

gleeds<sup>®</sup>

**GLEEDS INTERNATIONAL HOLDINGS LIMITED**

**Registered number: 3082140**

**Directors' report and financial statements**

**for the year ended 31 December 2010**

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**GLEEDS INTERNATIONAL HOLDINGS LIMITED**  
**Registered number: 3082140**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER  
2010**

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**DIRECTORS AND ADVISERS**

**DIRECTORS**

R P Steer  
I J Miller  
J S Murray  
S Senior

**COMPANY SECRETARY**

N E J Hampson

**REGISTERED OFFICE**

95 New Cavendish Street  
London  
W1W 6XF

**BANKERS**

Lloyds TSB Bank plc  
Regent Street Branch  
132 Regent Street  
London  
W1A 4BH

**SOLICITORS**

Dawsons LLP  
2 New Square  
Lincoln's Inn  
London  
WC2A 3RZ

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered accountants and statutory auditors  
31 Great George Street  
Bristol  
BS1 5QD

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

The directors present their report on the affairs of the company, together with the audited financial statements, for the year ended 31 December 2010

### **PRINCIPAL ACTIVITY**

The principal activity of the company during the financial year was to act as a holding company

### **REVIEW OF THE BUSINESS AND FUTURE PROSPECTS**

The company continued to act as a holding company for the investments in Gleeds Corporate Services Ltd, Gleeds International Ltd, Gleeds Americas Holdings Ltd, Gleeds Asia Pacific Holdings Ltd and Gleeds Middle East Ltd. The directors believe that these investments are performing satisfactorily

### **RESULTS AND DIVIDENDS**

The result for the financial year was a profit of £1,465 (2009 loss £125,549). The directors did not propose a dividend in the financial year (2009 nil)

### **DIRECTORS AND THEIR INTERESTS**

The present membership of the Board is set out on page 1

At the beginning and end of the financial year R P Steer held all 52 £1 'A' ordinary shares on trust for Gleeds (Head Office) partnership, J S Murray held all 52 £1 'B' ordinary shares on trust for Gleeds UK partnership, S Senior held all 52 £1 'C' ordinary shares on trust for Gleeds UK partnership and I J Miller held all 52 £1 'D' ordinary shares on trust for Gleeds UK partnership. All of the directors of the company are partners in each of these partnerships

The company has no direct employees (2009 none)

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

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

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company is acting as a holding company for several limited liability companies and the key identified business risk is considered to be the state of the construction and real estate markets of those investments which continue to be monitored closely by the directors

#### **KEY PERFORMANCE INDICATORS (KPIs)**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business

#### **GOING CONCERN**

The directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing these financial statements. The partners of the company's ultimate controlling parties have informed the company that it is their intention to continue to trade with the company and to provide the company with sufficient funds for at least 12 months from the date of signing the financial statements to enable it to meet its liabilities as they fall due and carry on its business without curtailment of operations.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the forthcoming Annual General Meeting.

#### **SMALL COMPANY EXEMPTION**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board of Directors on 29 September 2011  
Signed on behalf of the Board



Richard Steer  
Director

**GLEEDS INTERNATIONAL HOLDINGS LIMITED**  
**Registered number: 3082140**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLEEDS INTERNATIONAL HOLDINGS LIMITED**

We have audited the financial statements of Gleeds International Holdings Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2 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 Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**GLEEDS INTERNATIONAL HOLDINGS LIMITED**  
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**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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare financial statements in accordance with the small company regime and take advantage of the small companies' exemption in preparing the Directors' Report



Colin Bates (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Bristol

29 September 2011

**GLEEDS INTERNATIONAL HOLDINGS LIMITED**  
Registered number: 3082140

**PROFIT AND LOSS ACCOUNT**  
For the year ended 31 December 2010

	Note	2010 £	Restated 2009 £
<b>TURNOVER</b>		-	-
Cost of sales		-	-
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		-	-
Administrative expenses		(8,712)	(1,113)
		<hr/>	<hr/>
<b>OPERATING (LOSS)</b>	3	(8,712)	(1,113)
Income from shares in group undertakings		-	-
Interest receivable and similar income		(20)	-
Amounts written off fixed asset investments	4	-	(124,436)
		<hr/>	<hr/>
<b>(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(8,732)	(125,549)
Tax on loss on ordinary activities	5	10,197	-
		<hr/>	<hr/>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>1,465</u>	<u>(125,549)</u>

