

**IDS GROUP LIMITED**

**Company Registration No. 02869895 (England and Wales)**

**IDS GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2019**



# IDS GROUP LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr Philip Cole (through 8 October, 2019) Mr Nick Somers (Through 8 October 2019) Mr David Hamilton (8 October, 2019 to present) Mrs Lisa Huber (8 October, 2019 – 5 May, 2020) Mr Eric Gibson (11 May 2020 to present)
<b>Secretary</b>	Pennsec Limited
<b>Company number</b>	02869895
<b>Registered office</b>	8 Devonshire House Aviary Court Basingstoke Hampshire RG24 8PE
<b>Independent auditors</b>	RSM UK Audit LLP Davidson House Forbury Square Reading Berkshire RG1 3EU UK

# **IDS GROUP LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their annual report and audited financial statements for the year ended 31 December 2019.

### **Principal activities**

The principal activity of the company continued to be that of a holding company.

### **Directors**

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

Mr Philip Cole (through 8 October, 2019)

Mr Nick Somers (Through 8 October 2019)

Mr David Hamilton (8 October, 2019 to present)

Mrs Lisa Huber(8 October, 2019 – 5 May, 2020)

Mr Eric Gibson (11 May 2020 to present)

### **Impact of Covid-19**

On March 10, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a pandemic. While this event is expected to adversely impact the global economy, the extent to which the coronavirus impacts the Company's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others. The Company has robust management systems in place to both oversee the wellbeing of the key stakeholders and react quickly to new economic conditions.

### **Future Developments**

The directors believe that the company will continue to trade on a similar basis going forward, as the majority of revenue is derived from long established contracts already in place. The US parent group is trading profitably and is cash flow positive. The company reported a small loss in 2019. The company expects to report a small loss in 2020.

### **Directors' indemnities**

The Directors have the benefit of an indemnity, which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company has purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

### **Statement of disclosure to auditors**

*So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.*

### **Independent auditors**

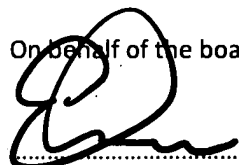
RSM UK LLP have indicated their willingness to continue in office and in accordance with Section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at the Annual General Meeting.

# IDS GROUP LIMITED

## Small companies' exemption

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

On behalf of the board



.....  
Mr Eric Gibson

Director

14 October 2020  
.....

# IDS GROUP LIMITED

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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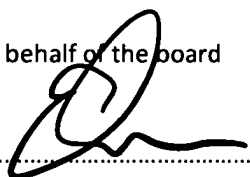
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

On behalf of the board



.....  
Mr Eric Gibson

**Director**

14 October 2020  
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# IDS GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IDS GROUP LIMITED

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### Opinion

We have audited the financial statements of IDS Group Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of financial position, the income statement, the statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# IDS GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IDS GROUP LIMITED (CONTINUED)

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### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report or the] <sup>Note 2</sup> directors' report.

We have nothing to report in respect of the following matters in relation to which 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 from the requirement to prepare a strategic report in preparing the directors' report.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## IDS GROUP LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IDS GROUP LIMITED (CONTINUED)

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#### Use of our report

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

RSM UK Audit LLP

Neil Mellor (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Chartered Accountants  
Davidson House,  
Forbury Square,  
Reading,  
Berkshire,  
RG1 3EU  
15 October 2020

# IDS GROUP LIMITED

## INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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	Note	2019 £	2018 £
Turnover	4	556,940	343,598
Administrative expenses		(595,273)	(372,933)
Other operating income		-	4,068
<b>Operating Loss</b>	5	<b>(38,333)</b>	<b>(25,267)</b>
Tax on loss on		-	-
<b>Loss for the financial year</b>	7	<b>(38,333)</b>	<b>(25,267)</b>

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# IDS GROUP LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

