

**IML GROUP PLC**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2011**

MONDAY



L13 31/10/2011 60  
COMPANIES HOUSE

**IML GROUP PLC**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

<b>CONTENTS</b>	<b>PAGE</b>
Officers and professional advisers	1
The directors' report	2
Independent auditor's report to the shareholders	6
Profit and loss account	8
Group balance sheet	9
Balance sheet	10
Group cash flow	11
Notes to the financial statements	13

**IML GROUP PLC**  
**OFFICERS AND PROFESSIONAL ADVISERS**

<b>The board of directors</b>	P N Jago S Jago
<b>Company secretary</b>	P N Jago
<b>Registered office</b>	Blair House 184/186 High Street Tonbridge Kent TN9 1BE
<b>Auditor</b>	Shipleys LLP Chartered Accountants & Statutory Auditor 10 Orange Street Haymarket London WC2H 7DQ

# IML GROUP PLC

## THE DIRECTORS' REPORT

### YEAR ENDED 31 MARCH 2011

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 March 2011

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continued to be that of a holding company. The principal activity of the group during the year was the publication of business magazines, the provision of business information services and the organisation of related events.

This year has been one of careful stabilisation of our core titles, the continued development of our non print products and vigorous action to reduce our cost base.

The recession continues and while most businesses, like ours, have found ways to survive in the face of expensive and limited bank finance, marketing spend has been curtailed across every sector our titles serve. With the plethora of competition we face in both product and communication channels, it is to the credit of our editorial and sales teams that we have been able to grow revenue, albeit only by a couple of percent, and expand our influence in ensuring our customers get their sales message to the market most effectively.

Our net profit in the year has grown by 106% in spite of the small revenue increase achieved. Production costs, reflecting the gradual switch to a mix of print and electronic distribution and the increase in soft media sales, ran at 86% of the previous year level. Staff numbers and costs have been lowered too but will rise as the economic situation strengthens and our customer base increases its promotional activity.

The signs are there that this is beginning to happen. Our Flagship title 'InAVate' grew revenue by 26% year on year and announced the launch of xSolutions, an exhibition for the UK AV market which has attracted many of the field leaders in this area. Mature products have not enjoyed such a rigorous rebound though those in food, facilities and control engineering have each improved on last year's figures.

Our products in the engineering and electronic design fields have reduced their losses but point to the need for the Company to develop new offerings in burgeoning modern technology sectors that naturally embrace print, digital, internet and face to face channels in their attempt to gain market dominance.

Soft media revenues such as websites and other electronic channels offer good potential to offset the gradual decline in print based revenues in mature sectors but such growth remains dependent upon our customers fully embracing the marketing opportunities this capability provides.

#### Key performance indicators

(i) Turnover Number of sales staff, 2011 - £183,541 per sales staff (2010 - £172,854 per sales staff) (ii) Debt collection period, 2011 - 68 days (2010 - 65 days) (iii) Gross profit margin, 2011 - 20.3% (2010 - 16.7%)

#### FUTURE DEVELOPMENTS

The first staging of xSolutions took place in October 2011 and was well supported by the leading companies in the sector and attracted a visitorship of a quality and quantity that more than satisfied their expectations. Next year's event has been booked again into ExCel for the beginning of October and the board is confident of our ability to grow this event over the coming years.

**IML GROUP PLC**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 31 MARCH 2011**

Elsewhere our efforts are directed at improving our approach to market, retraining existing personnel so that our sales offering is more inclusive of the multi channel requirement of today's advertisers, rather than continuing the one dimensional print based option of the past. Revenue potential here is large since it is still only the multi national market leaders who have committed serious money to the web and other electronic marketing opportunities to date and we have a number of innovations to encourage the medium sized operator to embrace what is the most accountable of advertising media.

Our intention is to widen our portfolio of titles to balance the mature strength of our existing products. Future launches will be in recently emergent sectors and will always comprise interlinked print, web and digital routes-to-market to reflect the myriad of choice open to customers in marketing their products and services.

The future will require that we stay abreast of technological changes in the way in which we deliver the information that is the bedrock of our ability to attract and keep readers and users of our products. Fundamentally however, we must continue to supply reliable, informative, helpful and involving material of quality to enable us to remain the first choice data supplier to the companies in our target markets. That is an ambition which the Company is well set to meet.

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £47,558. Particulars of dividends paid are detailed in note 8 to the financial statements.

