

Turnover from events is recognised when the events take place.

Sponsorship

Sponsorship income relates to sponsoring of events and is recognised when the events take place.

2.6 Operating leases

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

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

2.7 Government grants

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

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

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.8 Interest income

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

2.9 Intangible assets

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

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

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

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

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

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.10 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

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

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

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

2.11 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Pensions

Defined contribution pension plan

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

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

2.13 Provisions for liabilities

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

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

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

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.14 Financial instruments

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

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

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

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

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

2.15 Share-based payments

Share options are awarded by the parent company of the Company to employees of the Company.

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

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

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

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

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.10 Current and deferred taxation

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

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

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

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

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

2.17 Dividends

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

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

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

Financial instruments classification

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

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

Bad debt provisions

The trade debtor balance of £4,171,115 (2021 - £3,613,697) recorded in the Group's Balance Sheet comprises a relatively large number of small balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible. The total bad debt provision at the year end was £116,644 (2021 - £62,793).

Share option valuation

Fair value is measured by use of the Black Scholes model in respect of options granted. The expected life used in the model has been adjusted, based on the directors' best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share-based payment charge for the year was £128,420 (2021 - £49,692).

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Turnover

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

	2022 £	2021 £
Asia Pacific	1,642,689	1,057,033
Europe, Middle East & Africa	3,684,065	3,217,268
UK	8,525,485	4,914,099
USA	5,175,430	3,367,352
Latin America	-	28,543
	<u>19,027,669</u>	<u>12,584,295</u>

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

	2022 £	2021 £
Membership	9,468,310	8,706,328
Events and sponsorship	7,352,814	3,361,914
Other	2,206,545	516,053
	<u>19,027,669</u>	<u>12,584,295</u>

5. Operating profit

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

	2022 £	2021 £
Impairment of trade debtors	35,823	41,190
Exchange differences	(553,637)	123,361
Operating lease rentals	<u>507,556</u>	<u>393,235</u>

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	74,375	56,250
	<u>74,375</u>	<u>56,250</u>
Fees payable to the Group's auditor and its associates in respect of:		
Audit-related assurance services	3,850	3,500
Tax compliance	5,315	5,315
Tax advisory services	30,255	-
	<u>39,420</u>	<u>8,815</u>

7. Employees

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	8,055,416	6,707,840	6,837,060	5,632,489
Social security costs	822,954	696,398	769,272	637,700
Cost of defined contribution scheme	253,156	194,224	223,615	171,875
	<u>9,131,526</u>	<u>7,598,462</u>	<u>7,829,947</u>	<u>6,442,064</u>

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Membership	45	55	36	45
Events	18	15	17	14
Corporate Operations	22	22	21	21
Marketing	8	7	8	7
Other	13	-	13	-
	<u>106</u>	<u>99</u>	<u>95</u>	<u>87</u>

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	439,699	492,744
Group contributions to defined contribution pension schemes	11,253	9,200
	<u>450,952</u>	<u>501,944</u>

During the year retirement benefits were accruing to 1 directors (2021 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £439,699 (2021 - £492,744).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £11,253 (2021 - £9,200).

9. Interest receivable and similar income

	2022 £	2021 £
Interest receivable	<u>4,737</u>	<u>4,517</u>

10. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	1,057,368	303,560
Adjustments in respect of previous periods	4,960	7,757
Total current tax	<u>1,062,328</u>	<u>311,317</u>
Deferred tax		
Origination and reversal of timing differences	5,707	167,069
Effect of change in tax rates	-	(46,493)
Adjustments in respect of prior periods	(6,528)	-
Total deferred tax	<u>(821)</u>	<u>120,576</u>
Taxation on profit on ordinary activities	<u>1,061,507</u>	<u>431,893</u>

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	5,332,551	2,170,634
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,013,185	412,420
Effects of:		
Expenses not deductible for tax purposes	33,289	12,626
Capital allowances for year in excess of depreciation	(1,780)	(3,509)
Foreign taxes	17,011	9,082
Adjustments to tax charge in respect of prior periods - current tax	4,960	7,757
Adjustments to tax charge in respect of prior periods - deferred tax	(6,528)	-
Remeasurement of deferred tax for changes in tax rates	1,370	(6,483)
Total tax charge for the year	1,061,507	431,893

Factors that may affect future tax charges

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The full anticipated effect of these changes is reflected in the above deferred tax balances.

