

**Company Registration No. 01736684 (England and Wales)**

**IPS GROUP LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**  
**PAGES FOR FILING WITH REGISTRAR**

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# IPS GROUP LIMITED

## COMPANY INFORMATION

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

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# **IPS GROUP LIMITED**

## **CONTENTS**

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	<b>Page</b>
Balance sheet	1
Statement of changes in equity	2
Notes to the financial statements	3 - 12

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# IPS GROUP LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	3	127,329		137,107	
Investments	4	393,659		393,659	
		<u>520,988</u>		<u>530,766</u>	
<b>Current assets</b>					
Debtors	6	2,361,263		2,901,164	
Cash at bank and in hand		537,805		493,141	
		<u>2,899,068</u>		<u>3,394,305</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,324,349)</u>		<u>(1,474,459)</u>	
<b>Net current assets</b>		<u>1,574,719</u>		<u>1,919,846</u>	
<b>Total assets less current liabilities</b>		<u>2,095,707</u>		<u>2,450,612</u>	
<b>Provisions for liabilities</b>		<u>(17,257)</u>		<u>(3,455)</u>	
<b>Net assets</b>		<u>2,078,450</u>		<u>2,447,157</u>	
<b>Capital and reserves</b>					
Called up share capital	9	53,214		53,214	
Profit and loss reserves		2,025,236		2,393,943	
<b>Total equity</b>		<u>2,078,450</u>		<u>2,447,157</u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered 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 15 May 2020 and are signed on its behalf by:

*Anthony Chitnis*

A M Chitnis  
Director

Company Registration No. 01736684

# IPS GROUP LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2018</b>		53,214	2,250,683	2,303,897
<b>Year ended 31 December 2018:</b>				
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
<b>Balance at 31 December 2018</b>		53,214	2,393,943	2,447,157
<b>Year ended 31 December 2019:</b>				
Loss and total comprehensive income for the year		-	(374,996)	(374,996)
Credit to equity for equity settled share-based payments	8	-	6,289	6,289
<b>Balance at 31 December 2019</b>		53,214	2,025,236	2,078,450

# **IPS GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **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.

# IPS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### 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 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. 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 directors have given careful thought as to their best estimate of the ongoing and future impact of the COVID 19 virus upon levels of wider economic activity and on the specific markets in which the group operates. They have scaled back their estimate of the level of vacancies, suitable candidate availability and expected revenues accordingly, for the foreseeable future. The directors note that the level of activity served by overseas subsidiaries is now rising as these regions come out of lockdown.

The projections indicate that the group is expected to operate within its existing working capital facilities, based upon the directors' estimate of when activity levels will recover. The group has access to an invoice discounting facility. In the event that activity levels take longer to rise than anticipated the group will be obliged to draw upon this facility and also possibly seek additional funding, potentially under the Government's Coronavirus Business Interruption Loan Scheme.

The directors 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.

#### 1.3 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.

# IPS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### 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 the life of the 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.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 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 and cash equivalents

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.

#### 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.



# IPS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies

(Continued)

##### **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.

##### **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.

##### **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.

# IPS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### **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.

#### **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 profit or loss 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 leases 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.

# IPS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 49 (2018 - 52).

### 3 Tangible fixed assets

	Leasehold improvements £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 1 January 2019	240,302	119,099	359,401
Additions	-	27,899	27,899
At 31 December 2019	240,302	146,998	387,300
<b>Depreciation and impairment</b>			
At 1 January 2019	118,221	104,073	222,294
Depreciation charged in the year	22,824	14,853	37,677
At 31 December 2019	141,045	118,926	259,971
<b>Carrying amount</b>			
At 31 December 2019	99,257	28,072	127,329
At 31 December 2018	122,081	15,026	137,107

### 4 Fixed asset investments

	2019 £	2018 £
Investments	393,659	393,659

## IPS GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

#### 5 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

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

# IPS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 6 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	582,559	835,585
Corporation tax recoverable	4,018	4,018
Amounts owed by group undertakings	1,556,821	1,731,273
Other debtors	217,865	330,288
	<u>2,361,263</u>	<u>2,901,164</u>

### 7 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	319,676	354,266
Amounts owed to group undertakings	431,468	431,468
Corporation tax	-	25,791
Other taxation and social security	229,611	301,129
Other creditors	343,594	361,805
	<u>1,324,349</u>	<u>1,474,459</u>

### 8 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2019	2018	2019	2018
	Number	Number	£	£
Outstanding at 1 January 2019	70,650	72,150	2.75	2.40
Expired	(14,750)	(1,500)	2.82	2.63
Outstanding at 31 December 2019	<u>55,900</u>	<u>70,650</u>	<u>2.73</u>	<u>2.75</u>
Exercisable at 31 December 2019	<u>55,900</u>	<u>70,650</u>	<u>2.73</u>	<u>2.75</u>

The options outstanding at 31 December 2019 had an exercise price ranging from £2.46 to £3.00, and a remaining contractual life of 6 years.

#### Liabilities and expenses

During the year, the company recognised total share-based payment expenses of £6,289 which related to equity settled share based payment transactions.

# IPS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 9 Called up share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
53,214 Ordinary shares of £1 each	53,214	53,214

### 10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

#### **Material Uncertainty relating to Going Concern**

We draw attention to Note 1.2 in the financial statements, which indicates that the revenues of the company may be significantly reduced on account of the COVID 19 pandemic. The directors have prepared detailed financial projections that reflect a reduced level of activity on account of the pandemic, which indicate that the company is expected to operate within its existing working capital facilities for the foreseeable future.

The ongoing impact of the pandemic could be deeper than the directors anticipate, and, in this event, this would represent a material uncertainty that may cast doubt as to the company's ability to continue as a going concern.

In the event that activity levels take longer to rise than anticipated the company has access to an invoice discounting facility and could also seek additional funding, potentially under the Government's Coronavirus Business Interruption Loan Scheme.

Our opinion is not modified in this respect.

The senior statutory auditor was David Clift.  
The auditor was Baldwins Audit Services.

### 11 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:

	2019 £	2018 £
	1,214,712	963,631

### 12 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.

# **IPS GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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### **13 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.