

Registered number:
06516803

IMS Group Holdings Limited
Annual report and financial statements
30 April 2011

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IMS Group Holdings Limited

Annual report and financial statements - 30 April 2011

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IMS Group Holdings Limited

Company information

Directors

S Harris
A Lloyd
M P Towers
I R Weightman

Secretary

I R Weightman

Registered Office

3-5 Huxley Close
Wellingborough
Northants
NN8 6AB

Registered Number

06516803

Auditors

Friend LLP
Chartered Accountants and Registered Auditors
Eleven Brindleyplace
2 Brunswick Square
Birmingham
B1 2LP

Bankers

The Co-operative Bank
118-120 Colmore Row
Birmingham
B3 3BA

IMS Group Holdings Limited

Directors' report

The directors present their report together with the audited financial statements of the group for the year ended 30 April 2011

Principal activity

The principal activity of the group during the year was the provision of market research and consultancy services

Review of the business and future developments

During the year ending 30 April 2011, the IMS Group Holdings Limited subsidiary companies, Intex Management Services Limited and IMS Management Services Inc, traded in line with management expectations, resulting in a significant turnover and operating profit uplift versus 2009/10. As a result of this improvement, turnover of the Group rose 42 per cent and operating profits rose more than 107 per cent

The Group recorded a profit on ordinary activities after taxation of £827,950 in the year to 30 April 2011 versus a profit of £233,927 in the previous financial year

Interest charges on outstanding bank borrowings continued to be below initial forecasts as LIBOR rates remained low throughout the financial year. No change to the loan note interest payments are foreseen in the next financial year

The biggest risk facing the Group continues to be the success of the operating companies. These have performed well in the first half of the 2011/12 fiscal year, although the uncertain global economic outlook, with the possibility of a double dip recession, remains a risk in the second half of the year

There have been no events since the balance sheet date which materially affect the position of the Group

Results and dividends

The profit for the year after taxation amounted to £827,950 (2009 - £233,927). A dividend of £99,999 was paid during the year

Directors

The directors who held office during the year and up to the date of this report were

S Harris
A Lloyd
M P Towers
I R Weightman

IMS Group Holdings Limited

Directors' report (continued)

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 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 group and company and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Statement as to disclosure of information to auditors

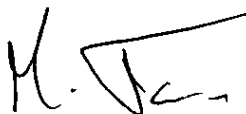
The directors have taken all the necessary steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware

Auditors

A resolution to re-appoint Friend LLP as auditors will be put to the members at the forthcoming Annual General Meeting

By order of the board



M P Towers
Director

4 November 2011

Independent auditors' report to the shareholders of IMS Group Holdings Limited

We have audited the financial statements of IMS Group Holdings Limited for the year ended 30 April 2011 which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement and the related notes as set out on pages 6 to 22. The financial framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for preparing the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the 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 group and 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 directors' 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 2011 and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report to the shareholders of IMS Group Holdings Limited (continued)

Matters by 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 parent company 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

M. D Friend

M D Friend (Senior statutory auditor)
for and on behalf of Friend LLP, Statutory Auditor

Chartered Accountants
Eleven Brindleyplace
2 Brunswick Square
Birmingham
B1 2LP

4 November 2011

IMS Group Holdings Limited

Consolidated profit and loss account - for the year ended 30 April 2011

	<u>Notes</u>	<u>2011</u> £	<u>2010</u>
Turnover	2	8,138,824	5,741,636
Cost of sales		(3,758,525)	(2,902,129)
Gross profit		4,380,299	2,839,507
Administrative expenses		(2,664,374)	(2,011,247)
Operating profit	3	1,715,925	828,260
Interest receivable and similar income	5	1,448	405
Interest payable and similar charges	6	(263,532)	(289,926)
Profit on ordinary activities before taxation		1,453,841	538,739
Taxation	7	(625,891)	(304,812)
Profit on ordinary activities after taxation	17	£827,950	£233,927

The operating profit derives wholly from continuing operations

The group has no recognised gains or losses other than the profit for the above financial periods

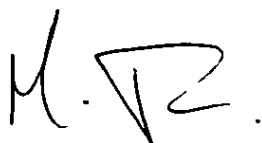
The notes on pages 10 to 22 form part of these financial statements

