

IDRS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 15 MONTHS ENDED 31 MARCH 2012



Registered Company Number: 5945499

IDRS LIMITED

**COMPANY INFORMATION
FOR THE 15 MONTHS ENDED 31 MARCH 2012**

DIRECTORS: Dr Karl Mackie CBE
Graham Massie FCA

SECRETARY: Graham Massie FCA

REGISTERED OFFICE: International Dispute Resolution Centre
70 Fleet Street
London EC4Y 1EU

COMPANY NUMBER: 5945499

BANKERS: HSBC Bank PLC, 31 Holborn, London EC1N 2HR

AUDITORS: Bright Grahame Murray, 131 Edgware Road, London W2 2AP

IDRS LIMITED

**DIRECTORS' REPORT
FOR THE 15 MONTHS ENDED 31 MARCH 2012**

The directors submit their report and the financial statements of the company for the 15 months ended 31 March 2012.

PRINCIPAL ACTIVITIES

The business of the company is the provision of services for the avoidance, management and/or resolution of complaints and disputes. The company's primary activities are aimed at serving the market for consumer redress services in the UK, the market for the resolution of disputes between commercial businesses operating in the UK and the resolution of disputes occurring within the UK public sector, including provision of advice and consultancy services to all three markets as to how conflict and disputes can either be avoided or better managed. The company specialises in offering tailor made solutions to meet the needs of customers and users in each of its key areas of activity.

On 8 November 2011 the entire share capital of the company was sold by the Chartered Institute of Arbitrators to CEDR Services Limited, a wholly owned subsidiary of the Centre for Effective Dispute Resolution (CEDR).

Subsequent to the acquisition, the company's personnel and activities were relocated to CEDR's main premises at the International Dispute Resolution Centre, 70 Fleet Street London

POST BALANCE SHEET EVENT

With effect from 1 April 2012 the entire undertaking of the company was transferred over to CEDR Services Limited as part of an internal reorganisation of the CEDR Group

DIRECTORS

The following directors held office during the period

Dr Karl Mackie CBE	(appointed 9 November 2011)
Graham Massie FCA	(appointed 9 November 2011)
Anthony Canham	(resigned 8 November 2011)
Allan Connarty	(resigned 19 August 2011)
Michael Forbes Smith	(resigned 8 November 2011)
Neil Stocks	(resigned 8 November 2011)
Joseph Wan	(resigned 8 November 2011)

IDRS LIMITED

**DIRECTORS' REPORT
FOR THE 15 MONTHS ENDED 31 MARCH 2012
(continued)**

REVIEW OF BUSINESS DEVELOPMENTS

A complete report on the activities of the company is set out within the Annual Report of its parent charity, the Centre for Effective Dispute Resolution.

The policy of the Board is that, in those years where there are taxable profits, an amount equal to the taxable profits will be donated by way of Gift Aid to the parent undertaking, CEDR, unless the directors at their discretion elect to withhold any amount in the interests of maintaining reasonable working capital or other operating requirements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 proper accounting records that are sufficient to show and explain the company's transactions, 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.

IDRS LIMITED

**DIRECTORS' REPORT
FOR THE 15 MONTHS ENDED 31 MARCH 2012
(continued)**

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

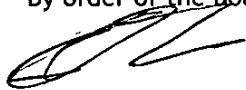
SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

AUDITORS

Bright Grahame Murray were appointed auditors of the company during the period. A resolution to re-appoint Bright Grahame Murray as auditors of the company will be proposed at the Annual General Meeting

By order of the Board



Secretary

GRAHAM MASSIE

Approved on 25 September 2012

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
IDRS LIMITED**

We have audited the financial statements of IDRS Limited for the 15 months ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 that 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
IDRS LIMITED
(continued)**

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 March 2012 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Bright Grahame Murray

Ahsan Miraj (Senior Statutory Auditor)
For and on behalf of
BRIGHT GRAHAME MURRAY
Chartered Accountants & Statutory Auditor

131 Edgware Road, London, W2 2AP

Company Registration Number: 5945499

24 October 2012

IDRS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE 15 MONTHS ENDED 31 MARCH 2012

	Notes	15 months to 31 March 2012 £	Year to 31 December 2010 £
TURNOVER		1,278,001	1,154,069
Cost of sales		(649,351)	(736,685)
GROSS PROFIT		628,650	417,384
Administration expenses		(628,336)	(668,822)
Other operating income		-	29,732
OPERATING PROFIT (LOSS)		314	(221,706)
Interest receivable and similar income		23	26
Interest payable and similar charges		-	(1,367)
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	337	(223,047)
Tax on profit (loss) on ordinary activities	5	-	-
PROFIT (LOSS) FOR THE FINANCIAL YEAR	10	<u>337</u>	<u>(223,047)</u>

All amounts above are derived from continuing operations. There were no other recognised gains or losses.

The attached notes 1 to 15 form part of these financial statements.

IDRS LIMITED

**BALANCE SHEET
AT 31 MARCH 2012**

	Notes	31 March 2012 £	31 December 2010 £
FIXED ASSETS			
Tangible assets	6	7,528	27,026
CURRENT ASSETS			
Debtors	7	256,693	146,489
Cash at bank and in hand		149,607	63,840
		<u>406,300</u>	<u>210,329</u>
CREDITORS amounts falling due within one year	8	(386,413)	(210,277)
NET CURRENT ASSETS (LIABILITIES)		<u>19,887</u>	<u>52</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>27,415</u></u>	<u><u>27,078</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	390,000	390,000
Profit and loss account	10	(362,585)	(362,922)
SHAREHOLDERS' FUNDS	11	<u><u>27,415</u></u>	<u><u>27,078</u></u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the directors and authorised for issue on 25 September 2012 and are signed on their behalf by Dr KJ Mackie.