**STATEMENT OF RECOGNISED GAINS AND LOSSES**  
For the year ended 31 December 2010

	2010 £	Restated 2009 £
<b>Net profit/(loss) for the financial year</b>	<u>1,465</u>	<u>(125,549)</u>
<b>Total recognised gains and losses for the year</b>	<u>1,465</u>	<u>(125,549)</u>
Prior year adjustment	<u>(124,436)</u>	
<b>Total gains and losses recognised since last annual report</b>	<u>(122,971)</u>	

There is no difference between the loss on ordinary activities before taxation and the profit/(loss) for the financial year as stated above and their historical cost equivalents

All activities are derived from continuing operations

The accompanying notes for an integral part of the financial statements



**GLEEDS INTERNATIONAL HOLDINGS LIMITED**  
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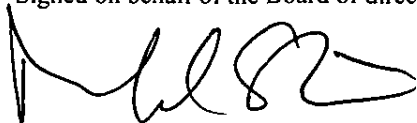
**BALANCE SHEET**  
**As at 31 December 2010**

	Note	2010 £	Restated 2009 £
<b>FIXED ASSETS</b>			
Investments	6	327,427	327,427
<b>CURRENT ASSETS</b>			
Debtors	7	570	2,412
Cash at bank and in hand		9,272	466
		<u>9,842</u>	<u>2,878</u>
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(5,503)</u>	<u>(4)</u>
<b>NET CURRENT ASSETS</b>		<u>4,339</u>	<u>2,874</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		331,766	330,301
<b>CREDITORS: amounts falling due after more than one year</b>	9	<u>(420,096)</u>	<u>(420,096)</u>
<b>NET (LIABILITIES)</b>		<u><u>(88,330)</u></u>	<u><u>(89,795)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	208	208
Share premium account		950	950
Profit and loss account	11	<u>(89,488)</u>	<u>(90,953)</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	11	<u><u>(88,330)</u></u>	<u><u>(89,795)</u></u>

The notes on pages 8 to 12 form part of the financial statements

The financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 small companies regime

These financial statements were approved by the Board of directors on 29 September 2011  
Signed on behalf of the Board of directors



Richard Steer  
**Director**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2010**

**1 ACCOUNTING POLICIES**

These financial statements are prepared in accordance with applicable accounting standards in the United Kingdom. The particular accounting policies adopted are described below.

**Basis of preparation**

The financial statements are prepared on a going concern basis, under the historical cost convention in accordance with the Companies Act 2006, the special provisions of the Companies Act 2006 small companies' regime.

The company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 398 of the Companies Act 2006. These financial statements present information about the company as an individual undertaking and not about its group.

A prior year adjustment has been required, see note 4.

**Cash flow statement**

Exemption has been taken under FRS 1 (revised 1996) 'Cash flow statement' from preparing a cash flow statement on the grounds that the company qualifies as a small company.

**Investments**

Investments held as fixed assets are stated at cost less provision for impairment.

**Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Foreign exchange**

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The company has no employees and the directors receive no remuneration for their services to this company.

**3. OPERATING LOSS**

	2010	2009
Operating loss is after charging	£	£
Auditors' remuneration – audit services	7,000	5,000
Auditors' remuneration – other services - taxation	2,025	2,000
	<u>9,025</u>	<u>7,000</u>

**4 AMOUNTS WRITTEN OFF INVESTMENTS**

The company disposed of the whole of its investment in Gleeds Australia Pty Ltd in October 2009

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Amounts written off fixed asset investments	-	(124,436)
	<u>          </u>	<u>          </u>

During the prior year the investment in a subsidiary company, Gleeds Australia Pty Ltd, was written off. However, a loan due to the Gleeds (Head Office) partnership was also understood to have been waived by the same amount resulting in a nil profit and loss account charge. The waiver, however, was incorrect and has therefore been restated, see notes 9 and 11.

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

<b>Analysis of charge in the financial year</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>	-	-
UK corporation tax on profits for the financial year	-	-
Adjustment in respect of previous period	(10,197)	-
<b>Total current tax charge</b>	<u>(10,197)</u>	<u>          </u>

The standard rate of current tax for the period, based on the UK standard rate of corporation tax is 28%. The current tax charge for the financial year differs from the standard rate for the reasons set out in the following reconciliation:

	<b>£</b>	<b>£</b>
Profit/Loss on ordinary activities before taxation	<u>(8,732)</u>	<u>(1,113)</u>
	<b>£</b>	<b>£</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	(2,445)	(312)
<b>Factors affecting charge for the financial year</b>		
Other timing differences	2,445	270
Adjustment in respect of previous period	(10,197)	-
<b>Total current tax charge / (credit)</b>	<u>(10,197)</u>	<u>          </u>