IMS Group Holdings Limited

Consolidated balance sheet at 30 April 2011

	Notes	£	2011 £	2010 £
Fixed assets				
Intangible assets	10		2,565,475	2,940,911
Tangible assets	12		105,411	77,051
			<u>2,670,886</u>	<u>3,017,962</u>
Current assets				
Debtors	13	1,961,330		1,844,739
Cash at bank and in hand		1,527,547		629,978
		<u>3,488,877</u>		<u>2,474,717</u>
Creditors amounts falling due within one year	14	(2,749,782)		(1,801,640)
			<u>739,095</u>	<u>673,077</u>
Net current assets				
			<u>3,409,981</u>	<u>3,691,039</u>
Total assets less current liabilities				
Creditors amounts falling due after more than one year	15		(2,000,000)	(3,009,009)
			<u>£1,409,981</u>	<u>£682,030</u>
Net assets				
Capital and reserves				
Called up share capital	16		500,000	500,000
Profit and loss account	17		909,981	182,030
			<u>£1,409,981</u>	<u>£682,030</u>
Equity shareholders' funds	17			

These financial statements were approved by the board of directors on 4 November 2011 and signed on its behalf



M P Towers
Director

Registered number 06516803

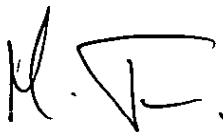
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IMS Group Holdings Limited

Company balance sheet at 30 April 2011

	<u>Notes</u>	<u>£</u>	<u>2011</u> <u>£</u>	<u>2010</u> <u>£</u>
Fixed assets				
Investments	11		3,678,835	3,678,835
Current assets				
Debtors	13	2,688,000		1,938,000
Cash at bank and in hand		10,959		7,010
		<u>2,698,959</u>		<u>1,945,010</u>
Creditors amounts falling due within one year	14	(3,607,112)		(3,138,799)
		<u></u>		<u></u>
Net current liabilities			(908,153)	(1,193,789)
			<u></u>	<u></u>
Total assets less current liabilities			2,770,682	2,485,046
Creditors amounts falling due after more than one year	15		(2,000,000)	(3,002,116)
			<u></u>	<u></u>
Net (assets)/liabilities			<u>£770,682</u>	<u>£(517,070)</u>
Capital and reserves				
Called up share capital	16		500,000	500,000
Profit and loss account	17		270,682	(1,017,070)
			<u></u>	<u></u>
Equity shareholders' funds	17		<u>£770,682</u>	<u>£(517,070)</u>

These financial statements were approved by the board of directors on 4 November 2011 and signed on its behalf



M P Towers
Director

Registered number 06516803

The notes on pages 10 to 22 form part of these financial statements

IMS Group Holdings Limited

Consolidated cash flow statement - for the year ended 30 April 2011

	<u>Notes</u>	<u>£</u>	<u>2011</u> <u>£</u>	<u>2010</u> <u>£</u>
Net cash inflow from operating activities	18		2,098,063	1,018,078
Returns on investments and servicing of finance				
Interest paid		(247,142)		(262,593)
Interest received		1,448		405
Net cash outflow from returns on investments and servicing of finance			(245,694)	(262,188)
Taxation			(297,806)	(122,816)
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets			(61,635)	(56,843)
Equity dividends paid			(99,999)	-
Cash inflow before financing			1,392,929	576,231
Financing				
Repayment of bank loan		(449,028)		(490,528)
Repayment of hire purchase obligations		(7,520)		(7,520)
Net cash outflow from financing			(456,548)	(498,048)
Increase in cash	19		<u>£936,381</u>	<u>£78,183</u>

The notes on pages 10 to 22 form part of these financial statements

IMS Group Holdings Limited

Notes to the financial statements - 30 April 2011

1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards

A summary of the principal accounting policies of the group is set out below

a) Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary companies for the year ended 30 April 2011. The profits and losses of the subsidiaries are consolidated from the date of acquisition. The difference between the cost of acquisition of shares in the subsidiary and the fair value of the separate net assets acquired is amortised through the profit and loss account in equal instalments over its estimated useful life.

b) Turnover

Turnover represents amounts receivable excluding value added tax for goods supplied and services provided in the ordinary course of business. Turnover is normally recognised at the point of invoice for goods or services. Subscription contracts are spread over the fiscal periods to which they relate.

c) Tangible fixed assets

Depreciation is provided so as to write off the cost of tangible fixed assets over their expected useful economic lives as follows:

Motor vehicles	25% reducing balance
Fixtures and fittings	15% reducing balance
Computer equipment	33% - 100% straight line

d) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the separate net assets of the businesses acquired.

