

IDS GROUP LIMITED

Company Registration No. 02869895 (England and Wales)

IDS GROUP LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

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IDS GROUP LIMITED

COMPANY INFORMATION

Directors Mr David Hamilton
Mrs Lisa Huber (8 October, 2019 – 5 May, 2020)
Mr Eric Gibson (5 May 2020 to present)

Secretary Pennsec Limited

Company number 02869895

Registered office 8 Devonshire House
Aviary Court
Basingstoke
Hampshire
RG24 8PE

Independent auditors RSM UK Audit LLP
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU
UK

IDS GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and audited financial statements for the year ended 31 December 2020.

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 David Hamilton
Mrs Lisa Huber(8 October, 2019 – 5 May, 2020)
Mr Eric Gibson (5 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 did adversely impact the certain aspects of the global economy. It did not have a material adverse impact on the company's results of operations in 2020 and is not anticipated to have a material adverse impact in 2021. 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 operating profit in 2020. The company expects to report a small loss in 2021.

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Small companies' exemption

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

Events after the reporting date

On 1 June 2021, IDS Group Limited acquired 100% share capital of WC Topco Limited. WC Topco Limited is the holding company of White Clark Group. The products and services of the group are complimentary to those currently provided in the UK. The acquisition supports the strategic objectives to grow the Group's product set and market presence.

On behalf of the board



.....
Mr Eric Gibson

Director

9 June 2021
.....

IDS GROUP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

9 June 2021
.....

IDS GROUP LIMITED

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

Opinion

We have audited the financial statements of IDS Group Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including 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 2020 and of its profit 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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)

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 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.

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.

IDS GROUP LIMITED

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 101, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The audit engagement team identified the risk of management override of controls as the area where the *financial statements were most susceptible to material misstatement due to fraud*. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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)

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, Statutory Auditor

Chartered Accountants

Davidson House

Forbury Square

Reading

Berkshire

RG1 3EU

11 June 2021

IDS GROUP LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Note	£	£
Turnover	4	106,005	556,940
Administrative expenses		<u>(103,383)</u>	<u>(595,273)</u>
Operating Profit/(Loss)	5	2,622	(38,333)
Dividend Income		1,009,443	-
Impairment charge		<u>(117,684)</u>	<u>-</u>
Profit/(Loss) before taxation		894,381	(38,333)
Tax on profit/(loss) on ordinary activities		-	-
Profit/(Loss) for the financial year	7	<u>894,381</u>	<u>(38,333)</u>

IDS GROUP LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

Company Registration No. 02869895 (England and Wales)

	Notes	2020 £	2019 £
Fixed assets			
Investments in subsidiaries	8	6,199,336	6,317,020
Current assets			
Cash at bank		1,342	2,058
Creditors: amounts falling due within one year	9	<u>(3,768,558)</u>	<u>(4,781,339)</u>
Net current liabilities		<u>(3,767,216)</u>	<u>(4,779,281)</u>
Total assets less current liabilities		<u><u>2,432,120</u></u>	<u><u>1,537,739</u></u>
Capital and reserves			
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>(97,377,889)</u>	<u>(98,272,270)</u>
Total equity		<u><u>2,432,120</u></u>	<u><u>1,537,739</u></u>

The notes on pages 11 to 19 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 9 June 2021 and are signed on its behalf by:



Eric Gibson
Director
9 June 2021

IDS GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Share premium account £	Accumulated losses £	Total £
Balance as at 01 January 2019	5,686,334	94,123,675	(98,233,937)	1,576,072
Loss for the financial year	-	-	(38,333)	(38,333)
Total comprehensive Income for the year	-	-	(38,333)	(38,333)
Balance as at 31 December 2019	5,686,334	94,123,675	(98,272,270)	1,537,739
Profit for the financial year	-	-	894,381	894,381
Total comprehensive Income for the year	-	-	894,381	894,381
Balance as at 31 December 2020	5,686,334	94,123,675	(97,377,889)	2,432,120

IDS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 and are presented to the nearest £1.

2 Statement of compliance

The financial statements of International Decision Systems 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.

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.

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 2020

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 an operating loss in 2020. The subsidiary company expects to trade profitably in 2021. As discussed above the directors consider the prospects for 2021 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 did adversely impact the certain aspects of the global economy. It did not have a material adverse impact on the company's results of operations in 2020 and is not anticipated to have a material adverse impact in 2021. 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 statements of IDS Group Inc. Please refer to note 17. Therefore, the company is exempt, by virtue of section 401 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 2020

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 one executive of the consolidated group owned by IDS Group, Inc. from January to April 2020. The majority of his 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.

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 2020

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.

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements and estimates about the carrying amount of assets and liabilities that are not readily apparent from other sources. The following judgement (involving some estimation assumptions) has had the most significant effect on amounts recognised in the financial statements.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of investments, the directors have considered both external and internal sources of information such as market conditions, the financial position of the investment entity and experience of recoverability of similar assets.

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 2020

3 Significant Accounting Policies (continued)

Financial instruments (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 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.

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.

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 2020

4 Turnover

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

	2020	2019
	£	£
Intergroup recharges of cost	106,005	556,940

5 Operating profit/(Loss)

Operating loss is stated after charging

	2020	2019
	£	£
Total staff costs	92,521	449,141
Other administrative expenses	10,862	146,133

No charge is made for auditors' remuneration because the cost is borne by International Decision Systems Limited (2019:nil).

6 Employees and directors

	2020	2019
	£	£
Wages and salaries	80,906	395,950
Social security costs	11,615	53,191
Total staff costs	92,521	449,141

The average monthly number of persons (excluding executive directors) employed by the company during the year was 1 (2019: 2)

Directors Emoluments

	2020	2019
	£	£
Aggregate emoluments	80,906	238,547

IDS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Tax on profit/(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:

	2020	2019
	£	£
Profit/(Loss) before taxation	894,381	(38,334)
Tax calculated at the standard rate of corporation tax in United Kingdom of 19% (2019:19%)	169,932	(7,283)
Expenses not deductible for tax purposes	21,862	7,283
Income not taxable	(191,794)	-
Tax on profit/(loss)	-	-

8 Investments

During the year, the company disposed of its investments in Premium Select Marketing Corporation Limited.

	2020	2019
	£	£
Cost		
1 January and 31 December	15,596,864	15,596,864
Impairment		
1 January and 31 December	9,279,844	9,279,844
2020 Impairment charge	117,684	-
Carrying Amount		
1 January and 31 December	6,199,336	6,317,020

Details of the company's related undertakings at 31 December 2020 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	-
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 2020

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	329,058	10,250,245
IDS Australia Holdings Pty Limited	Holding Company	-	1
International Decision Systems Pty Limited	Leasing and asset finance industries	297,693	293,732
International Decision Systems Australia	Holding company	<u>-</u>	<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

	2020	2019
	£	£
Amounts due to group undertakings	<u>3,768,559</u>	<u>4,781,339</u>

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

10 Share capital

	2020	2019
	£	£
<u>Alloted and fully paid</u> 56,863,340 (2019: 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.

	2020	2019
	£	£
<u>Alloted and fully paid</u> 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 2020

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 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.

14 Events after the reporting date

On 1 June 2021, IDS Group Limited acquired 100% share capital of WC Topco Limited. WC Topco Limited is the holding company of White Clark Group. The products and services of the group are complimentary to those currently provided in the UK. The acquisition supports the strategic objectives to grow the Group's product set and market presence.