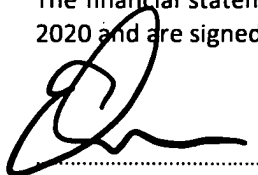
Company Registration No. 02869895 (England and Wales)

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Investments in subsidiaries	8	6,317,020	6,317,020
<b>Current assets</b>			
Cash at bank and in hand		2,058	6,468
<b>Creditors: amounts falling due within one year</b>	9	<u>(4,781,339)</u>	<u>(4,747,416)</u>
Net current liabilities		<u>(4,779,281)</u>	<u>(4,740,948)</u>
<b>Total assets less current liabilities</b>		<u><b>1,537,739</b></u>	<u><b>1,576,072</b></u>
<b>Capital and reserves</b>			
Called up share capital	10	5,686,334	5,686,334
Share premium account	10	94,123,675	94,123,675
Profit and loss reserves		<u>(98,272,270)</u>	<u>(98,233,937)</u>
<b>Total equity</b>		<u><b>1,537,739</b></u>	<u><b>1,576,072</b></u>

The notes on pages 10 to 18 form an integral part of these financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 14 October 2020 and are signed on its behalf by:



Eric Gibson  
Director

## IDS GROUP LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Share premium account £	Accumulated losses £	Total £
Balance as at 01 January 2017	5,686,334	94,123,675	(98,208,670)	1,601,339
Loss for the financial year	-	-	(25,267)	(25,267)
<b>Total comprehensive Income for the year</b>	-	-	<b>(25,267)</b>	<b>(25,267)</b>
Balance as at 31 December 2018	5,686,334	94,123,675	(98,233,937)	1,576,072
Loss for the financial year	-	-	(38,333)	(38,333)
<b>Total comprehensive Income for the year</b>	-	-	<b>(38,333)</b>	<b>(38,333)</b>
<b>Balance as at 31 December 2019</b>	<b>5,686,334</b>	<b>94,123,675</b>	<b>(98,272,270)</b>	<b>1,537,739</b>

# IDS GROUP LIMITED

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

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### 1 General Information

IDS Group Limited ("the company") is a private limited company domiciled and incorporated in England. The principal activity of the company continued to be that of a holding company. The address of its registered office is 8 Devonshire House, Aviary Court, Basingstoke, Hampshire RG24 8PE. These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the Company's transactions are denominated. They comprise the financial statements of the Company for the period ended 31 December 2019 and are presented to the nearest £1.

### 2 Statement of compliance

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### 3 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The financial statements of IDS Group Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

#### Disclosure exemptions for qualifying entities under FRS 101

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, plant and equipment;
  - paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows);
  - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);

# IDS GROUP LIMITED

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

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### 3 Significant Accounting Policies (continued)

#### Disclosure exemptions for qualifying entities under FRS 101 (continued)

- The following paragraphs of IAS 1, 'Presentation of financial statements' (continued):
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cashflow statements);
  - 38B-D (additional comparative information);
  - 40A-D (requirements for a third statement of financial position);
  - 111 (cash flow statement information); and
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group

#### Going concern

IDS Group Limited is a holding company and its ability to continue as a going concern is dependent on its subsidiary undertakings.

The US parent group is trading profitably and is cash flow positive. The subsidiary company in the UK, International Decision Systems Limited, reported a loss in 2019. The subsidiary company expects to trade profitably in 2020. As discussed above the directors consider the prospects for 2020 to be satisfactory. A written letter of support from the parent company has been supplied covering 12 months from the date of signing the financial statements. For these reasons, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

On March 10, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a pandemic. While this event is expected to adversely impact the global economy, the extent to which the coronavirus impacts the Company's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others. The Company has robust management systems in place to both oversee the wellbeing of the key stakeholders and react quickly to new economic conditions.