Goodwill is amortised through the profit and loss account in equal annual instalments over its estimated useful life of 10 years.

e) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is regarded as recoverable and is therefore recognised only when, and to the extent that, on the basis of all available evidence it can be regarded as more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

IMS Group Holdings Limited

Notes to the financial statements (continued)

1. Accounting policies (continued)

f) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction

Exchange differences are taken to the profit and loss account

Results of overseas subsidiaries are translated at the average rate for the year. Assets and liabilities of overseas subsidiaries are translated at the rate ruling at the balance sheet date. Exchange differences are dealt with through reserves

g) Leases

Hire purchase agreements which transfer to the company substantially all of the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the hire purchase commitment is shown as obligations under hire purchase contracts. The hire purchase rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligation and the interest element is charged to the profit and loss account. Assets held under hire purchase agreements are depreciated over the shorter of the agreement term and the useful life of equivalent owned assets.

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

h) Pension

Pension costs are charged to the profit and loss account in the year in which the contributions are payable.

2. Turnover

The analysis of turnover by geographical market is as follows

	<u>2011</u> £	<u>2010</u> £
UK	622,630	270,700
Rest of world	7,516,194	5,470,936
	<u>£8,138,824</u>	<u>£5,471,636</u>

IMS Group Holdings Limited

Notes to the financial statements (continued)

3. Operating profit

Operating profit is stated after charging/(crediting)

	<u>2011</u> £	<u>2010</u> £
Depreciation of owned assets	28,696	55,760
Depreciation of assets held under hire purchase agreements	4,424	5,899
Amortisation and other amounts written off goodwill	375,436	375,436
Rent payable under operating leases	218,313	126,000
Auditors remuneration	8,000	7,000
Exchange losses/(gains)	26,321	(62,089)
	<u> </u>	<u> </u>

4. Directors and employees

	<u>2011</u>	<u>2010</u>
Directors' emoluments		
Remuneration	382,680	364,763
Contributions to money purchase pension schemes	7,827	13,976
	<u> </u>	<u> </u>
	<u>£390,507</u>	<u>£378,739</u>

Retirement benefits are accruing to 4 directors under defined contributions schemes (2010 - 4)

The emoluments of directors shown above include the following amounts paid to the highest paid director

	<u>2011</u>	<u>2010</u>
Remuneration	92,113	100,182
Contributions to money purchase pension schemes	1,594	1,700
	<u> </u>	<u> </u>
	<u>£93,707</u>	<u>£101,882</u>

The average number of employees (including directors) during the year was 105 (2010 - 87)

The aggregate payroll costs of these employees was as follows

	<u>2011</u> £	<u>2010</u> £
Wages and salaries	3,518,890	2,823,577
Social security costs	197,118	159,313
Other pension costs	53,973	98,399
	<u> </u>	<u> </u>
	<u>£3,769,981</u>	<u>£3,081,289</u>

IMS Group Holdings Limited

Notes to the financial statements (continued)

5. Interest receivable and similar income

	<u>2011</u>	<u>2010</u>
Bank interest	<u>£1,448</u>	<u>£405</u>

6. Interest payable and similar charges

	<u>2011</u> £	<u>2010</u> £
Bank interest	-	6
Bank loan interest	37,353	63,063
Loan note interest	225,000	225,000
Hire purchase interest	1,053	1,053
Other interest	126	804
	<u>£263,532</u>	<u>£289,926</u>

7. Taxation

	<u>2011</u> £	<u>2010</u> £
Based on the profit for the year		
UK corporation tax at 27.84% (2010 – 21%)	304,061	794
Foreign tax	321,830	307,066
	<u>625,891</u>	<u>307,860</u>
Current taxation	625,891	307,860
Deferred taxation released	-	(3,048)
	<u>£625,891</u>	<u>£304,812</u>

Tax on profit on ordinary activities

£625,891 £304,812

IMS Group Holdings Limited

Notes to the financial statements (continued)

7. Taxation (continued)

The current tax charge for the year is at a different rate from the standard rate of corporation tax in the UK for companies of this size. The difference is explained below.

