

Registered number: 01736684

IPS Group Limited

**Annual Report
and Financial Statements**

For the year ended 31 December 2016

CLB COOPERS⁷
Audit Services



IPS Group Limited

Company Information

Directors	A L Charlesworth A M Chitnis C B Dickman A W Gartside J C C Cross
Company secretary	A M Chitnis
Registered number	01736684
Registered office	Bevis Marks House 24-26 Bevis Marks London EC3A 7JB
Independent auditor	CLB Coopers Audit Services Ship Canal House 98 King Street Manchester M2 4WU

IPS Group Limited

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IPS Group Limited

Strategic report For the year ended 31 December 2016

Strategy

In 2016, the Company continued its existing strategy. This is to be a specialist recruitment business for the insurance and related markets in the UK and a specialist financial and legal recruitment business in the UK.

Financial results

The Company found the insurance markets it operated in to be challenging as soft rates and reduced profits continued to suppress the hiring appetite of a number of our traditional clients in both the London and UK wider markets. The impact of the unexpected result in the UK referendum on membership of the EU had a negative impact on activity levels across all areas and adversely affected the levels of confidence of both clients and candidates. This combination resulted in a reduction of fee income and profits across the business. The legal division continued to maintain a good level of performance and our finance division grew their divisional fee income. Despite this, UK Turnover fell to £7,624,500 (2015: £9,146,099). The ongoing political uncertainty surrounding Brexit will cause some uncertainty in the appetite for clients to hire and candidates to move.

The implementation of our new CRM system took more time than planned and the benefits of the change were not fully felt in 2016.

Due to this, action was taken in the final quarter of the year to reduce fixed costs in the business, including the number of staff employed.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to clients' recruitment plans (which in turn are affected by the general economic climate), the availability of suitable candidates and the acquisition and retention of staff capable of executing recruitment projects.

Key performance indicators

The key performance indicators to which management refers when directing the business are the number and type of job vacancies notified to the company by clients, the number and suitability of applicants for vacancies, the quantity of curricula vitae submitted to client vacancies, the number of interviews arranged by recruitment consultants and the number and value of placements made.

IPS Group Limited

**Strategic report
For the year ended 31 December 2016**


Resources

The Company is fortunate to employ some long-serving and talented staff. Also, a number of new members of staff have joined the business and the combination of these talents is crucial to the future improvement of the business. As mentioned earlier, due to a deterioration in operating performance, fixed costs including staff numbers were reduced in the final quarter of 2016.

The future

The Company will continue its strategy of 2016 of focussing on the areas of opportunity within our specialist markets presented by the changes affecting those industries. We will continue to look for new opportunities to develop our specialist markets. Such development is limited by the availability of suitable personnel to carry out such initiatives.

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



A M Chitnis
Director

Date: 23 May 2017

IPS Group 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.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 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 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 for the Company's financial statements 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 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.

Results and dividends

The loss for the year, after taxation, amounted to £294,173 (2015: profit £162,525).

Directors

The directors who served during the year were:

A L Charlesworth

A M Chitnis

C B Dickman

A W Gartside

J C C Cross

A J Cuthbertson (appointed 1 February 2016, resigned 25 November 2016)

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

IPS Group Limited

**Directors' report (continued)
For the year ended 31 December 2016**

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.

Auditor

The auditor, CLB Coopers, tendered its resignation and was replaced by CLB Coopers Audit Services, who will be proposed for appointment in accordance with section 485 of the Companies Act 2006.

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



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A M Chitnis
Director

Date: 23 May 2017

IPS Group Limited

Independent auditor's report to the shareholder of IPS Group Limited

We have audited the financial statements of IPS Group Limited for the year ended 31 December 2016, set out on pages 7 to 24. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

This report is made solely to the Company's shareholder 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 shareholder 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 shareholder 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 on page 3, 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

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 strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 and of its profit or loss 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.

