

IGD SERVICES LIMITED

**Report and Accounts
For the year ended 31st December 2005**

Company Number 03357260



IGD Services Limited

Report and Accounts

For the year ended 31st December 2005

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IGD Services Limited

DIRECTORS

A full list of the directors who have served during the year is given on page 12 of these accounts.

SECRETARY

F. M. Stratford FCA

REGISTERED OFFICE

Grange Lane
Letchmore Heath
Watford
Herts
WD25 8GD

AUDITORS

Hillier Hopkins LLP
Chartered Accountants
St Martin's House
31 – 35 Clarendon Road
Watford
Herts
WD17 1JF

BANKERS

Allied Irish Bank
81 – 89 St Albans Road
Watford
Herts
WD17 1RG

SOLICITORS

Matthew Arnold & Baldwin
21 Station Road
Watford
Herts
WD17 1HT

PENSION ADVISORS

One Pension Consultancy
Wyvols Court
Swallowfield
Reading
RG7 1WY

IGD Services Limited

Directors' Report

For the year ended 31st December 2005

The Directors present their report on the affairs of IGD Services Limited for the year ended 31st December 2005.

Principal Activity

The principal activity of the Company during the year was the provision of research and education for the food and grocery industry to provide a source of funding for the parent charity, IGD.

Results

Details of the results for the year are contained in the Profit and Loss Account on page 4.

Review of the Business

IGD Services Limited is a wholly owned trading subsidiary company of IGD. The aim of this company is to provide sources of funding for the charitable activities of IGD. The activities of IGD Services Limited are closely aligned to the charitable objectives of IGD.

The research programme provides comprehensive coverage of retailers, wholesalers and markets both in the UK and overseas, together with supply chain developments and insights into consumer attitudes and behaviour. We deliver unique insights and accurate commentary on the trends that are shaping the fast changing global grocery industry.

Twenty-four reports delivering research were published in 2005 with the trend moving towards electronic versions rather than the traditional paper reports. In addition, subscriptions to the online information service showed very strong growth.

Our research was presented at 18 conferences and seminars in the year at which over 4,500 delegates had the opportunity to network and discuss challenges affecting the industry. Our flagship conference, the IGD Annual Convention entitled 'The Flair Factor' was again a very successful event.

The online information service, Retail Analysis, continued to prove valuable to customers with very strong growth in revenue generated from this product in 2005.

Business Learning workshops and commissioned training are another route through which IGD research is shared. This area showed a good level of improvement in 2005 with a significant piece of commissioned training secured for a major international manufacturer.

The Glitter Ball is the major social event used for fund raising for IGD and 2005 was again successful in raising a significant amount for the Charity and in particular for Career Choices and Leading Edge.

Capital Expenditure

Capital expenditure for the year amounted to £312,766 compared with £103,316 for the previous year. A summary of the changes in fixed assets is shown in note 5 to the accounts.

Membership of the Board of Directors

A full list of members of the Board of Directors is on Page 12.

IGD Services Limited

Directors' Report (continued) For the year ended 31st December 2005

Statement of Directors Responsibilities

The directors are required by the Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the surplus or deficit for the financial period.

The directors consider that in preparing the financial statements on pages 4 to 10 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all accounting standards, which they consider to be applicable, have been followed.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Charitable and Political Donations

Charitable donations amounting to £2,163,793 (2004: £1,744,425) were made during the year. No political donations were made.

Introduction of the Euro

The Board of Directors has considered the implication of the introduction of the Euro and believes that, at the present time, it will not have a material effect on the activities of the Company.

Auditors

Hillier Hopkins LLP have expressed their willingness to remain in office. A resolution to re-appoint them as the Company's auditors will be proposed at the Annual General Meeting in accordance with the Companies Act 1985.

Small Companies Exemption

The financial statements have been prepared in accordance with the provisions of Part VII of the Companies Act 1985.

For and on behalf of the Board of Directors



F M Stratford
Company Secretary

Date: 12 April 2006

Registered Office

Grange Lane
Letchmore Heath
Watford
Herts
WD25 8GD

IGD Services Limited

Profit and Loss Account

For the year ended 31st December 2005

	Notes	2005 £	2004 £
TURNOVER	2	7,406,139	6,997,777
Direct expenditure		(1,651,245)	(1,698,311)
Administrative expenses		(5,749,882)	(5,309,099)
Other operating income		12,444	9,313
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	17,456	(320)
Tax on profit / (loss) on ordinary activities	4	-	-
Profit / (loss) on ordinary activities before taxation		17,456	(320)
Retained loss brought forward	8	(61,379)	(61,059)
Retained loss carried forward	8	(43,923)	(61,379)

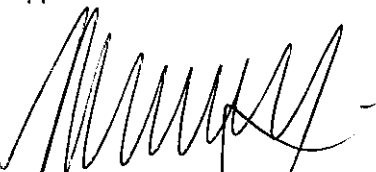
The company has no recognised gains or losses other than the loss for the year disclosed above, which is all in respect of continuing activities.