**GLEEDS INTERNATIONAL HOLDINGS LIMITED**  
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**6. FIXED ASSET INVESTMENTS**

	2010 £	2009 £
Shares in US subsidiary undertaking at cost	-	326,423
Shares in Gleeds Corporate Service Ltd	1	1
Shares in Gleeds Americas Holdings Ltd at cost	326,424	1
Shares in Gleeds Middle East Ltd	1	1
Shares in Gleeds Asia Pacific Holdings Ltd	1,000	1,000
Shares in Gleeds International Ltd	1	1
	327,427	327,427

The company entered into a share-for-share exchange agreement with Gleeds Americas Holdings Ltd under which the company exchanged the whole of its investment in Gleeds USA Inc for additional shares in Gleeds Americas Holdings Ltd

The directors believe that the carrying value of the investments is supported by their underlying net assets. The investments held by the company as at 31 December 2010, together with their respective aggregate capital and reserves at that date and their respective trading results for the financial year then ended are listed below

Name of direct investment	Country of incorporation	% of ordinary shares	Principle activity	Aggregate capital and reserves at 31 December 2010	Profit after tax for the year ended 31 December 2010
Gleeds Corporate Services Ltd	England	100%	Management support services	£52,559	£14,756
Gleeds Americas Holdings Ltd	England	100%	Holding company	£326,424	£nil
Gleeds Middle East Ltd	England	100%	Holding company	£1	£nil
Gleeds Asia Pacific Holdings Ltd	England	100%	Holding company	£1,000	£nil
Gleeds International Ltd	England	100%	Cost management consultancy	£1	£nil

Name of indirect investment	Country of incorporation	% of ordinary shares	Principle activity
Gleeds USA Inc	USA	69.3%	Construction consultancy
Gleeds Construction Consultancy Egypt S A E	Egypt	100%	Construction consultancy
Gleeds Hooloomann India Consulting Pvt Ltd	India	60%	Construction consultancy
Gleeds (Shanghai) Construction Consultant Co Ltd	China	100%	Construction consultancy
Gleeds (Hong Kong) Construction Consultant Co Ltd	Hong Kong	100%	Dormant
Gleeds (Suzhou) Construction Consultant Co Ltd	China	50%	Construction consultancy

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**7. DEBTORS**

	2010	2009
	£	£
VAT	412	150
Other debtors	158	2,262
	570	2,412
	570	2,412

**8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010	2009
	£	£
Other creditors	4	4
Accruals and deferred income	5,499	-
	5,503	4
	5,503	4

**9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2010	Restated 2009
	£	£
Amounts owed to group undertakings	420,096	420,096

**10. CALLED UP SHARE CAPITAL**

	2010	2009
	£	£
<b>Authorised</b>		
250 ordinary 'A' shares of £1 each	250	250
250 ordinary 'B' shares of £1 each	250	250
250 ordinary 'C' shares of £1 each	250	250
250 ordinary 'D' shares of £1 each	250	250
	1,000	1,000
	1,000	1,000
<b>Allotted and issued</b>		
52 ordinary 'A' shares of £1 each	52	52
52 ordinary 'B' shares of £1 each	52	52
52 ordinary 'C' shares of £1 each	52	52
52 ordinary 'D' shares of £1 each	52	52
	208	208
	208	208

**11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2010	2009
	£	£
Profit/(loss) for the financial year	1,465	(125,549)
Dividends	-	-
	<u>1,465</u>	<u>(125,549)</u>
Retained profit	1,465	(125,549)
Opening shareholders' funds as previously stated	34,641	34,596
Prior year adjustment (see note 4)	(124,436)	-
	<u>(89,795)</u>	<u>34,596</u>
Opening shareholders' funds as restated	(89,795)	34,596
	<u>(88,330)</u>	<u>(89,795)</u>
Closing shareholders' funds	<u>(88,330)</u>	<u>(89,795)</u>

**12 PROFIT AND LOSS ACCOUNT**

	2010	Restated 2009
	£	£
<b>Statement of retained profits</b>		
At 1 January	(90,953)	34,596
Retained profit/(loss) for the financial year	1,465	(125,549)
	<u>(89,488)</u>	<u>(90,953)</u>
At 31 December	<u>(89,488)</u>	<u>(90,953)</u>

**13. RELATED PARTY TRANSACTIONS**

At the year end the company owed £420,096 (2009 £420,096) to the Gleeds (Head Office) partnership, which represents loans acquired to fund investments purchased by the company

**14. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Gleeds (Head Office) partnership which has a principal place of business at 95 New Cavendish Street, London, W1W 6XF