IPS Group Limited

Independent auditor's report to the shareholder of IPS Group Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

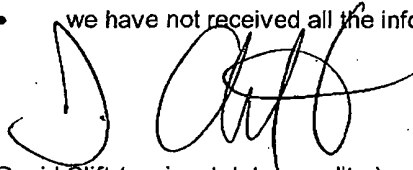
In our opinion, based on the work undertaken in the course of the audit, the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our 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 and the directors' report.

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.



David Cliff (senior statutory auditor)

for and on behalf of
CLB Coopers Audit Services

Statutory Auditors

Ship Canal House
98 King Street
Manchester
M2 4WU

23 May 2017

IPS Group Limited

**Statement of comprehensive income (including a profit and loss account)
For the year ended 31 December 2016**

	Note	2016 £	2015 £
Turnover	3	7,846,942	9,179,832
Cost of sales		(2,914,548)	(3,398,515)
Gross profit		4,932,394	5,781,317
Administrative expenses		(5,286,417)	(5,561,100)
Operating (loss)/profit	4	(354,023)	220,217
Interest receivable and similar income		48	244
(Loss)/profit before tax on ordinary activities		(353,975)	220,461
Tax on (loss)/profit on ordinary activities	8	59,802	(57,936)
(Loss)/profit for the year on ordinary activities		(294,173)	162,525

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income (including a profit and loss account).

There was no other comprehensive income for 2016 (2015:£nil).

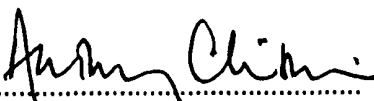
The notes on pages 11 to 24 form part of these financial statements.

IPS Group Limited
Registered number:01736684

Balance sheet
As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	9	223,252	270,886
Investments	10	393,659	393,659
		<u>616,911</u>	<u>664,545</u>
Current assets			
Debtors: amounts falling due within one year	11	2,907,785	3,164,395
Cash at bank and in hand		246,218	392,385
		<u>3,154,003</u>	<u>3,556,780</u>
Creditors: amounts falling due within one year	12	(1,262,993)	(1,429,534)
Net current assets		<u>1,891,010</u>	<u>2,127,246</u>
Total assets less current liabilities		<u>2,507,921</u>	<u>2,791,791</u>
Provisions for liabilities			
Deferred taxation	13	(5,101)	(4,939)
		<u>(5,101)</u>	<u>(4,939)</u>
Net assets		<u>2,502,820</u>	<u>2,786,852</u>
Capital and reserves			
Called up share capital	14	53,214	53,214
Profit and loss account		2,449,606	2,733,638
		<u>2,502,820</u>	<u>2,786,852</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 May 2017.



A M Chitnis
 Director

The notes on pages 11 to 24 form part of these financial statements.

IPS Group Limited

**Statement of changes in equity
For the year ended 31 December 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	53,214	2,733,638	2,786,852
Comprehensive income for the year			
Loss for the year	-	(294,173)	(294,173)
Capital contribution from parent undertaking	-	10,141	10,141
At 31 December 2016	53,214	2,449,606	2,502,820

IPS Group Limited

**Statement of changes in equity
For the year ended 31 December 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	53,214	2,543,709	2,596,923
Comprehensive income for the year			
Profit for the year	-	162,525	162,525
Capital contribution from parent undertaking	-	27,404	27,404
At 31 December 2015	53,214	2,733,638	2,786,852

The notes on pages 11 to 24 form part of these financial statements.

1. Accounting Policies

1.1 Basis of preparation of financial statements

The 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 UK and the Republic of Ireland and the Companies Act 2006.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Reduced disclosure exemptions

The Company has taken advantage of the Reduced Financial Reporting Regime, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" regarding the disclosure requirements of Sections 3, 4, 7, 11, 12 and 33 of the standard.