IGD Services Limited

Balance Sheet 31st December 2005

	Notes	2005 £	2005 £	2004 £	2004 £
FIXED ASSETS					
Tangible assets	5		678,878		549,024
CURRENT ASSETS					
Cash at bank and in hand		212,613		370,859	
CREDITORS					
Amounts falling due within one year	6	(635,414)		(681,262)	
Net current liabilities			(422,801)		(310,403)
NET ASSETS			<u>256,077</u>		<u>238,621</u>
Financed by:					
CAPITAL AND RESERVES					
Called up share capital	7		300,000		300,000
Reserves	8		(43,923)		(61,379)
Shareholder's funds			<u>256,077</u>		<u>238,621</u>

Approved on behalf of the Board of Directors on 12 April 2006:


S Newiss - Chairman


S Bailey - Treasurer

IGD Services Limited

Cash Flow Statement

For the year ended 31st December 2005

	Notes	2005 £	2005 £	2004 £	2004 £
Net cash inflow / (outflow) from operating activities	10		154,364		(303,295)
Capital expenditure:					
Purchase of tangible fixed assets		(312,766)		(103,316)	
Sale of tangible fixed assets		<u>156</u>	<u>(312,610)</u>	<u>-</u>	<u>(103,316)</u>
Decrease in cash for the year			<u>(158,246)</u>		<u>(406,611)</u>
Reconciliation of Net Cash Flow to Movement in Net Funds:					
Decrease in cash for the year			(158,246)		(406,611)
Net funds at 1 January			<u>370,859</u>		<u>777,470</u>
Net funds at 31 December			<u>212,613</u>		<u>370,859</u>

IGD Services Limited

Notes to the accounts

For the year ended 31st December 2005

1. Accounting Policies

Basis of Accounts

The accounts have been prepared in accordance with applicable accounting standards, under the historical cost convention.

Parent Undertaking

The Company is a wholly owned subsidiary of the Institute of Grocery Distribution (known as IGD), which is the ultimate parent undertaking and a charitable company incorporated in England.

Turnover

Turnover is the amount receivable from services supplied to customers, excluding value added tax.

Tangible Fixed Assets

Fixed assets are stated at cost. Depreciation is calculated to write off the cost of the assets over their estimated useful lives as follows:

Fixtures and fittings	10 years reducing balance
Office machinery & computer software	3-5 years reducing balance
Computer Hardware	3 years straight line

Leases

The costs of assets held under finance leases is included within tangible fixed assets and depreciation is provided at the appropriate rate. The capital element of future lease payments is included in creditors. The finance charges are dealt with under interest payable in the profit and loss account and are apportioned over the length of the lease on a straight line basis.

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

Research

Research expenditure is written off as incurred.

IGD Services Limited

Notes to the accounts

For the year ended 31st December 2005

2. Analysis of Income by Activity

	2005 £	2004 £
Membership Subscriptions	1,662,593	1,625,150
Training and Research	5,743,546	5,372,627
	<u>7,406,139</u>	<u>6,997,777</u>

3. Operating profit / (loss)

The operating profit / (loss) is stated after charging:

		2005 £	2004 £
Depreciation	- owned assets	148,843	122,731
Auditors' remuneration	- for audit services	10,750	11,500
	- for other services	<u>4,125</u>	<u>9,327</u>

4. Tax on profit / (loss) on ordinary activities

The company is party to an arrangement under which all taxable profits are paid as a gift aid payment to the parent undertaking, which is a registered charity. Therefore no liability to corporation tax arises on this Company's results.

