

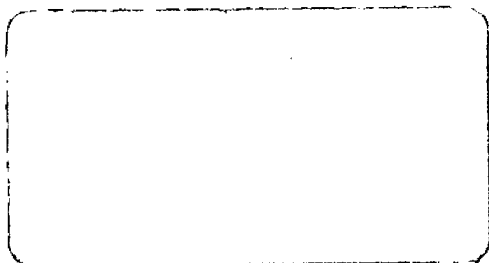
IPS GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



IPS GROUP LIMITED

COMPANY INFORMATION

Directors	C B Dickman A M Chitnis A L Charlesworth A W Gartside J C C Cross R D M Ballard D Hill
Secretary	A M Chitnis
Company number	01736684
Registered office	6th Floor Bevis Marks House 24-26 Bevis Marks London EC3A 7JB
Auditor	Baldwins Audit Services 5th Floor Ship Canal House 98 King Street Manchester M2 4WU



IPS GROUP LIMITED

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IPS GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company continued to be that of recruitment agency.

Business review

In 2018, the Company reviewed and confirmed its existing strategy. This is to be a specialist recruitment business in the UK for the insurance and related markets and the financial and legal markets.

Financial results

The Company found the insurance markets in which it deals to be more positive than in 2017 but still challenging as soft rates and reduced profits continued to dampen the hiring appetite of a number of clients in both the London and UK wider markets. This was exacerbated by the changes to the London market made by the Corporation of Lloyd's over the Autumn to close down unprofitable lines of business and mandate Syndicates to reduce costs. However, despite this, the UK insurance division improved its performance and increased its fee income and profit. The continued uncertainty over Brexit had a negative effect on activity levels across all areas in the UK. The legal division maintained a similar performance to last year due to continued caution by candidates in the legal sector about changing roles. Our finance division maintained a healthy level of activity and continued to demonstrate encouraging growth.

UK Turnover rose to £7,280,057 (2017: £7,232,210). The management changes effected by the Board have produced a greater capability to respond to changing market conditions and new recruitment strategies employed by clients. The Board has continued to improve efficiencies and reduce costs where appropriate which includes the reduction in staff numbers. As Brexit approaches, we will see how the impact affects the appetite of clients to hire and candidates to move. The Board has hired and will continue to look for new talent to complement our existing team.

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.

Resources

The Company is fortunate to employ a number of 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, the Board has continued to monitor fixed costs which increased slightly due to property and staff costs but overall staff numbers were reduced in 2018.

The future

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

IPS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C B Dickman

A M Chitnis

A L Charlesworth

A W Gartside

J C C Cross

R D M Ballard

D Hill

(Appointed 1 January 2019)

(Appointed 1 January 2019)

Auditor

In accordance with the company's articles, a resolution proposing that Baldwins Audit Services (previously trading as CLB Coopers Audit Services) be re-appointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

IPS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

On behalf of the board



A.M. Chitria

Director 9/05/2019

Date:

IPS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF IPS GROUP LIMITED

Opinion

We have audited the financial statements of IPS Group Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the balance sheet and notes to the financial statements, including a summary of 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 company's affairs as at 31 December 2018 and of its 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

IPS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF IPS GROUP LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 company or to cease operations, or have no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

IPS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF IPS GROUP LIMITED

Use of our report

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


David Clift (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

10th day 2019.

Statutory Auditor

**Ship Canal House
98 King Street
Manchester
M2 4WU**

IPS GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover		7,280,057	7,232,210
Cost of sales		(2,478,229)	(2,953,287)
Gross profit		<u>4,801,828</u>	<u>4,278,923</u>
Administrative expenses		(4,640,827)	(4,485,433)
Operating profit/(loss)		<u>161,001</u>	<u>(206,510)</u>
Interest receivable and similar income		109	-
Interest payable and similar expenses		-	(2,169)
Profit/(loss) before taxation		<u>161,110</u>	<u>(208,679)</u>
Tax on profit/(loss)		(25,791)	1,646
Profit/(loss) for the financial year		<u><u>135,319</u></u>	<u><u>(207,033)</u></u>

IPS GROUP LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3	137,107		175,333	
Investments	4	393,659		393,659	
		<u>530,766</u>		<u>568,992</u>	
Current assets					
Debtors	6	2,901,164		2,882,115	
Cash at bank and in hand		493,141		287,449	
		<u>3,394,305</u>		<u>2,969,564</u>	
Creditors: amounts falling due within one year	7	<u>(1,474,458)</u>		<u>(1,231,204)</u>	
Net current assets		<u>1,919,846</u>		<u>1,738,360</u>	
Total assets less current liabilities		<u>2,450,612</u>		<u>2,307,352</u>	
Provisions for liabilities		<u>(3,455)</u>		<u>(3,455)</u>	
Net assets		<u>2,447,157</u>		<u>2,303,897</u>	
Capital and reserves					
Called up share capital	9	53,214		53,214	
Profit and loss reserves		2,393,943		2,250,683	
Total equity		<u>2,447,157</u>		<u>2,303,897</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 09/05/2019 and are signed on its behalf by:



A M Chitnis
Director

Company Registration No. 01736684

IPS GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2017		53,214	2,449,606	2,502,820
Year ended 31 December 2017:				
Loss and total comprehensive income for the year		-	(207,033)	(207,033)
Credit to equity for equity settled share-based payments	8	-	8,110	8,110
Balance at 31 December 2017		53,214	2,250,683	2,303,897
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	135,319	135,319
Credit to equity for equity settled share-based payments	8	-	7,941	7,941
Balance at 31 December 2018		53,214	2,393,943	2,447,157

IPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

IPS Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6th Floor, Bevis Marks House, 24-26 Bevis Marks, London, EC3A 7JB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

IPS Group Limited is a wholly owned subsidiary of IPS Holdings Limited and the results of IPS Group Limited are included in the consolidated financial statements of IPS Holdings Limited which are available from Companies House.