This information is included in the consolidated financial statements of IPS Holdings Limited as at 31 December 2016 and these financial statements may be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

1. Accounting Policies (continued)

1.3 Going concern

As set out in the Strategic Report, the insurance markets in which the Group deals has been and continues to be challenging. Soft rates and reduced profits continue to suppress the hiring appetite of some of our traditional clients. Also, the impact of the unexpected result in the UK referendum on membership of the EU has had a negative impact on activity levels across all areas. Conversely, the Legal division continued to maintain a good level of performance and the Finance division grew divisional fee income over the year.

In light of these challenges, action has been taken to reduce fixed costs including reducing the number of staff employed.

The directors have considered further the continuing impact of the Brexit decision on the UK business. Negotiations will clearly take time but the triggering of Article 50 has given some greater clarity to our clients and the impact on their hiring plans. As far as we can tell, there will continue to be some uncertainty but also some potential opportunity for the hiring of new staff in different European locations.

The directors have prepared profit and cashflow projections, taking account of these factors and of recent and expected trading performance across all markets. The financial projections depend on subjective judgements and assumptions and they are, according to the nature of the business and the period covered, subject to inherent uncertainty.

The projections indicate that the Group is expected to operate within its available working capital facilities.

The directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and thus continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, value added tax and other sales taxes.

Turnover consists of:

- i) Turnover from temporary placements, which represents amounts billed for the services of temporary staff, including the salary cost of these staff. This is recognised when the service has been provided.
- ii) Turnover from permanent placements, which is typically based on a percentage of the candidate's remuneration package and is derived from both retained assignments (income recognised on completion of defined stages of work) and non-retained assignments (income recognised on the start date of the placement).
- iii) Turnover from amounts billed to clients for expenses incurred on their behalf, which is recognised when the expense is incurred.

1.5 Cost of sales

Cost of sales consists of the salary cost of temporary staff and costs incurred on behalf of clients.

1. Accounting Policies (continued)

1.6 Gross Profit

Gross profit represents turnover less cost of sales and consists of the total placement fees of permanent candidates and the margin earned on the placement of temporary candidates.

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 provided on the following basis:

Leasehold improvements	- Over period of lease
Furniture and equipment	- 25% 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 profit and loss account within administrative expenses.

1.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

1.11 Creditors

Short term creditors are measured at the transaction price.

1. Accounting Policies (continued)

1.12 Foreign currency translation

The company's functional and presentational currency is GBP.

Transactions and balances

At each period end foreign currency monetary items are translated using the closing rate.

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.

1.13 Operating leases: Lessee

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

1.14 Pensions

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.15 Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

1. Accounting Policies (continued)

1.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, 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 operates and generates 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 is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are not discounted.

1.17 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.

1.18 Share based payments

The Company has applied the requirements of Section 26 of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" in respect of all share options. These share options are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of the grant. The fair value determined at the grant date of the share-based payments is expensed on a straight line basis over the vesting period, based on the estimate of the shares that will eventually vest and adjusted for the effect of non-market vesting conditions. Fair value is measured using the Black-Scholes model. The Company is compensated for this charge by way of a capital contribution from the parent company, IPS Holdings Limited which will bear the ultimate costs of issuing the shares.

Notes to the financial statements
For the year ended 31 December 2016

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

Share based payments

The directors have reviewed the performance of the company and the market in which it operates when determining the fair value of the share based payment left to vest using the Black Scholes method.

3. Analysis of turnover

The whole of the turnover is attributable to the principal activity.

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	7,624,500	9,146,099
Rest of the world	222,442	33,733
	<u>7,846,942</u>	<u>9,179,832</u>

4. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	49,874	40,081
Auditor's remuneration	12,900	12,450
Operating lease rentals	425,323	411,772
Defined contribution pension cost	181,365	174,879
	<u>-</u>	<u>-</u>

Notes to the financial statements
For the year ended 31 December 2016

5. Employees

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

	2016 £	2015 £
Wages and salaries	3,431,641	3,354,821
Social security costs	396,531	397,176
Cost of defined contribution scheme	181,365	174,879
	<u>4,009,537</u>	<u>3,926,876</u>

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

	2016 No.	2015 No.
Employees	<u>68</u>	<u>64</u>

6. Directors' Remuneration

	2016 £	2015 £
Directors' emoluments	537,792	542,584
Company contributions to defined contribution pension schemes	44,468	54,258
	<u>582,260</u>	<u>596,842</u>

During the year retirement benefits were accruing to 4 directors (2015: 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £124,645 (2015: £130,407).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15,828 (2015: £12,637).