KJ Mackie - Director



The attached notes 1 to 15 form part of these financial statements.

IDRS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2012**

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year, are:

- (a) *Basis of preparation of accounts*
The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).
- (b) *Cash flow statement*
The accounts do not include a cash flow statement because the company is a small entity and in accordance with Financial Reporting for Smaller Entities (effective April 2008) is exempt from the requirement to prepare a cash flow statement.
- (c) *Turnover*
Fees from dispute resolution services are included in turnover, net of value added tax, in the period in which the relevant services are rendered. Amounts invoiced and/or received for events occurring after the year-end are excluded.
- (d) *Tangible fixed assets*
Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their estimated useful lives on the following bases:

Furniture and equipment	10 years
Computer and electronic equipment	3 years
- (e) *Operating leases*
Rentals payable under operating leases are charged in the statement of financial affairs on a straight-line basis over the lease term.
- (f) *Pensions*
The company operates a defined contribution scheme. Contributions are charged in the statement of financial affairs as they become payable in accordance with the rules of the scheme.
- (g) *Deferred taxation*
Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

IDRS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2012**

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	15 months to 31 March 2012 £	Year to 31 December 2010 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation on tangible fixed assets	5,345	14,900
Auditors' remuneration	8,000	7,000
Interest payable to parent undertaking	-	1,367
Donation to parent undertaking by way of Gift Aid	68,997	-
and after crediting:		
Income from transfer of intellectual property rights on Neutrals' database to parent undertaking	-	29,732

3. STAFF NUMBERS AND COSTS

The average number of employees, including directors, employed by the company during the year was 17 (2010: 29). Their aggregate payroll costs were as follows:

	15 months to 31 March 2012 £	Year to 31 December 2010 £
Wages and salaries	612,963	689,335
Social security costs	61,990	72,176
Pension costs	32,871	36,222
	<u>707,824</u>	<u>797,733</u>

4. REMUNERATION OF DIRECTORS

	15 months to 31 March 2012 £	Year to 31 December 2010 £
Emoluments	51,719	82,197
Pension contributions	3,360	5,040
Sums paid to Hawkbay Services Limited for the services of the former chairman	17,732	8,667
	<u>72,811</u>	<u>95,904</u>

IDRS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2012**

5. TAXATION

No taxation charge arises because the company's entire profit before taxation has been remitted to its parent charity by way of Gift Aid

6. TANGIBLE ASSETS

	Furniture & equipment	Computer & electronic equipment	Total
	£	£	£
COST			
At 1 January 2011	47,865	73,963	121,828
Disposals	(27,935)	(51,698)	(79,633)
At 31 March 2012	<u>19,930</u>	<u>22,265</u>	<u>42,195</u>
DEPRECIATION			
At 1 January 2011	25,237	69,565	94,802
Charge for the year	4,497	848	5,345
Disposals	(14,547)	(50,933)	(65,480)
At 31 March 2012	<u>15,187</u>	<u>19,480</u>	<u>34,667</u>
NET BOOK VALUE			
At 31 March 2012	<u>4,743</u>	<u>2,785</u>	<u>7,528</u>
At 31 December 2010	<u>22,628</u>	<u>4,398</u>	<u>27,026</u>

7. DEBTORS

	31 March 2012 £	31 December 2010 £
Trade debtors	247,167	121,151
Client account	2,767	3,160
Prepayments and accrued income	2,477	18,015
Other debtors	4,282	4,163
	<u>256,693</u>	<u>146,489</u>

IDRS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2012**

8 CREDITORS: amounts falling due within one year

	31 March 2012 £	31 December 2010 £
Trade creditors	56,355	56,826
Amounts owed to parent undertaking	149,040	12,534
Social security and other taxes	50,215	50,520
Employee pensions	7,838	3,517
Client account	2,767	3,517
Other creditors	10,494	2,410
Accruals and deferred income	109,704	80,953
	<u>386,413</u>	<u>210,277</u>

9. SHARE CAPITAL

	31 March 2012 £	31 December 2010 £
Authorised share capital 390,000 Ordinary shares of £1 each	390,000	390,000
Allotted, called up, and fully paid 390,000 Ordinary shares of £1 each	390,000	390,000

10. RESERVES

	Profit and loss account £
At 1 January 2011	(362,922)
Profit for the period	337
At 31 March 2012	<u>(362,585)</u>

IDRS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2012**

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	15 months to 31 March 2012 £	Year to 31 December 2010 £
Opening shareholders' funds (deficit)	27,078	(89,875)
Profit (loss) for the period	337	(223,047)
Shares issued during the period	-	340,000
Closing shareholders' funds	<u>27,415</u>	<u>27,078</u>

12. FINANCIAL COMMITMENTS

There is a cross guarantee of £121,604 in favour of HM Revenue and Customs as a result of the company's membership of the CEDR VAT Group.

13. PENSIONS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The contributions payable charged to the profit and loss account amounted to £32,871 (2010: £36,222) with £7,838 (2010: £3,517) payable at the balance sheet date.

14. RELATED PARTY DISCLOSURES

Exemption has been taken from including related party disclosures in respect of group transactions on the grounds that details are included in publicly available consolidated financial statements.

15. ULTIMATE PARENT UNDERTAKING

Since 8 November 2011, the company's immediate parent undertaking is CEDR Services Limited, a company incorporated in England and Wales. No consolidated accounts have been prepared by the parent as the results of the company have been consolidated in the group accounts of the ultimate parent undertaking, Centre for Effective Dispute Resolution Limited, a registered charity. Copies of the group accounts are available from the company's registered office.

The company's immediate and ultimate parent undertaking until 8 November 2011 was The Chartered Institute of Arbitrators.