#### Consolidation

The company is a wholly owned subsidiary of IDS Group Inc. It is included in the consolidated financial statement of IDS Group Inc. Therefore the company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. To obtain a copy of the accounts please write to Rick Graham, corporate controller at 200 South Sixth Street, Suite 700, Minneapolis, Mn 55402

# IDS GROUP LIMITED

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

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### 3 Significant Accounting Policies (continued)

#### Turnover

Turnover is measured at the fair value of the consideration received or receivable, and represents amounts receivable when control of the service has been provided. The company recognises turnover

when performance obligations have been satisfied and for the company this is when the services have transferred to the customer. The company's activities are described in detail below.

The company employed two executives of the consolidated group owned by IDS Group, Inc. The majority of their activities serve to benefit the US parent group and, as such, the majority of their costs are charged to the US parent group with a 15% markup as per the respective intercompany agreements. This charge with a markup represents all of the company's turnover. One of the employees was terminated in early October 2019.

#### Tax

The tax expense for the period comprises current tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### Investments in subsidiaries

Investments in subsidiaries are held at cost less 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.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

#### Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest model.

#### Share capital

Ordinary shares are classified as equity. Preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds

#### Related parties

The company discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the

# IDS GROUP LIMITED

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

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### 3 Significant Accounting Policies (continued)

directors, separate disclosure is necessary to understand the effect of the transactions on the financial statements.

#### **Contingencies**

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it

is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

#### **Critical judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **(a) Critical judgements in applying the company's accounting policies**

There are no critical judgements in applying the company's accounting policies.

##### **(b) Key accounting estimates and assumptions**

There are no key accounting estimates and assumptions.

#### **New standards, amendments and IFRIC interpretations**

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019 have had a material impact on the company.

#### **Financial instruments**

##### *Financial assets*

Basic financial assets, including trade and other debtors and cash and cash equivalents, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Trade and other debtors and cash and cash equivalents are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

# IDS GROUP LIMITED

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

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### 3 Significant Accounting Policies (continued)

If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Financial instruments (continued)**

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

#### *Financial Liabilities*

Basic financial liabilities, including trade and other creditors and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other creditors, loans from fellow group companies and financial liability from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### **Employee benefits**

Defined contribution plans and other long term employee benefits. A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

# IDS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 4 Turnover

Turnover relates to the company's principal activities which is carried out in the United Kingdom

	2019 £	2018 £
Intergroup recharges of cost	556,940	343,598

#### 5 Operating Loss

Operating loss is stated after charging

	2019 £	2018 £
Total staff costs	449,141	236,675
Other administrative expenses	146,133	136,258
Other income	-	(4,068)
Audit fees payable to the company's auditors	-	-

No charge is made for auditors' remuneration because the cost is borne by International Decision Systems Limited (2018:nil).

#### 6 Employees and directors

	2019 £	2018 £
Wages and salaries	395,950	212,316
Social security costs	53,191	24,359
Pension costs	-	-
<b>Total staff costs</b>	<b>449,141</b>	<b>236,675</b>

The average monthly number of persons (excluding executive directors) employed by the company during the year was 2 (2018: 2)

#### Directors Emoluments

	2019 £	2018 £
Aggregate emoluments	238,547	37,739
Incentive schemes	-	-

#### Highest paid director

The highest paid director's emoluments were as follows:

	2019 £	2018 £
Total emoluments	174,966	37,739

# IDS GROUP LIMITED

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

### 7 Tax on loss

Tax on the company's profit before tax differs from the theoretical amount that would arise using the standard tax rate applicable in the United Kingdom to profits as follows:

	2019	2018
	£	£
Loss before taxation	(38,334)	(25,267)
Tax calculated at the standard rate of corporation tax in United Kingdom of 19% (2018:19%)	(7,283)	(4,801)
Expenses not deductible for tax purposes	7,283	4,801
<b>Tax on loss</b>	<b>-</b>	<b>-</b>

### 8 Investments

	2019	2018
	£	£
<b>Cost</b>		
1 January and 31 December	15,596,864	15,596,864
<b>Impairment</b>		
1 January and 31 December	9,279,844	9,279,844
<b>Carrying Amount</b>		
1 January and 31 December	6,317,020	6,317,020

These financial statements are separate company financial statements for IDS Group Limited.