11. Dividends

	2022 £	2021 £
Dividends	4,809,211	-

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Intangible assets

Group and Company

	Website development costs £	Content £	Goodwill £	Total £
Cost				
At 1 January 2022	235,686	725,343	24,142	985,171
At 31 December 2022	235,686	725,343	24,142	985,171
Amortisation				
At 1 January 2022	235,686	725,343	22,476	983,505
Charge for the year	-	-	1,666	1,666
At 31 December 2022	235,686	725,343	24,142	985,171
Net book value				
At 31 December 2022	-	-	-	-
At 31 December 2021	-	-	1,666	1,666

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Tangible fixed assets

Group

	Improvements to property £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 January 2022	451,418	144,454	182,099	777,971
Additions	15,000	559	57,640	73,199
Disposals	-	-	(827)	(827)
At 31 December 2022	466,418	145,013	238,912	850,343
Depreciation				
At 1 January 2022	432,908	130,716	127,950	691,574
Charge for the year	5,577	4,879	31,971	42,427
Disposals	-	-	(424)	(424)
At 31 December 2022	438,485	135,595	159,497	733,577
Net book value				
At 31 December 2022	27,933	9,418	79,415	116,766
At 31 December 2021	18,510	13,738	54,149	86,397

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Tangible fixed assets (continued)

Company

	Improvements to property £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 January 2022	451,418	143,839	152,391	747,648
Additions	15,000	480	54,095	69,575
Disposals	-	-	(827)	(827)
At 31 December 2022	466,418	144,319	205,659	816,396
Depreciation				
At 1 January 2022	432,908	130,101	99,474	662,483
Charge for the year	5,577	4,801	27,194	37,572
Disposals	-	-	(424)	(424)
At 31 December 2022	438,485	134,902	126,244	699,631
Net book value				
At 31 December 2022	27,933	9,417	79,415	116,765
At 31 December 2021	18,510	13,738	52,917	85,165

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Fixed asset investments

Group

	Unlisted investments £
Cost	
At 1 January 2022	100,000
At 31 December 2022	<u>100,000</u>
Net book value	
At 31 December 2022	<u>100,000</u>
At 31 December 2021	<u>100,000</u>

Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost			
At 1 January 2022	5,542	100,000	105,542
At 31 December 2022	<u>5,542</u>	<u>100,000</u>	<u>105,542</u>
Net book value			
At 31 December 2022	<u>5,542</u>	<u>100,000</u>	<u>105,542</u>
At 31 December 2021	<u>5,542</u>	<u>100,000</u>	<u>105,542</u>

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

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

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

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

15. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	4,171,115	3,613,697	3,570,720	3,053,282
Amounts owed by group undertakings	2,534,379	5,231,638	2,534,379	5,231,638
Other debtors	292,472	712,764	278,313	687,048
Prepayments and accrued income	831,527	597,285	802,116	581,438
Tax recoverable	37,441	29,345	37,413	29,345
Deferred taxation	27,471	26,650	27,471	26,650
	<u>7,894,405</u>	<u>10,211,379</u>	<u>7,250,412</u>	<u>9,609,401</u>

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	225,200	70,553	222,294	64,851
Amounts owed to group undertakings	-	-	1,344,602	1,159,821
Corporation tax	1,048,749	305,117	866,111	80,880
Other taxation and social security	243,978	294,246	242,293	285,810
Other creditors	503,487	149,115	495,797	145,561
	<u>2,021,414</u>	<u>819,031</u>	<u>3,171,097</u>	<u>1,736,923</u>

17. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	(26,650)	(147,226)
Charged to profit or loss	(821)	120,576
Deferred tax asset at end of year	<u>(27,471)</u>	<u>(26,650)</u>

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

17. Deferred taxation (continued)

Company

	2022 £	2021 £
At beginning of year	(26,650)	(147,226)
Charged to profit or loss	(821)	120,576
Deferred tax asset at end of year	(27,471)	(26,650)

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Accelerated capital allowances	5,508	(1,393)	5,508	(1,393)
Short-term timing differences	(32,979)	(25,257)	(32,979)	(25,257)
	(27,471)	(26,650)	(27,471)	(26,650)

Fixed asset timing differences are expected to reverse in line with each corresponding fixed asset class and the classes depreciation rates, as noted in the accounting policies.

