

Company registration number 01736684 (England and Wales)

IPS GROUP LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR



IPS GROUP LIMITED

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IPS GROUP LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	3		37,984		66,037
Investments	4		9,353		9,353
			<u>47,337</u>		<u>75,390</u>
Current assets					
Debtors	6	3,177,036		3,193,353	
Cash at bank and in hand		<u>1,677,254</u>		<u>1,015,971</u>	
		4,854,290		4,209,324	
Creditors: amounts falling due within one year	7	<u>(2,126,934)</u>		<u>(1,989,995)</u>	
Net current assets			<u>2,727,356</u>		<u>2,219,329</u>
Total assets less current liabilities			<u>2,774,693</u>		<u>2,294,719</u>
Provisions for liabilities			<u>(4,274)</u>		<u>(10,799)</u>
Net assets			<u><u>2,770,419</u></u>		<u><u>2,283,920</u></u>
Capital and reserves					
Called up share capital	9		53,214		53,214
Profit and loss reserves			<u>2,717,205</u>		<u>2,230,706</u>
Total equity			<u><u>2,770,419</u></u>		<u><u>2,283,920</u></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 9 May 2023 and are signed on its behalf by:

Richard Ballard

R D M Ballard
Director

Company Registration No. 01736684

IPS GROUP LIMITED

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

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2021		53,214	1,815,179	1,868,393
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	397,112	397,112
Credit to equity for equity settled share-based payments	8	-	18,415	18,415
Balance at 31 December 2021		53,214	2,230,706	2,283,920
Year ended 31 December 2022:				
Profit and total comprehensive income for the year		-	636,499	636,499
Dividends		-	(150,000)	(150,000)
Balance at 31 December 2022		53,214	2,717,205	2,770,419

IPS GROUP LIMITED

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

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, United Kingdom, 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

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the 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 2022

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.

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.

IPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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 and loans from fellow group companies, 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.

IPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

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.

IPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.15 Government grants

Other operating income relates to government grants received for the job retention scheme claimed during the Covid-19 pandemic.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	42	41

3 Tangible fixed assets

	Leasehold improvements £	Plant and machinery etc £	Total £
Cost			
At 1 January 2022	240,302	151,223	391,525
Additions	-	3,790	3,790
At 31 December 2022	240,302	155,013	395,315
Depreciation and impairment			
At 1 January 2022	185,976	139,512	325,488
Depreciation charged in the year	22,380	9,463	31,843
At 31 December 2022	208,356	148,975	357,331
Carrying amount			
At 31 December 2022	31,946	6,038	37,984
At 31 December 2021	54,326	11,711	66,037

4 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings and participating interests	9,353	9,353

IPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 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	-

6 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	1,480,040	1,282,576
Amounts owed by group undertakings	1,441,985	1,619,762
Other debtors	255,011	291,015
	<u>3,177,036</u>	<u>3,193,353</u>

7 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	687,609	758,568
Amounts owed to group undertakings	257,583	282,376
Corporation tax	135,962	79,224
Other taxation and social security	361,105	353,533
Other creditors	684,675	516,294
	<u>2,126,934</u>	<u>1,989,995</u>

IPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2022 Number	2021 Number	2022 £	2021 £
Outstanding at 1 January 2022	-	41,750	-	-
Forfeited	-	(41,750)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Outstanding at 31 December 2022	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Exercisable at 31 December 2022	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

In the prior year, the existing share options were waived by the option holders resulting in an accelerated share based payment charge.

9 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	53,214	53,214	53,214	53,214
	<u>53,214</u>	<u>53,214</u>	<u>53,214</u>	<u>53,214</u>

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.

The senior statutory auditor was David Clift and the auditor was Azets 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:

	2022 £	2021 £
	323,100	623,631
	<u>323,100</u>	<u>623,631</u>

12 Related party transactions

IPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Related party transactions

(Continued)

At the balance sheet date, the company owed £254,483 (2021: £282,376) to IPS Search Inc and £100 (2021: £100) to IPS Group (Manchester) Limited, fellow members of the group headed by IPS Holdings Limited. The balances are interest free and repayable on demand and have been classified as falling due within one year.

At the balance sheet date, the company was owed £862,866 (2021: £860,741) from IPS Holdings Limited, the parent company, £165,176 (2021: £345,079) from IPS Group (Asia) and £413,943 (2021: £413,943) from IPS Trustee Company Limited, fellow members of the group. The balances are interest free and repayable on demand and have been classified as falling due within one year.

13 Parent company

The Company's immediate parent undertaking, and the ultimate controlling party, is IPS Holdings Limited, a company registered in England, and is the smallest and largest group in which these financial statements are consolidated. 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 by virtue of its shareholding.