	<u>2011</u> £	<u>2010</u> £
Profit on ordinary activities before tax	1,453,841	538,739
Profit on ordinary activities multiplied by the applicable standard rate of corporation tax in the UK of 27.84% (2010 - 28%)	404,686	150,847
Expenses not deductible for corporation tax purposes – entertaining	831	1,023
Capital allowances in excess of depreciation	(6,110)	(2,552)
Losses brought forward and relieved	-	(2,392)
Other timing differences	150	-
Foreign tax at rates different from UK taxation	72,399	56,675
Small companies relief	-	(4,704)
Amortisation of goodwill	104,505	105,122
Foreign exchanged losses/(gains) arising on consolidation	49,430	3,841
	<u>£625,891</u>	<u>£307,860</u>
Current tax charge for the year	<u>£625,891</u>	<u>£307,860</u>

8. Related party transactions

Mr M P Towers holds 85% of the issued share capital of IMS (Property) Limited, a company registered in the United Kingdom. In the year ended 30 April 2011 Intex Management Services Limited rented premises from IMS (Property) Limited. The rent charged at market rate for the year ended 30 April 2011 was £126,000 (2010 - £126,000). Intex Management Services Limited have loaned funds to IMS (Property) Limited and at 30 April 2010 IMS (Property) Limited owed the Group £528,030 (2010 - £528,803).

Mr M P Towers and Mr I R Weightman are directors and shareholders of IMS Conferences Limited, a company registered in the United Kingdom. In the year ended 30 April 2011 Intex Management Services Limited recharged salary costs of £48,466 (2010 - £55,483) to IMS Conferences Limited and IMS Management Services Inc charged for services totalling \$55,000. At 30 April 2011 IMS Conferences Limited owed the Group £139,561 (2010 - £92,856).

9. Dividends

	<u>2011</u>	<u>2010</u>
Interim dividends paid of £0.21 (2010 - £nil) per ordinary share	<u>£99,999</u>	£ -

IMS Group Holdings Limited

Notes to the financial statements (continued)

10. Intangible fixed assets

<u>Group</u>	<u>Goodwill</u> £
Cost	
At 1 May 2010 and 30 April 2011	3,754,355
Amortisation	
At 1 May 2010	813,444
Charge for the year	375,436
At 30 April 2011	1,188,880
Net book value	
At 30 April 2011	£2,565,475
At 30 April 2010	£2,940,911

11. Investments

<u>Company</u>	<u>Shares in group undertakings</u>
Cost	
At 30 April 2010 and 30 April 2011	£3,678,835

Additional information on principal subsidiary undertakings:

<u>Name</u>	<u>Country of incorporation</u>	<u>Class of shares held</u>	<u>Percentage of shares held</u>	<u>Nature of business</u>
Intex Management Services Limited	UK	Ordinary	100	Provision of market research and consultancy services
IMSMS Limited	UK	Ordinary	100	Holding company
IMS Management Services Inc*	USA	Ordinary	100	Provision of market research and consultancy services

* Shares held by IMSMS Limited

IMS Group Holdings Limited

Notes to the financial statements (continued)

12. Tangible fixed assets

<u>Group</u>	<u>Motor vehicles</u> £	<u>Fixtures, fittings and office equipment</u> £	<u>Computer equipment</u> £	<u>Total</u> £
Cost				
At 1 May 2010	41,950	98,103	183,791	323,844
Additions	-	6,767	54,868	61,635
Disposals	-	-	(3,139)	(3,139)
	<u>41,950</u>	<u>104,870</u>	<u>235,520</u>	<u>382,340</u>
At 30 April 2011				
Accumulated depreciation				
At 1 May 2010	24,253	51,846	170,694	246,793
Charge for the year	4,424	7,952	20,744	33,120
Eliminated on disposals	-	-	(2,984)	(2,984)
	<u>28,677</u>	<u>59,798</u>	<u>188,454</u>	<u>276,929</u>
At 30 April 2011				
Net book value				
At 30 April 2011	<u>£13,273</u>	<u>£45,072</u>	<u>£47,066</u>	<u>£105,411</u>
At 30 April 2010	<u>£17,697</u>	<u>£46,257</u>	<u>£13,097</u>	<u>£77,051</u>

Hire purchase agreements

The net book value of motor vehicles of £13,273 shown above includes an amount of £13,273 (2010 - £17,697) relating to assets held under hire purchase agreements. The depreciation charged in the year in respect of such assets amounted to £4,424 (2010 - £5,899).

The parent company has no tangible fixed assets at the year end.