# IML GROUP PLC

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2011

### FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 16 to the accounts

### DIRECTORS

The directors who served the company during the year were as follows

P N Jago

S Jago

### MARKET VALUE OF LAND AND BUILDINGS

In the opinion of the directors the net realisable value of the freehold property included in tangible fixed assets is substantially lower than the current carrying amount. However, as there is no intention to sell the property and the value in use is considered to be higher than the carrying value no adjustment has been made in the financial statements

### POLICY ON THE PAYMENT OF CREDITORS

The company's current policy concerning the payment of trade creditors is to

- settle the terms of payment with suppliers when agreeing the terms of each transaction,
- ensure that suppliers are made aware of the terms of payment, by inclusion of the relevant terms in contracts, and
- pay in accordance with the company's contractual and other legal obligations

On average, trade creditors at the year end represented 89 days purchases (2009 58 days)

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

- select suitable accounting policies and then apply them consistently,
- make judgements 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

# IML GROUP PLC

## THE DIRECTORS' REPORT *(continued)*

### YEAR ENDED 31 MARCH 2011

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company'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.

In so far as the directors are aware

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

#### DONATIONS

During the year the company made the following contributions

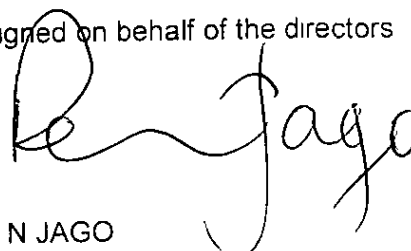
	2011	2010
	£	£
Charitable	<u>500</u>	<u>500</u>

#### AUDITOR

Shipleys LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office  
Blair House  
184/186 High Street  
Tonbridge  
Kent  
TN9 1BE

Signed on behalf of the directors



P N JAGO  
Director

Approved by the directors on

28/10/11

# **IML GROUP PLC**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IML GROUP PLC**

**YEAR ENDED 31 MARCH 2011**

We have audited the group and parent company financial statements ("the financial statements") of IML Group Plc for the year ended 31 March 2011 which comprise the Profit and Loss Account, Group Balance Sheet and Company Balance Sheet, Group Cash Flow and the related notes. The financial reporting 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 shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 to 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 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 MATTERS 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.



# IML GROUP PLC

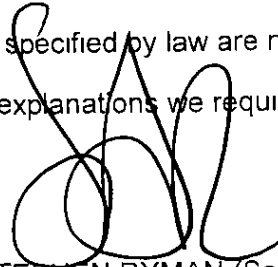
## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IML GROUP PLC *(continued)*

YEAR ENDED 31 MARCH 2011

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- *adequate accounting records have not been kept by the parent company, 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*



STEPHEN RYMAN (Senior Statutory Auditor)

For and on behalf of  
SHIPLEYS LLP  
Chartered Accountants  
& Statutory Auditor

10 Orange Street  
Haymarket  
London

WC2H 7DQ

28/10/11

**IML GROUP PLC**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2011**

	Note	2011 £	2010 £
<b>GROUP TURNOVER</b>	<b>2</b>	3,487,277	3,457,083
Cost of sales		(2,780,186)	(2,880,260)
<b>GROSS PROFIT</b>		<u>707,091</u>	<u>576,823</u>
Administrative expenses		(581,399)	(517,383)
<b>OPERATING PROFIT</b>	<b>3</b>	125,692	59,440
Interest receivable		33	599
Interest payable and similar charges	<b>6</b>	(60,114)	(30,859)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>65,611</u>	<u>29,180</u>
Tax on profit on ordinary activities	<b>7</b>	(18,053)	(6,128)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>47,558</u>	<u>23,052</u>
Dividends	<b>8</b>	(70,000)	—
<b>(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<u>(22,442)</u>	<u>23,052</u>

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

The notes on page 8 form part of these financial statements

**IML GROUP PLC**  
**GROUP BALANCE SHEET**

**31 MARCH 2011**

	Note	2011 £	2010 £
<b>FIXED ASSETS</b>			
Intangible assets	9	4,084,282	4,084,282
Tangible assets	10	<u>734,017</u>	<u>728,544</u>
		4,818,299	4,812,826
<b>CURRENT ASSETS</b>			
Stocks	12	56,876	51,118
Debtors	13	842,768	742,135
Cash at bank and in hand		<u>995,415</u>	<u>936,979</u>
		1,895,059	1,730,232
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>(2,623,812)</u>	<u>(2,421,667)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(728,753)</u>	<u>(691,435)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,089,546	4,121,391
<b>CREDITORS: Amounts falling due after more than one year</b>	15	<u>(598,950)</u>	<u>(608,353)</u>
		<u>3,490,596</u>	<u>3,513,038</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	20	776,863	776,863
Revaluation reserve	21	1,282,394	1,282,394
Profit and loss account	21	<u>1,431,339</u>	<u>1,453,781</u>
<b>SHAREHOLDERS' FUNDS</b>	22	<u>3,490,596</u>	<u>3,513,038</u>