1.2 Going concern

As set out in the strategic report, the insurance markets in which the Company deals in the UK continue to be challenging. Soft rates and reduced profits continue to dampen the hiring appetite of some of our traditional clients in the UK. Also, the continued uncertainty over Brexit had a negative impact on activity levels from both employers and candidates across the UK. The legal division performed similarly to 2017 but was affected by increased caution from candidates about moving employers. The finance division encouragingly continued to generate increased activity.

The Board continued to improve efficiencies and reduce fixed costs including the number of staff employed.

The directors have considered the continuing impact of change within the insurance and financial services' markets which should present genuine opportunity. There will continue to be uncertainty as a result of the repercussions of the Brexit negotiations but clients are pushing forward their plans despite this uncertainty and a number have made decisions on the hiring of new staff in different European locations.

The directors have prepared profit and cash flow 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 Company 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.

IPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.3 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:

- 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.
- 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).
- Turnover from amounts billed to clients for expenses incurred on their behalf, which is recognised when the expense is incurred.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over period of lease
Furniture and equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

IPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

IPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

IPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 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 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.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 52 (2017 - 58).

IPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Tangible fixed assets

	Leasehold improvements £	Plant and machinery etc £	Total £
Cost			
At 1 January 2018	240,302	115,393	355,695
Additions	-	3,706	3,706
At 31 December 2018	240,302	119,099	359,401
Depreciation and impairment			
At 1 January 2018	95,397	84,965	180,362
Depreciation charged in the year	22,824	19,108	41,932
At 31 December 2018	118,221	104,073	222,294
Carrying amount			
At 31 December 2018	122,081	15,026	137,107
At 31 December 2017	144,905	30,428	175,333

4 Fixed asset investments

	2018 £	2017 £
Investments	393,659	393,659

Fair value of financial assets carried at amortised cost

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2018 & 31 December 2018	1,914,183
Impairment	
At 1 January 2018 & 31 December 2018	1,520,524
Carrying amount	
At 31 December 2018	393,659
At 31 December 2017	393,659

IPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Anakin Seal Legal Limited	England and Wales	Dormant	Ordinary	100.00	
Forsythe and Kayee Limited	England and Wales	Dormant	Ordinary	100.00	
Insurance Career Consultants Limited	England and Wales	Dormant	Ordinary	100.00	
Insurance Personnel Selection Limited	England and Wales	Dormant	Ordinary	100.00	
IPS Consulting (Shanghai) Limited	China	Management Consultancy	Ordinary		100.00
IPS Group (Asia) Limited	Hong Kong	Executive recruitment	Ordinary	100.00	
IPS Group (China) Limited	China	Executive recruitment	Ordinary		100.00
IPS Group (Manchester) Limited	England and Wales	Dormant	Ordinary	100.00	
IPS Group GmbH	Switzerland	Executive recruitment	Ordinary	100.00	
IPS Overseas Limited	England and Wales	Dormant	Ordinary	100.00	
IPS Search Inc.	USA	Executive recruitment	Ordinary	100.00	
IPS Search Pte Limited	Singapore	Executive recruitment	Ordinary	100.00	
IPS Trustee Company Limited	England and Wales	Dormant	Ordinary	100.00	
Trevor James (City of London) Limited	England and Wales	Dormant	Ordinary	100.00	

6 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	835,585	531,043
Corporation tax recoverable	4,018	58,038
Amounts owed by group undertakings	1,731,273	1,800,380
Other debtors	330,288	292,654
	<u>2,901,164</u>	<u>2,682,115</u>

IPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	354,266	159,674
Amounts owed to group undertakings	431,468	446,274
Corporation tax	25,791	-
Other taxation and social security	301,129	223,251
Other creditors	361,805	402,005
	<u>1,474,459</u>	<u>1,231,204</u>

8 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2018 Number	2017 Number	2018 £	2017 £
Outstanding at 1 January 2018	72,150	88,400	2.40	2.79
Expired	(1,500)	(16,250)	2.63	2.87
Outstanding at 31 December 2018	<u>70,650</u>	<u>72,150</u>	<u>2.75</u>	<u>2.40</u>
Exercisable at 31 December 2018	<u>70,650</u>	<u>72,150</u>	<u>2.75</u>	<u>2.40</u>

The options outstanding at 31 December 2018 had an exercise price ranging from £2.46 to £3.00, and a remaining contractual life of 6 years.

During the year, the company recognised total share-based payment expenses of £7,941 which related to equity settled share based payment transactions.

9 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
53,214 Ordinary shares of £1 each	53,214	53,214
	<u>53,214</u>	<u>53,214</u>

IPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2018	2017
£	£
482,157	677,637

11 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.

12 Parent company

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 smallest and largest group to consolidate these financial statements. Copies of the financial statements of IPS Holdings Limited can be obtained from Bevis Marks House, 24-26 Bevis Marks, London, EC3A 7JB.

There is no single ultimate controlling party.