IMS Group Holdings Limited

Notes to the financial statements (continued)

13. Debtors

	<u>Group</u>		<u>Company</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	£	£	£	£
Amounts falling due within one year				
Trade debtors	1,077,403	1,021,928	-	-
Unpaid share capital	25,000	25,000	25,000	25,000
Amount due from subsidiary undertaking	-	-	2,663,000	1,913,000
Corporation tax recoverable	-	52,490	-	-
Other debtors	183,606	153,139	-	-
Prepayments and accrued income	147,291	63,379	-	-
	<u>1,433,300</u>	<u>1,315,936</u>	<u>2,688,000</u>	<u>1,938,000</u>
Amounts falling due after more than one year				
Other debtors (note 8)	528,030	528,803	-	-
	<u>£1,961,330</u>	<u>£1,844,739</u>	<u>£2,688,000</u>	<u>£1,938,000</u>

14. Creditors amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	£	£	£	£
Bank loan (secured - see note 15(a))	459,125	474,139	459,125	474,139
Obligations under hire purchase contracts (secured - see note 15(b))	6,893	7,520	-	-
Trade creditors	158,854	79,674	-	-
Corporation tax	406,310	187,053	-	-
Other taxation and social security	62,933	63,664	-	-
Amounts owed to group undertakings	-	-	1,871,731	1,834,885
Accruals and deferred income	368,191	214,770	26,256	59,775
Other creditors	1,287,476	774,820	1,250,000	770,000
	<u>£2,749,782</u>	<u>£1,801,640</u>	<u>£3,607,112</u>	<u>£3,138,799</u>

IMS Group Holdings Limited

Notes to the financial statements (continued)

15 Creditors amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	£	£	£	£
Bank loan (secured - see note (a) below)	-	502,116	-	502,116
Obligations under hire purchase contracts (secured - see note (b) below)	-	6,893	-	-
Other creditors (see note (c) below)	2,000,000	2,500,000	2,000,000	2,500,000
	<u>£2,000,000</u>	<u>£3,009,009</u>	<u>£2,000,000</u>	<u>£3,002,116</u>

Analysis of debt maturity

<u>Group</u>	<u>2011</u>		<u>Total</u>
	<u>Bank loan</u>	<u>Hire purchase</u>	
	£	£	£
Within one year or on demand	459,125	6,893	466,018
Between one to two years	-	-	-
Between two to five years	-	-	-
	<u>£459,125</u>	<u>£6,893</u>	<u>£466,018</u>
	<u>2010</u>		<u>Total</u>
	<u>Bank loan</u>	<u>Hire purchase</u>	
	£	£	£
Within one year or on demand	474,139	7,520	481,659
Between one to two years	502,116	6,893	509,009
	<u>£976,255</u>	<u>£14,413</u>	<u>£990,668</u>
<u>Company</u>	<u>2011</u>		<u>Total</u>
	<u>Bank loan</u>	<u>Hire purchase</u>	
	£	£	£
Within one year or on demand	459,125	-	459,125
Between one to two years	-	-	-
Between two to five years	-	-	-
	<u>£459,125</u>	<u>£ -</u>	<u>£459,125</u>

IMS Group Holdings Limited

Notes to the financial statements (continued)

15. Creditors amounts falling due after more than one year (continued)

	<u>Bank loan</u>	<u>2010</u> <u>Hire purchase</u>	<u>Total</u>
	£	£	£
Within one year or on demand	474,139	-	474,139
Between one to two years	502,116	-	502,116
	<u> </u>	<u> </u>	<u> </u>
	£976,255	£ -	£976,255
	<u> </u>	<u> </u>	<u> </u>

- (a) The bank loan is secured by a fixed and floating charge over the assets of the group. The bank loan is repayable by quarterly instalments and will be fully repaid in March 2012. Interest on this loan is charged at 2.25 per cent above US dollar LIBOR.
- (b) Obligations under hire purchase contracts are secured by the related assets.
- (c) Loan notes of £3,000,000 are payable to M Towers, arising on the purchase of Intex Management Services Limited and IMS Management Services Inc in March 2008. The loan notes are repayable in annual instalments of £500,000 commencing on 30 April 2011 and each year thereafter. Interest is payable on the loan notes at 7.5 per cent per annum.

16. Share capital

	<u>2011</u>	<u>2010</u>
	£	£
Allotted, issued and fully paid, 475,000 Ordinary shares of £1 each	475,000	475,000
Allotted, issued and unpaid, 25,000 Ordinary shares of £1 each	25,000	25,000
	<u> </u>	<u> </u>
	£500,000	£500,000
	<u> </u>	<u> </u>

IMS Group Holdings Limited

Notes to the financial statements (continued)