These financial statements were approved by the directors and authorised for issue on 29/10/11, and are signed on their behalf by

  
P N JAGO

The notes on page 9 form part of these financial statements

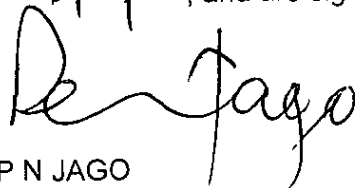
# IML GROUP PLC

## BALANCE SHEET

31 MARCH 2011

	Note	2011 £	2010 £
<b>FIXED ASSETS</b>			
Investments	11	2,228,723	2,228,723
<b>CURRENT ASSETS</b>			
Debtors	13	80,373	73,738
<b>CREDITORS. Amounts falling due within one year</b>	14	(128,579)	(128,579)
<b>NET CURRENT LIABILITIES</b>		(48,206)	(54,841)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,180,517	2,173,882
<b>CREDITORS. Amounts falling due after more than one year</b>	15	(1,403,621)	(1,397,019)
		<u>776,896</u>	<u>776,863</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	20	776,863	776,863
Profit and loss account	21	33	-
<b>SHAREHOLDERS' FUNDS</b>		<u>776,896</u>	<u>776,863</u>

These financial statements were approved by the directors and authorised for issue on 28/10/11, and are signed on their behalf by



P N JAGO

Company Registration Number 2416272

The notes on page 10 form part of these financial statements

**IML GROUP PLC**  
**GROUP CASH FLOW**  
**YEAR ENDED 31 MARCH 2011**

	2011		2010
	£	£	£
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>		284,779	(28,241)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received	33		599
Interest paid	<u>(60,114)</u>		<u>(30,859)</u>
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		(60,081)	(30,260)
<b>TAXATION</b>		(7,291)	(52,717)
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire tangible fixed assets	<u>(26,913)</u>		<u>(39,883)</u>
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>		(26,913)	(39,883)
<b>EQUITY DIVIDENDS PAID</b>		(70,000)	(84,476)
		<u>          </u>	<u>          </u>
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		120,494	(235,577)
<b>FINANCING</b>			
Repayment of bank loans	(46,013)		(23,497)
Net inflow/(outflow) from other long-term creditors	<u>13,472</u>		<u>(142,188)</u>
<b>NET CASH OUTFLOW FROM FINANCING</b>		(32,541)	(165,685)
		<u>          </u>	<u>          </u>
<b>INCREASE/(DECREASE) IN CASH</b>		<u>87,953</u>	<u>(401,262)</u>

The notes on page 11 form part of these financial statements

# IML GROUP PLC

## GROUP CASH FLOW

YEAR ENDED 31 MARCH 2011

### RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	125,692	59,440
Depreciation	21,440	19,727
(Increase)/decrease in stocks	(5,758)	6,262
(Increase)/decrease in debtors	(100,633)	29,154
Increase/(decrease) in creditors	244,038	(142,824)
Net cash inflow/(outflow) from operating activities	<u>284,779</u>	<u>(28,241)</u>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2011 £	2010 £
Increase/(decrease) in cash in the period	87,953	(401,262)
Net cash outflow from bank loans	46,013	23,497
Net cash (inflow) from/outflow from other long-term creditors	<u>(13,472)</u>	<u>142,188</u>
	120,494	(235,577)
Change in net debt	120,494	(235,577)
Net debt at 1 April 2010	(951,955)	(716,378)
Net debt at 31 March 2011	<u>(831,461)</u>	<u>(951,955)</u>

### ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2010 £	Cash flows £	At 31 Mar 2011 £
Net cash			
Cash in hand and at bank	936,979	58,436	995,415
Overdrafts	<u>(1,257,443)</u>	<u>29,517</u>	<u>(1,227,926)</u>
	(320,464)	87,953	(232,511)
Debt			
Debt due within 1 year	(23,138)	23,138	—
Debt due after 1 year	<u>(608,353)</u>	<u>9,403</u>	<u>(598,950)</u>
	(631,491)	32,541	(598,950)
Net debt	<u>(951,955)</u>	<u>120,494</u>	<u>(831,461)</u>

