

COMPANY REGISTRATION NUMBER 2416272

IML GROUP PLC
FINANCIAL STATEMENTS
31 MARCH 2014

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IML GROUP PLC
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

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IML GROUP PLC
OFFICERS AND PROFESSIONAL ADVISERS

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

IML GROUP PLC
DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2014

The directors present their report and the financial statements of the group for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

Business review:

Turnover in the year grew by 4% and while revenue derived from print products remained at a similar total to last year, at 58% of all income (63% in 12/13), this is the lowest percentage traditional advertising has attained in IML's history.

All elements of our Soft Media products, e newsletters, e marketing and on line activities, showed substantial year on year growth with only web site revenues sticking at the levels seen in the previous year.

We are edging ever closer to our aim of a 50:50 split between traditional printed advertising revenues and the electronics driven routes to market that are growing in acceptance and effectiveness. The areas in which little effort and consequently headway has been made to date are in the digital versions of our print products and an integrated route to market offering, rather than the selling of individual elements which remains the somewhat pedestrian approach of sales teams brought up selling print products.

Costs have remained stable with the exception of magazine distribution where Royal Mail, freed of the restriction of controlled prices magazine that publishers had long enjoyed, have pushed up prices and reduced the discounts previously available to our industry. As a consequence print products' distribution numbers continue to fall as increased market penetration via electronic methods supplants traditional postal deliveries.

Electronic delivery can provide a more tangible relationship between publisher and reader, one which our advertisers are better able to evaluate and utilise, one which will inevitably reduce the significance of Royal Mail as a distributor of business intelligence.

Key performance indicators:

(i) Turnover: Number of sales staff; 2014 - £244,523 per sales staff (2013 - £205,116 per sales staff). (ii) Debt collection period; 2014 - 66 days (2013 - 49 days). (iii) Gross profit margin; 2014 - 26% (2013 - 23%).

IML GROUP PLC

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

FUTURE DEVELOPMENTS

The launch of Inavate Apac fulfils the first leg of last year's stated intent to launch a new product every year for the next five years. Serving the Far East and Australia and drawing on the content, approach and acceptance of our successful EMEA product, the launch issue was well received in June 2015 and goes monthly from September.

Expanding our regional coverage in a sector in which we have earned considerable success with a high quality, informed product and linking the new launch directly to that established brand, represents a lower risk approach than a move into a subject area in which we have no previous experience.

The advertiser catchment embraces the major companies who operate independent subsidiary businesses in that region and are regular Inavate Emea users. The A/V market across Asia and the Pacific rim is predicted to grow to the largest in the world within five years, so our move into this geographical region offers considerable potential.

Some of our other titles could also benefit from a widening of their reader market and the experience we are gaining will stand us in good stead for such developments. On their own, this will not provide the growth the Company will need. Consequently, acquisition becomes another route to increase revenue that will be considered, alongside efforts to improve income deriving from database marketing and our digital offering, as well as launches into emerging business to business sectors and the business to consumer markets.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £203,801. Particulars of dividends paid and proposed are detailed in note 9 to the financial statements.

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.

IML GROUP PLC

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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.

IML GROUP PLC

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

AUDITOR

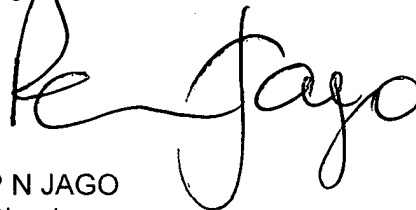
Shipleys LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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 18/9/14

IML GROUP PLC

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

YEAR ENDED 31 MARCH 2014

We have audited the group and parent company financial statements ("the financial statements") of IML Group Plc for the year ended 31 March 2014 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 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 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 page 4, 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 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 the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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.

IML GROUP PLC

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

YEAR ENDED 31 MARCH 2014

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

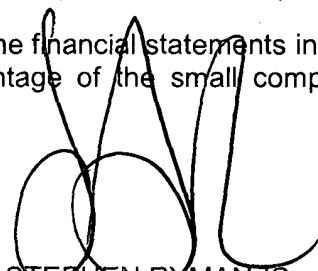
In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



STEPHEN RYMAN (Senior Statutory Auditor)

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

10 Orange Street
Haymarket
London
WC2H 7DQ

18/9/14

IML GROUP PLC
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
GROUP TURNOVER	2	3,423,323	3,281,850
Cost of sales		(2,519,919)	(2,507,172)
GROSS PROFIT		903,404	774,678
Administrative expenses		(590,580)	(552,364)
OPERATING PROFIT	3	312,824	222,314
Interest receivable		21	17
Interest payable and similar charges	6	(80,708)	(59,254)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		232,137	163,077
Tax on profit on ordinary activities	7	(28,336)	(26,235)
PROFIT FOR THE FINANCIAL YEAR	8	203,801	136,842

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 pages 12 to 24 form part of these financial statements.