17. Reconciliation of equity shareholders' funds and movements on reserves

<u>Group</u>	<u>Share capital</u> £	<u>Profit and loss account</u> £	<u>Total</u> £
At 1 May 2009	500,000	(51,897)	448,103
Profit after taxation for the year ended 30 April 2010	-	233,927	233,927
At 30 April 2010	500,000	182,030	682,030
Profit after taxation for the year ended 30 April 2011	-	827,950	827,950
Dividends paid (see note 9)	-	(99,999)	(99,999)
At 30 April 2011	£500,000	£909,981	£1,409,981
<u>Company</u>	<u>Share capital</u> £	<u>Profit and loss account</u> £	<u>Total</u> £
At 1 May 2009	500,000	(787,581)	(287,581)
Loss after taxation for the year ended 30 April 2010	-	(229,489)	(229,489)
At 30 April 2010	500,000	(1,017,070)	(517,070)
Profit after taxation for the year ended 30 April 2011	-	1,387,751	1,387,751
Dividends paid (see note 9)	-	(99,999)	(99,999)
At 30 April 2011	£500,000	£270,682	£770,682

IMS Group Holdings Limited

Notes to the financial statements (continued)

18 Reconciliation of operating profit to net cash inflow from operating activities

	<u>2011</u> £	<u>2010</u> £
Operating profit	1,715,925	828,260
Depreciation of tangible fixed assets	33,120	61,659
Amortisation of goodwill	375,436	375,436
Non-cash currency exchange movements	(84,492)	(41,139)
Loss on disposal of fixed asset	155	713
Increase in debtors	(169,081)	(370,101)
Increase in creditors	227,000	163,250
	<hr/>	<hr/>
Net cash inflow from operating activities	£2,098,063	£1,018,078
	<hr/> <hr/>	<hr/> <hr/>

19. Reconciliation of net cash flow to movement in net debt

	<u>2011</u> £	<u>2010</u> £
Increase in cash in the period	936,381	78,183
Cash outflow from debt financing	456,548	498,048
	<hr/>	<hr/>
Change in net debt resulting from cashflow	1,392,929	576,231
Amortisation of capitalised loan fees	(16,390)	(25,789)
Translation differences	45,680	41,126
	<hr/>	<hr/>
Change in net debt	1,422,219	591,568
Net debt at 1 May 2010	(3,360,690)	(3,952,258)
	<hr/>	<hr/>
Net debt at 30 April 2011	£(1,938,471)	£(3,360,690)
	<hr/> <hr/>	<hr/> <hr/>

IMS Group Holdings Limited

Notes to the financial statements (continued)

20. Analysis of net debt

	At 1 May 2010 £	Cash flows £	Other movements £	Exchange movements £	At 30 April 2011 £
Cash at bank and in hand	629,978	936,381	-	(38,812)	1,527,547
Debt due within one year	(981,659)	424,595	(908,954)	-	(1,466,018)
Debt due after one year	(3,009,009)	31,953	892,564	84,492	(2,000,000)
Net debt (see note 19)	£(3,360,690)	£1,392,929	£(16,390)	£45,680	£(1,938,471)

21. Financial commitments

At 30 April 2011 the group had annual commitments under non-cancellable operating leases as follows

	<u>Land and buildings</u>		<u>Other</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	£	£	£	£
Operating leases which expire				
Within one year	-	-	896	-
Within one to two years	146,120	-	4,736	6,795
Within two to five years	126,000	126,000	5,620	-
	<u>£272,120</u>	<u>£126,000</u>	<u>£11,252</u>	<u>£6,795</u>

22. Pension costs

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged against profit for the period in respect of the scheme was £53,973 (2010 - £98,399). As at the balance sheet date contributions amounting to £4,333 (2010 - £2,300) had not been paid over to the fund and are included in creditors.

23. Profit for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group profit for the period includes a profit after taxation of £1,387,751 (2010 - loss of £229,489) which is dealt with in the financial statements of the parent company.

24. Ultimate controlling party

The company is controlled by the directors.

IMS Group Holdings Limited

Company profit and loss account - for the year ended 30 April 2011

	£	<u>2011</u> £	<u>2010</u> £
Other income – dividends		1,500,000	-
Administrative expenses			
Audit and accountancy	750		-
Insurance	435		435
(Gain)/loss on foreign exchange	(151,581)		(62,089)
Sundry expenses	-		165
Bank charges	166		2,111
		150,230	59,378
Operating profit		1,650,230	59,378
Interest payable and similar charges			
Bank loan interest	37,353		63,063
Loan note interest	225,000		225,000
Other interest	126		804
		(262,479)	(288,867)
Profit/(loss) on ordinary activities before taxation		<u>£1,387,751</u>	<u>£(229,489)</u>

This page does not form part of the statutory financial statements.