The notes on page 12 form part of these financial statements

# IML GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

### 1 ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards

#### **Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practise), which have been applied consistently (except as otherwise stated)

#### **Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2008

#### **Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### **Goodwill**

Acquired goodwill is written off in equal instalments over its estimated useful economic life

#### **Exhibitions**

Profits on exhibitions are taken to the profit and loss account in the period of the exhibition. Where costs in respect of an exhibition are incurred in a period prior to the exhibition, such amounts are taken to the profit and loss account in the period in which they arise unless there is reasonable certainty that the exhibition will result in a profit

#### **Intangible Assets**

Intangible assets represent publishing rights and titles, databases and exhibition rights. Publishing rights in respect of well established titles with readily ascertainable market values on the basis of their estimated minimum market values. In accordance with the requirements of FRS 10 the values are reviewed annually. Having no finite economic life, amortisation is not provided

#### **Fixed assets**

Tangible fixed assets include investment properties valued by the directors on an existing use open market basis. Other tangible fixed assets are stated at cost or valuation less depreciation

**IML GROUP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

**1 ACCOUNTING POLICIES** *(continued)*

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Fixtures & Fittings	- 20% straight line
Equipment	- 20% straight line

The directors consider that the level of repairs and maintenance on freehold buildings will result in high residual values and long economic lives such that any depreciation charge would be immaterial

**Stocks**

Stock is valued at the lower of cost and net realisable value

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

**Pension costs**

During the year the group operated two separate defined contribution pension schemes for the directors and staff. The staff scheme is closed and a new stakeholder scheme has been set up for employees. The pension costs charged in the financial statements represent the contributions payable by the group during the year.

**Deferred taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing publishing rights or property to market value, as the company does not intend to sell the revalued assets.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates 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 into account in arriving at the operating profit.



# IML GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

### 1 ACCOUNTING POLICIES *(continued)*

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### Investments

Fixed asset investments are stated at cost less provision of diminution in value.

### 2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	2011 £	2010 £
United Kingdom	2,193,497	2,672,983
Europe	615,854	244,929
Other	677,926	539,171
	<u>3,487,277</u>	<u>3,457,083</u>

### 3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2011 £	2010 £
Depreciation of owned fixed assets	21,440	19,727
Operating lease costs		
- Plant and equipment	4,076	4,758
- Other	77,500	77,500
Net profit on foreign currency translation	-	(9,828)
Auditor's remuneration - audit of the financial statements	5,000	5,000
Auditor's remuneration - other fees	<u>34,723</u>	<u>47,859</u>

# IML GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

	2011 £	2010 £
Auditor's remuneration - audit of the financial statements	<u>5,000</u>	<u>5,000</u>
Auditor's remuneration - other fees		
- Local statutory audit of subsidiary	9,000	12,000
- Taxation services	7,500	10,000
- Non- audit work	18,223	25,859
	<u>34,723</u>	<u>47,859</u>

### 4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to

	2011 No	2010 No
Administration	13	17
Editorial	10	12
Advertising sales	19	20
	<u>42</u>	<u>49</u>

The aggregate payroll costs of the above were

	2011 £	2010 £
Wages and salaries	1,507,663	1,452,347
Social security costs	160,392	159,390
Other pension costs	65,144	67,788
	<u>1,733,199</u>	<u>1,679,525</u>

### 5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2011 £	2010 £
Remuneration receivable	128,543	117,440
Value of company pension contributions to money purchase schemes	18,000	18,000
	<u>146,543</u>	<u>135,440</u>

# IML GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

### 5. DIRECTORS' REMUNERATION *(continued)*

The number of directors who accrued benefits under company pension schemes was as follows

	2011 No	2010 No
Money purchase schemes	<u>1</u>	<u>1</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Interest payable on bank borrowing	42,197	19,038
Other similar charges payable	<u>17,917</u>	<u>11,821</u>
	<u>60,114</u>	<u>30,859</u>

### 7. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2011 £	2010 £
Current tax		
UK Corporation tax based on the results for the year at 21% (2010 - —%)	<u>18,053</u>	<u>6,128</u>
Total current tax	<u>18,053</u>	<u>6,128</u>

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21% (2010 - —%)