Short-term timing differences are expected to reverse over the next 12 months.

18. Provisions

Group

	Dilapidation provision £
At 1 January 2022	101,028
Charged to profit or loss	4,767
At 31 December 2022	105,795

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

18. Provisions (continued)

Company

	Dilapidation provision £	Total £
At 1 January 2022	101,028	101,028
Charged to profit or loss	4,767	4,767
At 31 December 2022	105,795	105,795

The dilapidation provision relates to the expectation of future costs in restoring the property, currently leased, at the end of the lease term.

19. Accruals and deferred income

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Accruals and deferred income	9,885,042	10,871,573	8,750,685	9,726,126

Within accruals and deferred income, £555,504 (2021 - £586,971) relates to deferred income falling due in more than one year.

20. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,456,544 Ordinary shares of £0.001 each	1,456	1,456
331,775 A Ordinary shares of £0.001 each	332	332
	1,788	1,788

The Ordinary shares are entitled to one vote in any circumstance. Each share has equal rights to dividends, each share is entitled to participate in a distribution arising from a winding up of the company.

The A ordinary shares have rights to participate in the growth in the value of the Company above the "A equity hurdle", rights to vote and restrictions on rights to transfer.

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 subsidiaries, Procurement Leaders Inc. and Procurement Leaders Pte. Limited, on consolidation.

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 1 January 2014. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

Profit and loss account

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

PROCUREMENT LEADERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. Share-based payments

During the year, W50 Parent LLC, the parent company of the Company, granted Class B Share Units ("B Units") to employees of the Company. The total number B Units granted during the year were 637,844 and were split into the following categories:

	Number of B Units
Performance Based Units	454,286
Time Based Units	605,715
	<u>1,060,001</u>

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

The Time Based Units will vest equally on an annual basis over a period of five years starting from 20 May 2022.

The value of the the Time Based units were measured using the Black Scholes model. The charge for the year recognised in the financial statements is £128,420.

Details of the share-based payments are as follows:

	Performance Based Units		Time Based Units	
	Number of B Units	Weighted average exercise price US\$	Number of B Units	Weighted average exercise price US\$
Outstanding at the beginning of the year	925,779	1.01	1,234,372	1.01
Granted during the year	454,286	2.20	605,715	2.20
Lapsed during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	<u>1,380,065</u>	<u>1.40</u>	<u>1,840,087</u>	<u>1.40</u>
Exercisable at the end of the year	<u>-</u>		<u>-</u>	

PROCUREMENT LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments

The Group operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the Group and amounted to £241,903 (2021 - £194,224). Contributions totalling £46,278 (2021 - £591) were payable to the fund at the balance sheet date and are included in creditors.

24. Commitments under operating leases

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	460,359	113,852	460,359	113,852
Later than 1 year and not later than 5 years	1,267,223	1,727,582	1,267,223	1,727,582
	<u>1,727,582</u>	<u>1,841,434</u>	<u>1,727,582</u>	<u>1,841,434</u>

25. Related party transactions

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

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Group, or in relation to the Company. In the opinion of the board, the Group and Company's key management personnel are considered to be the board of directors, the Chief Operating Officer, the Chief Commercial Officer, the Chief Product Officer, the Finance Director and the MD of Events. Total key management personnel compensation amounted to £1,905,521 (2021 - £1,735,148).

26. Controlling party

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

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

The largest group of undertakings for which group accounts for the year ending 31 December 2022 have been drawn up, is that headed by W50 Holdings Inc. The financial statements are not publicly available.

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