Notes to the financial statements
For the year ended 31 December 2016

7. Share based payments

The Company has an Enterprise Management Incentive ("EMI") share option scheme. The scheme entitles employees of certain trading subsidiaries to purchase shares in the parent company. Exercise prices are based on the directors' valuation of the shares at the date of the grant. Options are conditional upon the employee remaining in the Company's service for the period up to and including the vesting date.

	Weighted average exercise price (pence) 2016	Number 2016	Exercise period
26 June 2007	3.50	4,500	2010 to 2017
1 April 2011	2.46	4,000	2014 to 2021
8 March 2013	2.75	20,200	2016 to 2023
20 May 2014	3.00	22,200	2017 to 2024
28 April 2016	2.63	37,500	2016 to 2018
Total		88,400	

	Number of options	Weighted average exercise price (£)
At 1 January 2016	55,400	2.91
Granted	63,000	2.63
Exercised	-	
Lapsed	(30,000)	2.69
Total	88,400	2.71

	2016 £	Weighted average exercise price (£) £
Exercisable at 31 December 2016	66,200	2.71

Notes to the financial statements
For the year ended 31 December 2016

Share based payments (continued)

At 31 December 2016, the range of exercise prices of the outstanding options was from £2.46 to £3.50 (2015: £2.46 to £3.50). The weighted average remaining contractual life of these options was 4 years (2015: 9 years).

The fair value of the services rendered in return for share options granted are measured by reference to the fair value of the share options granted. The estimate of the value of the services received is measured based on the Black-Scholes model.

	2016 £	2015 £
Share based payment charge	<u>10,141</u>	<u>27,404</u>

Notes to the financial statements
For the year ended 31 December 2016

8. Taxation

	2016 £	2015 £
Current tax on profits for the year	(59,964)	59,964
Total current tax	(59,964)	59,964
Deferred tax		
Origination and reversal of timing differences	162	(2,028)
Total deferred tax	162	(2,028)
Taxation on (loss)/profit on ordinary activities	(59,802)	57,936

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 20.25% (2015: 20.25%). The differences are explained below:

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	(353,975)	220,461
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2015: 20.25%)	(71,680)	44,643
Effects of:		
Expenses not deductible for tax purposes	10,909	27,634
Short term timing difference leading to an increase (decrease) in taxation	969	(14,341)
Total tax charge for the year	(59,802)	57,936

Notes to the financial statements
For the year ended 31 December 2016

9. Tangible fixed assets

	Leasehold improvements £	Furniture and equipment £	Total £
Cost or valuation			
At 1 January 2016	238,510	114,546	353,056
Additions	1,792	448	2,240
At 31 December 2016	240,302	114,994	355,296
Depreciation			
At 1 January 2016	44,417	37,753	82,170
Charge for the period on owned assets	25,647	24,227	49,874
At 31 December 2016	70,064	61,980	132,044
Net book value			
At 31 December 2016	170,238	53,014	223,252
At 31 December 2015	194,093	76,793	270,886

10. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2016	1,914,183
At 31 December 2016	1,914,183
Impairment	
At 1 January 2016	1,520,524
At 31 December 2016	1,520,524
Net book value	
At 31 December 2016	393,659
At 31 December 2015	393,659