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>65,611</u>	<u>29,180</u>
Profit on ordinary activities by rate of tax	13,771	6,128
Expenses not deductible for tax purposes	10,014	-
Capital allowances for period in excess of depreciation	<u>(5,732)</u>	<u>-</u>
Total current tax (note 7(a))	<u>18,053</u>	<u>6,128</u>

# IML GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

### 8 DIVIDENDS

#### Equity dividends

	2011 £	2010 £
Paid during the year		
Dividends on equity shares	<u>70,000</u>	<u>84,476</u>

### 9. INTANGIBLE FIXED ASSETS

#### Group

#### Publishing rights £

#### COST

At 1 April 2010 and 31 March 2011 4,084,282

#### AMORTISATION

At 1 April 2010 and 31 March 2011 -

#### NET BOOK VALUE

At 31 March 2011 4,084,282

At 31 March 2010 4,084,282

### 10 TANGIBLE FIXED ASSETS

#### Group

	Freehold Property £	Fixtures & Fittings £	Equipment £	Total £
<b>COST OR VALUATION</b>				
At 1 April 2010	658,855	13,311	115,301	787,467
Additions	-	1,210	25,703	26,913
Disposals	-	-	(10,059)	(10,059)
<b>At 31 March 2011</b>	<u>658,855</u>	<u>14,521</u>	<u>130,945</u>	<u>804,321</u>
<b>DEPRECIATION</b>				
At 1 April 2010	-	9,707	49,216	58,923
Charge for the year	-	2,269	19,171	21,440
On disposals	-	-	(10,059)	(10,059)
<b>At 31 March 2011</b>	<u>-</u>	<u>11,976</u>	<u>58,328</u>	<u>70,304</u>
<b>NET BOOK VALUE</b>				
<b>At 31 March 2011</b>	<u>658,855</u>	<u>2,545</u>	<u>72,617</u>	<u>734,017</u>
At 31 March 2010	<u>658,855</u>	<u>3,604</u>	<u>66,085</u>	<u>728,544</u>

# IML GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

### 11. INVESTMENTS

Company	Group companies £
<b>COST</b>	
At 1 April 2010 and 31 March 2011	<u>2,228,723</u>
<b>NET BOOK VALUE</b>	
At 31 March 2011 and 31 March 2010	<u>2,228,723</u>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet. The company owns 100% of the issued share capital of *Industrial Media Limited*, a publisher of business magazines, who are registered in England and Wales.

### 12. STOCKS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Papers, wrappers and sundry consumables	<u>56,876</u>	<u>51,118</u>	<u>—</u>	<u>—</u>

### 13. DEBTORS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	653,200	603,827	—	—
Other debtors	42,739	26,940	—	—
Prepayments and accrued income	146,829	111,368	80,373	73,738
	<u>842,768</u>	<u>742,135</u>	<u>80,373</u>	<u>73,738</u>

### 14. CREDITORS: Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Secured redeemable loan stock	126,408	126,408	126,408	126,408
Bank loans and overdrafts	1,227,926	1,280,581	—	—
Trade creditors	459,373	413,431	—	—
Directors' loan accounts	3,161	—	—	—
Other creditors including taxation and social security	15,630	4,868	—	—
Corporation tax	481,796	319,987	2,171	2,171
Other taxation and social security	105,214	123,714	—	—
Other creditors	204,304	152,678	—	—
Accruals and deferred income	<u>2,623,812</u>	<u>2,421,667</u>	<u>128,579</u>	<u>128,579</u>

# IML GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

### 14. CREDITORS: Amounts falling due within one year *(continued)*

The following liabilities disclosed under creditors falling due within one year are secured by the company

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Debenture loans	126,408	126,408	126,408	126,408
Bank loans and overdrafts	1,227,926	1,280,581	–	–
	<u>1,354,334</u>	<u>1,406,989</u>	<u>126,408</u>	<u>126,408</u>

### 15. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	168,836	191,711	–	–
Amounts owed to group undertakings	–	–	1,155,095	1,053,687
Other creditors including Other creditors	181,588	73,310	–	–
Secured redeemable loan stock	248,526	343,332	248,526	343,332
	<u>598,950</u>	<u>608,353</u>	<u>1,403,621</u>	<u>1,397,019</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Debenture loans	248,526	343,332	248,526	343,332
Bank loans and overdrafts	168,836	192,823	168,836	–
	<u>417,362</u>	<u>536,155</u>	<u>417,362</u>	<u>343,332</u>

The bank loans and overdrafts are secured by fixed and floating charges over the assets and undertaking of the group