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

Name of undertaking	Country of incorporation or residency	Class of shareholding	% Held	
			Direct	Indirect
International Decision Systems Limited	England & Wales	Ordinary	100.00	-
Premium Select Marketing Corporation Limited	England & Wales	Ordinary	100.00	-
David Henley Systems Limited	England & Wales	Ordinary	-	100.00
Decisions Systems Europe Limited	England & Wales	Ordinary	-	100.00
IDS Australia Holdings Pty Limited	Australia	Ordinary	100.00	-
International Decision Systems Pty Limited	Australia	Ordinary	-	100.00
International Decision Systems Australia Pty Limited	Australia	Ordinary	-	100.00

# IDS GROUP LIMITED

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

### 8 Investments (continued)

The aggregate capital and reserves and the result for the year of related undertakings noted above was as follows:

Name of undertaking	Nature of business	(Loss)/Profit	Capital and Reserves
International Decision Systems Limited	Provision of software and services	(36,600)	9,921,187
Premium Select Marketing Corporation Limited	Dormant	-	1,009,413
David Henley Systems Limited	Dormant	-	62,077
Decision Systems Europe Limited	Dormant	-	(84,791)
IDS Australia Holdings Pty Limited	Holding Company	-	1
International Decision Systems Pty Limited	Leasing and asset finance industries	1,058,782	293,732
International Decision Systems Australia	Holding company	-	<u>1</u>

IDS Group Limited also owns 100% of the Preference shares in issue of International Decision Systems Limited.

The registered address of all related undertakings incorporated in England and Wales is 8 Devonshire House, Aviary Court, Basingstoke, Hampshire RG24 8PE. The registered address of all related undertakings incorporated in Australia is Suite 27.02B, Level 27, 1 O'Connell Street, Sydney, NSW 2000.

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

	2019 £	2018 £
Amounts due to group undertakings	<u>4,781,339</u>	<u>4,747,416</u>

Amounts due to group entities are interest free and repayable on demand.

### 10 Share capital

	2019 £	2018 £
<b>Alloted and fully paid</b>		
56,863,340 (2018: 56,863,340) ordinary shares of 10p each	<u>5,686,334</u>	<u>5,686,334</u>

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

	2019 £	2018 £
<b>Alloted and fully paid</b>		
Consideration received for shares issued above their nominal value net of transaction costs.	<u>94,123,675</u>	<u>94,123,675</u>

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

# IDS GROUP LIMITED

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

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### **11 Financial commitments, guarantees and contingent liabilities**

The company's parent IDS Group Inc. and International Decision Systems Inc. entered into a credit agreement with a lending syndicate led by Goldman Sachs' Speciality Lending Group, LP on 8 October, 2019 under which the company's and its fellow group companies' copyrights, intellectual property and shares with certain limitations are pledged as security against the outstanding indebtedness.

### **12 Related party transactions**

The company is exempt from disclosing other related party transactions under FRS 101 as they were all with other companies that are wholly owned within the group.

### **13 Post Balance Sheet Events – Covid-19**

The World Health Organisation (WHO) officially declared the Coronavirus (COVID-19) outbreak a global pandemic on 11 March 2020. The impact of COVID-19 is a non-adjusting post balance sheet event and has had no impact on balance sheet carrying values at 31 December 2019.

### **14 Ultimate parent company and controlling party**

The company's immediate parent company is IDS Group Inc., a company incorporated in the United States of America located at 220 South Sixth Street, Suite 700, Minneapolis, MN 55402.

The company's ultimate controlling party is IDS Group Parent, L. P. and Partnership located in the United States.

IDS Group Inc. is the only holding company for which group financial statements are prepared and of which the company is a member.