IML GROUP PLC
GROUP BALANCE SHEET
31 MARCH 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Intangible assets	10	4,084,282	4,084,282
Tangible assets	11	740,871	692,199
		<u>4,825,153</u>	<u>4,776,481</u>
CURRENT ASSETS			
Stocks	13	40,956	61,484
Debtors	14	714,716	551,611
Cash at bank		170,198	968,803
		<u>925,870</u>	<u>1,581,898</u>
CREDITORS: Amounts falling due within one year	15	(1,376,746)	(2,123,538)
NET CURRENT LIABILITIES		<u>(450,876)</u>	<u>(541,640)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,374,277</u>	<u>4,234,841</u>
CREDITORS: Amounts falling due after more than one year	16	(546,343)	(552,201)
		<u>3,827,934</u>	<u>3,682,640</u>
CAPITAL AND RESERVES			
Called-up equity share capital	22	776,863	776,863
Revaluation reserve	23	1,282,394	1,282,394
Profit and loss account	23	1,768,677	1,623,383
SHAREHOLDERS' FUNDS	24	<u>3,827,934</u>	<u>3,682,640</u>

These accounts were approved by the directors and authorised for issue on 18/9/14, and are signed on their behalf by:

.....
P N JAGO

The notes on pages 12 to 24 form part of these financial statements.

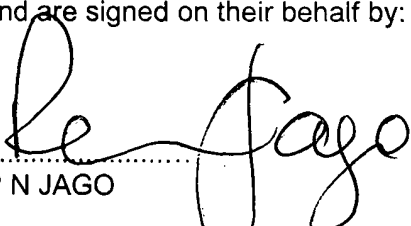
IML GROUP PLC

BALANCE SHEET

31 MARCH 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Investments	12	<u>2,228,723</u>	<u>2,228,723</u>
CURRENT ASSETS			
Debtors	14	–	26,372
CREDITORS: Amounts falling due within one year	15	<u>(134,173)</u>	<u>(133,259)</u>
NET CURRENT LIABILITIES		<u>(134,173)</u>	<u>(106,887)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,094,550	2,121,836
CREDITORS: Amounts falling due after more than one year	16	<u>(1,317,686)</u>	<u>(1,344,936)</u>
		<u>776,864</u>	<u>776,900</u>
CAPITAL AND RESERVES			
Called-up equity share capital	22	776,863	776,863
Profit and loss account	23	1	37
SHAREHOLDERS' FUNDS		<u>776,864</u>	<u>776,900</u>

These accounts were approved by the directors and authorised for issue on 18/9/14, and are signed on their behalf by:


P N JAGO

Company Registration Number: 2416272

The notes on pages 12 to 24 form part of these financial statements.

IML GROUP PLC
GROUP CASH FLOW
YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	25	301,914	34,004
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	25	(80,687)	(59,237)
TAXATION	25	(27,215)	(27,494)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	25	(73,678)	(988)
EQUITY DIVIDENDS PAID		(58,507)	—
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		61,827	(53,715)
FINANCING	25	(5,858)	44,092
INCREASE/(DECREASE) IN CASH	25	55,969	(9,623)

The notes on pages 12 to 24 form part of these financial statements.

IML GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

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 financial reporting standard 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 2014

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

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

IML GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

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:

	2014 £	2013 £
United Kingdom	2,787,996	2,611,226
Europe	407,849	404,083
Other	227,478	266,541
	<u>3,423,323</u>	<u>3,281,850</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2014 £	2013 £
Depreciation of owned fixed assets	25,006	19,273
Operating lease costs:		
- Plant and equipment	4,305	4,480
- Other	64,000	64,000
Auditor's remuneration - audit of the financial statements	10,000	10,000
Auditor's remuneration - other fees	45,507	33,275

	2014 £	2013 £
Auditor's remuneration - audit of the financial statements	<u>10,000</u>	<u>10,000</u>

Auditor's remuneration - other fees:

- Local statutory audit of subsidiary	10,000	10,000
- Taxation services	9,500	9,500
- Non- audit work	26,007	13,775
	<u>45,507</u>	<u>33,275</u>

IML GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

4. PARTICULARS OF EMPLOYEES

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

	2014	2013
	No	No
Administration	9	12
Editorial	9	9
Advertising sales	14	16
	<u>32</u>	<u>37</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	1,201,667	1,162,049
Social security costs	127,297	129,858
Other pension costs	81,366	76,768
	<u>1,410,330</u>	<u>1,368,675</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2014	2013
	£	£
Remuneration receivable	100,057	99,810
Value of company pension contributions to money purchase schemes	39,140	34,200
	<u>139,197</u>	<u>134,010</u>

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

	2014	2013
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Interest payable on bank borrowing	23,370	29,479
Other similar charges payable	57,338	29,775
	<u>80,708</u>	<u>59,254</u>

IML GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014 £	2013 £
Current tax:		
UK Corporation tax based on the results for the year at –% (2013 - 20%)	28,336	26,235
Total current tax	<u>28,336</u>	<u>26,235</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of –% (2013 - 20%).