The bank loans are repayable by fixed monthly instalments including interest which is charged at 5% above the Natwest bank base rate

Other loans are repayable on 31 March 2016

The secured redeemable loan stock is repayable at the option of either the stockholders or the company. The stock bears interest at 2% below Barclays Bank base rate. The interest becomes due upon repayment of the principal loan. The redeemable loan stock is secured against all freehold property and all other tangible and intangible assets

# IML GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

### 15. CREDITORS: Amounts falling due after more than one year *(continued)*

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	73,310	70,314	—	—
Other creditors	133,278	19,308	—	—
	<u>206,588</u>	<u>89,622</u>	<u>—</u>	<u>—</u>

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company and group's financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors and loans to the company. The main purpose of these instruments is to raise funds for the group's operations and to finance the group's operations.

Due to the nature of the financial instruments used by the company and group there is no exposure to price risk. The group's approach to managing other risks applicable to the financial instruments is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The group makes use of money market facilities where funds are available.

In respect of loans these comprise loans from directors and loans from financial institutions. The interest rate on the loans from financial institutions is variable but the quarterly repayments are fixed. The group manages the liquidity risk by ensuring there are sufficient funds to meet payments. The interest rates on the loans from directors are variable and the loans payable on demand. The directors are aware of the group's required finance and have determined that these will only be repaid, in whole or in part, when finance is available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

# IML GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

### 17 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2011 the group had annual commitments under non-cancellable operating leases as set out below

Group	Land and buildings	
	2011 £	2010 £
Operating leases which expire		
Within 2 to 5 years	<u>77,500</u>	<u>77,500</u>

### 18. CONTINGENCIES

The company has a contingent liability in respect of a cross-guarantee given to Natwest plc for the bank loans and overdrafts of Industrial Media Limited, a subsidiary company. At 31 March 2011, these bank loans and overdrafts totalled £1,227,926 (2010 - £1,280,581)

### 19. RELATED PARTY TRANSACTIONS

P N Jago is a member of the IML Directors Pension Scheme. The company occupies properties owned by the scheme at open market value rentals of £77,500 (2010 - £77,500)

A loan of £78,054 (2010 £98,514) was due to the scheme at the year end, of which £78,054 (2010 £88,909) bears interest at a fixed rate of 7.5%. During the year, IML has made payments for expenses and VAT on behalf of the scheme, resulting in a balance due from the scheme of £13,100

Half of the secured redeemable Loan Stock of £374,934 (2010 £469,740) is due to settlements in which P N Jago has material interests

Dividends amounting to £67,879 (2010 £81,917) were payable to P N Jago, at the year end. £nil (2010 £nil) was outstanding

### 20. SHARE CAPITAL

Authorised share capital.

	2011 £	2010 £
241,072 Ordinary shares of £1 each	241,072	241,072
20,000 Ordinary shares of £0.01 each	200	200
675,000 Deferred ordinary shares of £1 each	675,000	675,000
83,928 Ordinary 'B' Shares of £1 each	83,928	83,928
	<u>1,000,200</u>	<u>1,000,200</u>



# IML GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

### 20. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
17,754 Ordinary shares of £1 each	17,754	17,754	17,754	17,754
18,138 Ordinary shares of £0.01 each	18,138	181	18,138	181
675,000 Deferred ordinary shares of £1 each	675,000	675,000	675,000	675,000
83,928 Ordinary 'B' Shares shares of £1 each	83,928	83,928	83,928	83,928
	<u>794,820</u>	<u>776,863</u>	<u>794,820</u>	<u>776,863</u>

### 21. RESERVES

Group	Revaluation reserve £	Profit and loss account £
Balance brought forward	1,282,394	1,453,781
Loss for the year	—	(22,442)
Balance carried forward	<u>1,282,394</u>	<u>1,431,339</u>

Company	Profit and loss account £
Profit for the year	<u>33</u>
Balance carried forward	<u>33</u>

The revaluation reserve at the year end relates to group intangible assets which are valued in accordance with the accounting policy stated above

### 22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	47,558	23,052
Dividends	(70,000)	—
	<u>(22,442)</u>	<u>23,052</u>
Equity dividends	—	(84,476)
Net reduction to shareholders' funds	<u>(22,442)</u>	<u>(61,424)</u>
Opening shareholders' funds	3,513,038	3,574,462
Closing shareholders' funds	<u>3,490,596</u>	<u>3,513,038</u>

### 23. CONTROL

The ultimate controlling party is P N Jago, a director and shareholder of the company