IGD Services Limited

Notes to the accounts

For the year ended 31st December 2005

5. Tangible Fixed Assets

	Computer Equipment £	Vehicles, fixtures and equipment £	Total £
Cost			
At 1 January 2005	1,328,930	592,205	1,921,135
Additions	224,920	87,846	312,766
Disposals	(438,703)	-	(438,703)
At 31 December 2005	<u>1,115,147</u>	<u>680,051</u>	<u>1,795,198</u>
Accumulated depreciation			
At 1 January 2005	942,417	429,694	1,372,111
Charge for the year	147,847	35,065	182,912
Disposals	(438,703)	-	(438,703)
At 31 December 2005	<u>651,561</u>	<u>464,759</u>	<u>1,116,320</u>
Net book value			
At 31 December 2005	<u>463,586</u>	<u>215,292</u>	<u>678,878</u>
At 31 December 2004	<u>386,513</u>	<u>162,511</u>	<u>549,024</u>

6. Creditors: Amounts falling due within one Year

	2005 £	2004 £
Amounts due to related undertaking	<u>635,414</u>	<u>681,262</u>

7. Share capital

	2005 Number	2005 £	2004 Number	2004 £
Authorised:				
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid:				
Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

IGD Services Limited

Notes to the accounts

For the year ended 31st December 2005

8. Shareholder's funds

	2005 £	2004 £
Opening Shareholder's Funds	238,621	238,941
Retained profit / (loss) for the year	<u>17,456</u>	<u>(320)</u>
Closing Shareholder's Funds	<u>256,077</u>	<u>238,621</u>

9. Related Party Transactions

There are no related party transactions.

10. Reconciliation of Operating Profit / (Loss) to Operating Cash Flows

	2005 £	2004 £
Operating profit / (loss)	17,456	(320)
Depreciation	182,912	122,731
Profit on sale of fixed assets	(156)	-
(Decrease) in creditors	<u>(45,848)</u>	<u>(425,706)</u>
Net cash inflows from operating activities	<u>154,364</u>	<u>(303,295)</u>

11. Analysis of Net Funds

	Balance 1 Jan 2005 £	Cash Flows £	Balance 31 Dec 2005 £
Cash at bank and in hand	<u>370,859</u>	<u>(158,246)</u>	<u>212,613</u>
Total net funds	<u>370,859</u>	<u>(158,246)</u>	<u>212,613</u>

IGD Services Limited

Independent Auditors' Report to the shareholders Of IGD Services Limited for the year ended 31st December 2005

We have audited the financial statements of IGD Services Limited on pages 4 to 10 for the year ended 31 December 2005.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of the Directors and Auditors

As described in the statement of directors' responsibilities on page 3 the Board is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed. We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hillier Hopkins LLP

Hillier Hopkins LLP
Chartered Accountants and
Registered Auditor

Date: 19 APRIL 2006

St Martins House
31-35 Clarendon Road
Watford
Herts.
WD17 1JF

IGD Services Limited

IGD Services Limited Board of Directors

For the year ended 31st December 2005

The following is a list of Directors who have served in the year to 31 December 2005. Individuals served throughout the year unless otherwise indicated.

Angela Spindler	George Global – Executive MD	Asda
David Joll	Managing Director	Bernard Matthews Ltd (Appointed April 2005)
Gerry Johnson	Managing Director	Booker Cash & Carry (Resigned April 2005)
Paul Kelly	Corporate Affairs Director	Compass Group Plc (Appointed Feb 2005)
Tim Cooper-Jones OBE	Executive Director	Geo Adams & Sons (Holdings) Ltd (Resigned June 2005)
Steve Bailey	Chief Finance Officer	H J Heinz
Deepak Malhotra	Director of Corporate & Legal Affairs and Property Management	Interbrew UK Ltd (Resigned April 2005)
Steve Newiss	Vice-President Sales, EU	Kraft Foods PLC
Fiona Dawson	Vice President European Snackfood Marketing	Masterfoods (Division Of Mars UK Ltd) (Resigned May 2005)
Stuart Irvine	Group Sales Director	Nestlé
Andrew Garden	General Manager Western Europe	Procter & Gamble
Mike Coupe	Trading Director	Sainsbury (Resigned Feb 2005; re-appointed June 2005)
Neil Sachdev	Director of Property Services	Tesco
Tony Smith	Sales Director	Unilever UK Foods
Martin Totty	UK Sales Director	United Biscuits (Resigned February 2005)
Colin Hutchison	Vice President, Europe	Wilkinson Sword Ltd (Appointed Feb 2005)

IGD Services Limited

Internal Board

For the year ended 31st December 2005

The Internal Board of IGD Services Limited comprises:

Chief Executive	Joanne Denney-Finch OBE
Research Director	Steve Barnes
Finance Director and Company Secretary	Fiona Stratford
Strategy Director	Jon Woolven
On-line Sales Director	Nick Downing (<i>appointed November 2005</i>)