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>232,137</u>	<u>163,077</u>
Profit on ordinary activities by rate of tax	46,427	32,615
Expenses not deductible for tax purposes	5,232	6,503
Capital allowances for period in excess of depreciation	(14,772)	(243)
Utilisation of tax losses	(8,551)	(12,640)
Total current tax (note 7(a))	<u>28,336</u>	<u>26,235</u>

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £58,471 (2013 - £(14)).

9. DIVIDENDS

Equity dividends

	2014 £	2013 £
Paid during the year:		
Dividends on equity shares	<u>58,507</u>	<u>–</u>

IML GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

10. INTANGIBLE FIXED ASSETS

Group	Publishing rights £
COST	
At 1 April 2013 and 31 March 2014	<u>4,084,282</u>
AMORTISATION	
At 1 April 2013 and 31 March 2014	<u>—</u>
NET BOOK VALUE	
At 31 March 2014	<u>4,084,282</u>
At 31 March 2013	<u>4,084,282</u>

11. TANGIBLE FIXED ASSETS

Group	Freehold Property £	Fixtures & Fittings £	Equipment £	Total £
COST OR VALUATION				
At 1 April 2013	658,855	11,573	102,518	772,946
Additions	—	—	73,678	73,678
Disposals	—	(10,363)	(4,244)	(14,607)
At 31 March 2014	<u>658,855</u>	<u>1,210</u>	<u>171,952</u>	<u>832,017</u>
DEPRECIATION				
At 1 April 2013	—	11,047	69,700	80,747
Charge for the year	—	242	24,764	25,006
On disposals	—	(10,363)	(4,244)	(14,607)
At 31 March 2014	<u>—</u>	<u>926</u>	<u>90,220</u>	<u>91,146</u>
NET BOOK VALUE				
At 31 March 2014	<u>658,855</u>	<u>284</u>	<u>81,732</u>	<u>740,871</u>
At 31 March 2013	<u>658,855</u>	<u>526</u>	<u>32,818</u>	<u>692,199</u>

IML GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

12. INVESTMENTS

Company	Group companies £
COST	
At 1 April 2013 and 31 March 2014	<u>2,228,723</u>
NET BOOK VALUE	
At 31 March 2014 and 31 March 2013	<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.

13. STOCKS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Papers, wrappers and sundry consumables	<u>40,956</u>	<u>61,484</u>	<u>—</u>	<u>—</u>

14. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	618,951	456,491	—	—
Other debtors	14,386	5,540	—	—
Prepayments and accrued income	81,379	89,580	—	26,372
	<u>714,716</u>	<u>551,611</u>	<u>—</u>	<u>26,372</u>

15. CREDITORS: Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Secured redeemable loan stock	126,408	126,408	126,408	126,408
Overdrafts	342,559	1,197,133	—	—
Trade creditors	423,521	341,904	—	—
Other creditors including taxation and social security:				
Corporation tax	28,336	27,215	—	—
Other taxation and social security	157,313	266,772	2,171	2,171
Other creditors	52,435	61,616	5,594	4,680
Accruals and deferred income	246,174	102,490	—	—
	<u>1,376,746</u>	<u>2,123,538</u>	<u>134,173</u>	<u>133,259</u>

IML GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

15. 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	
	2014	2013	2014	2013
	£	£	£	£
Secured redeemable loan stock	126,408	126,408	126,408	126,408
Overdrafts	342,559	1,197,133	—	—
	<u>468,967</u>	<u>1,323,541</u>	<u>126,408</u>	<u>126,408</u>

16. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	104,011	124,989	—	—
Amounts owed to group undertakings	—	—	1,289,372	1,273,640
Other creditors including:				
Other creditors	414,018	355,916	—	—
Secured redeemable loan stock	28,314	71,296	28,314	71,296
	<u>546,343</u>	<u>552,201</u>	<u>1,317,686</u>	<u>1,344,936</u>

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Secured redeemable loan stock	28,314	71,296	28,314	71,296
Bank loans and overdrafts	104,011	124,989	—	—
	<u>132,325</u>	<u>196,285</u>	<u>28,314</u>	<u>71,296</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.