IPS Group Limited

**Notes to the financial statements
For the year ended 31 December 2016**

10. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding
Insurance Personnel Selection Limited*	England and Wales	Ordinary	100%
IPS Overseas Limited*	England and Wales	Ordinary	100%
Trevor James (City of London) Limited*	England and Wales	Ordinary	100%
IPS Trustee Company Limited*	England and Wales	Ordinary	100%
Insurance Career Consultants Limited*	England and Wales	Ordinary	100%
Forsythe and Kayee Limited*	England and Wales	Ordinary	100%
Anakin Seal Legal Limited*	England and Wales	Ordinary	100%
IPS Group (Manchester) Limited*	England and Wales	Ordinary	100%
IPS Search Inc.	USA	Ordinary	100%
IPS Group (Asia) Limited	Hong Kong	Ordinary	100%
IPS Consulting (Shanghai) Limited**	China	Ordinary	100%
IPS Group (China) Limited**	China	Ordinary	100%
IPS Search Pte Limited	Singapore	Ordinary	100%
IPS Group GmbH	Switzerland	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Principal activity	Aggregate of share capital and reserves £	Profit/(loss) £
Insurance Personnel Selection Limited*	Dormant	1,620	-
IPS Overseas Limited*	Dormant	100	-
Trevor James (City of London) Limited*	Dormant	-	-
IPS Trustee Company Limited*	Dormant	(36,742)	-
Insurance Career Consultants Limited*	Dormant	-	-
Forsythe and Kayee Limited*	Dormant	100	-
Anakin Seal Legal Limited*	Dormant	370,007	-
IPS Group (Manchester) Limited*	Dormant	100	-
IPS Search Inc.	Executive recruitment	186,473	218,298
IPS Group (Asia) Limited	Executive recruitment	76,045	(24,519)
IPS Consulting (Shanghai) Limited(**)	Management Consultancy	(4,196)	(8,971)
IPS Group (China) Limited**	Executive recruitment	137,833	8,812
IPS Search Pte Limited	Executive recruitment	225,865	59,355
IPS Group GmbH	Executive recruitment	(30,882)	3,665

* dormant company

** held indirectly via IPS Group (Asia) Limited

IPS Group Limited

**Notes to the financial statements
For the year ended 31 December 2016**

11. Debtors

	2016 £	2015 £
Trade debtors	721,321	1,043,145
Amounts owed by group undertakings	1,946,506	1,983,984
Other debtors	239,958	137,266
	<u>2,907,785</u>	<u>3,164,395</u>

12. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	259,265	261,159
Amounts owed to group undertakings	580,512	464,444
Corporation tax	-	7,963
Other taxation and social security	206,472	271,351
Other creditors	216,744	424,617
	<u>1,262,993</u>	<u>1,429,534</u>

13. Deferred taxation

	2016 £	2015 £
At beginning of year	(4,939)	(6,967)
Charged to the profit and loss account	(162)	2,028
At end of year	<u>(5,101)</u>	<u>(4,939)</u>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(6,824)	(9,870)
Short term timing differences	1,723	4,931
	<u>(5,101)</u>	<u>(4,939)</u>

IPS Group Limited

Notes to the financial statements For the year ended 31 December 2016

14. Share Capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
53,214 Ordinary shares of £1 each	<u>53,214</u>	<u>53,214</u>

15. Pension Commitments

The Company contributes to a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension charge represents contributions payable by the company to the scheme in the year to 31 December 2016 which amounted to £184,425 (2015: £174,879).

At the balance sheet date, amounts owing to the pension scheme included within other creditors amount to £18,311 (2015: £17,586).

16. Commitments under operating leases

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

	2016 £	2015 £
Not later than 1 year	303,120	537,315
Later than 1 year and not later than 5 years	<u>525,895</u>	<u>792,290</u>

17. Related party transactions

In preparing these financial statements, advantage has been taken of the provision under Financial Reporting Standard 102 Section 33, which states that disclosure is not required of transactions with entities which are part of the group headed by IPS Holdings Limited.

18. Ultimate parent undertaking and controlling party

The Company's immediate and ultimate parent undertaking, and the ultimate controlling party, is IPS Holdings Limited, a company registered in England, which is the parent of the smallest and largest group to consolidate these financial statements. Copies of the financial statements of IPS Holdings Limited can be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

There is no single ultimate controlling party.