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.

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16. 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	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	31,199	31,199	—	—
Other creditors	—	24,474	—	—
	<u>31,199</u>	<u>55,673</u>	<u>—</u>	<u>—</u>

17. 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.

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18. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2014 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>64,000</u>	<u>64,000</u>

19. CONTINGENCIES

The Company has a contingent liability in respect of a cross-guarantee given to the Company's bankers for the bank loans and overdrafts of Industrial Media Limited, a subsidiary company. At 31 March 2014, these bank loans and overdrafts totalled £342,559 (2013: £1,197,133).

20. PENSION SCHEME

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £47,000, (2013: £34,200).

21. RELATED PARTY TRANSACTIONS

P N Jago and S Jago are members of the IML Directors Pension Scheme. The Group occupies properties owned by the scheme at open market value rentals of £64,000 (2013 - £64,000).

A loan of £44,429 (2013: £53,840) was due to the scheme at the year end, of which £44,429 (2013: £53,840) 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 to the scheme at the year end of £8,146 (2013: £940 due from the scheme).

The secured redeemable Loan Stock of £154,721 (2013: £197,704) is due to settlements in which P N Jago has material interests.

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

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22. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	17,754	17,754	17,754	17,754
Ordinary shares of £0.01 each	18,138	181	18,138	181
Deferred ordinary shares of £1 each	675,000	675,000	675,000	675,000
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>

23. RESERVES

Group	Revaluation reserve	Profit and loss account
	£	£
Balance brought forward	1,282,394	1,623,383
Profit for the year	–	203,801
Equity dividends	–	(58,507)
Balance carried forward	<u>1,282,394</u>	<u>1,768,677</u>

Company	Profit and loss account
	£
Balance brought forward	37
Profit for the year	58,471
Equity dividends	(58,507)
Balance carried forward	<u>1</u>

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

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Profit for the financial year	203,801	136,842
Equity dividends	(58,507)	–
Net addition to shareholders' funds	145,294	136,842
Opening shareholders' funds	3,682,640	3,545,798
Closing shareholders' funds	<u>3,827,934</u>	<u>3,682,640</u>

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YEAR ENDED 31 MARCH 2014

25. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	312,824	222,314
Depreciation	25,006	19,273
Decrease/(increase) in stocks	20,528	(12,909)
(Increase)/decrease in debtors	(163,105)	218,923
Increase/(decrease) in creditors	106,661	(413,597)
Net cash inflow from operating activities	<u>301,914</u>	<u>34,004</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2014 £	2013 £
Interest received	21	17
Interest paid	(80,708)	(59,254)
Net cash outflow from returns on investments and servicing of finance	<u>(80,687)</u>	<u>(59,237)</u>

TAXATION

	2014 £	2013 £
Taxation	<u>(27,215)</u>	<u>(27,494)</u>

CAPITAL EXPENDITURE

	2014 £	2013 £
Payments to acquire tangible fixed assets	(73,678)	(993)
Receipts from sale of fixed assets	–	5
Net cash outflow from capital expenditure	<u>(73,678)</u>	<u>(988)</u>

FINANCING

	2014 £	2013 £
Repayment of bank loans	(20,978)	(23,795)
Net inflow from other long-term creditors	15,120	67,887
Net cash (outflow)/inflow from financing	<u>(5,858)</u>	<u>44,092</u>

IML GROUP PLC
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25. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2014	2013
	£	£
Increase/(decrease) in cash in the period	55,969	(9,623)
Net cash outflow from bank loans	20,978	23,795
Net cash (inflow) from other long-term creditors	<u>(15,120)</u>	<u>(67,887)</u>
	61,827	(53,715)
Change in net debt	61,827	(53,715)
Net debt at 1 April 2013	<u>(780,531)</u>	<u>(726,816)</u>
Net debt at 31 March 2014	<u><u>(718,704)</u></u>	<u><u>(780,531)</u></u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2013	Cash flows	At 31 Mar 2014
	£	£	£
Net cash:			
Cash in hand and at bank	968,803	(798,605)	170,198
Overdrafts	<u>(1,197,133)</u>	<u>854,574</u>	<u>(342,559)</u>
	(228,330)	55,969	(172,361)
Debt:			
Debt due after 1 year	<u>(552,201)</u>	<u>5,858</u>	<u>(546,343)</u>
Net debt	<u><u>(780,531)</u></u>	<u><u>61,827</u></u>	<u><u>(718,704)</u></u>

26. CONTROL

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