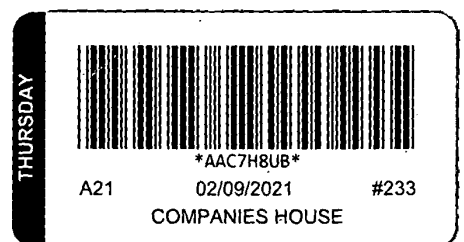


# **IGD SERVICES LIMITED**

**Annual Report and Accounts  
For the year ended 31<sup>st</sup> December 2020**

**Company Number 03357260**



# **IGD Services Limited**

## **Report and Accounts**

**For the year ended 31st December 2020**

<b>Contents</b>	<b>Page</b>
Legal and Administrative Information	1
Directors' Report (including Strategic Report)	2
Income Statement and Retained Earnings	5
Statement of Financial Position	6
Notes to the Accounts	7
Independent Auditor's Report	14
Board of Directors	17
IGD Senior Leadership Team	18

# IGD Services Limited

## Legal and Administrative Information

**DIRECTORS:** A full list of the directors who have served during the year and up to the date of approval is given on page 17 of these accounts.

**SECRETARY:** J Bastiman

**REGISTRATION NUMBER:** 03357260

**REGISTERED OFFICE:** Grange Lane  
Letchmore Heath  
Watford  
Herts.  
WD25 8GD

**AUDITORS:** BDO LLP  
55 Baker Street  
London  
W1U 7EU

**BANKERS:** HSBC  
60 Queen Victoria Street  
London  
EC4N 4TR

The Co-operative Bank  
3-7 Market Street,  
Watford. WD18 0PE

Lloyds Bank Plc - Treasury  
Faryners House  
25 Monument Street  
London  
EC3R 8BQ

**SOLICITORS:** Stone King  
Boundary House  
91 Charterhouse Street  
London  
EC1M 6HR

Slaughter & May  
1 Bunhill Row  
London. EC1Y 8YY

**PENSION ADVISORS:** One Employee Benefits  
Sunfield Business Park  
New Mill Road  
Finchampstead  
RG40 4QT

# **IGD Services Limited**

## **Directors' Report – including Strategic Report**

### **For the year ended 31st December 2020**

The Directors present their report on the affairs of IGD Services Limited for the year ended 31st December 2020.

#### **Principal Activity**

The principal activity of the Company during the year was the provision of insight based services for the food and consumer goods industry to provide a source of funding for the parent charity, The Institute of Grocery Distribution (IGD).

#### **Results**

Details of the results for the year are contained in the Income Statement on page 5. The company made a profit after taxation of £nil (2019: £nil) after making Gift Aid payments to its parent company of £3,079k (2019: £4,089k).

#### **Review of the Business**

IGD Services Limited is a wholly owned trading subsidiary company of IGD. The aim of this company is to provide a source of funding for IGD. The activities of IGD Services Limited are closely aligned to those of IGD.

IGD Services Limited has three wholly owned subsidiary companies. IGD Services (Canada) Inc (formed in 2009) and IGD Services (Singapore) Pte. Ltd (formed in 2016) both provide insight based services, sharing the aim of providing funding to their ultimate parent, IGD, in order to help fund its charitable activities. IGD Trading Limited was incorporated as a company limited by guarantee in the UK in July 2019 and has not traded.

#### **Strategic Report**

We are trusted partners to the food and consumer good industry providing unrivalled insight and foresight on the industry. We give our customers a better understanding of how to unlock success and where our industry is going. Our global insight enables us to deliver unique commercial knowledge and capabilities. We make a difference by giving our customers the ability to meet everyday challenges and adapt to changing futures.

- Our Online Insight Services provide international news, research and forward thinking so that our customers can get a deeper understanding of industry.
- Underpinned by our insight, our events portfolio brings people together across the industry allowing attendees to gain a deeper understanding of themes impacting their business.
- Via IGD Solutions our customers can gain access to our extensive expertise to get the specific business solutions or training they require.

2020 trading was impacted by the global Covid-19 pandemic as restrictions on face to face gatherings and travel affected some areas of our portfolio. A large proportion of our offering was already online based, which put us in a strong position and our revenue in this area was less than 2% behind our budgeted figure. Our events portfolio was severely affected as we had to cancel all physical events, of which we had planned to hold eight. However, we delivered two successful virtual events towards the end of the year, each attracting more delegates than the original forecast for the physical events. Our IGD Solutions business was impacted by the inability to travel plus the uncertainty which our customers found themselves in and as such our revenues in this area were only around a third of what had been budgeted. Overall, revenues were £4.9m behind budget for 2020, but careful cost management meant that profit was only £1.3m behind budget.

Our Solutions business gradually started to recover in the second half of the year as virtual interactions became the norm and, as mentioned above, we successfully delivered two virtual events in the second half of the year. We plan to move forward with a blended model into the future.

#### **Future Developments**

IGD Services Limited will continue to generate revenue to support the charitable work of IGD. Our online information services, events and Solutions work will remain the principal pillars. The industry will continue to evolve and adapt as we move out of the pandemic and our blend of industry and shopper insight will continue to guide our customers helping them to face into the challenges and opportunities ahead.

## **IGD Services Limited**

### **Directors' Report – including Strategic Report (continued)**

**For the year ended 31st December 2020**

#### **Capital Expenditure**

Capital expenditure for the year amounted to £61k (£20k intangible, £41k tangible) compared with £690k for the previous year. A summary of the changes in fixed assets is shown in note 8 to the accounts.

#### **Principal risks and uncertainties**

The risks IGD Services Limited faces are intrinsically linked to the risks IGD faces as a whole. Risks are prioritised by reviewing the potential impact, together with the likelihood of them occurring. Mitigating actions are reviewed with owners assigned to those actions. The risk register is reviewed on a regular basis and updated as appropriate and the trustees are provided with updates on major risks by exception at regular meetings.

After taken into account the mitigating controls in place, the following risks, many of which are interlinked, have been assessed to be the major ongoing risks which could impact IGD:

- Keeping employees safe during the Covid-19 pandemic
- Ensuring IGD remains relevant and retains the support of its stakeholders
- Reduction of funds from IGD's trading subsidiary
- The impact of Covid-19 on both the industry and IGD's activities
- Damage to IGD's standing and reputation
- Information security breach
- Economic and geopolitical uncertainty including the end of the Brexit transition period
- IGD content or event being used to facilitate a breach of competition law

The key action to mitigate external risks is constant monitoring. The annual business planning cycle reviews how the external environment is changing, and these changes are considered in our decision-making and investment planning process. We use our advisory groups to stay close to the industry and, when launching new activities, we check that the activities fully comply with the Memorandum of Articles and we fully review the effectiveness of our programmes to ensure we are investing resources appropriately.

The business planning cycle reviews every element of our trading activities to ensure that they are still relevant and appropriate for the needs of our customers. Financial performance is reviewed on a weekly basis and a revised forecast for the financial year is completed quarterly so that mitigating actions can be taken if performance is off-plan.

Procedures have been set to minimise the risk to our standing and reputation. This includes ensuring staff are appropriately inducted and trained. Policies, including IT security, crises management and competition law, are in place and contingency plans are in place to minimise the impact in the unlikely event an incident occurs.

#### **Membership of the Board of Directors**

A full list of members of the Board of Directors is on page 17.

## **IGD Services Limited**

### **Directors' Report – including Strategic Report (continued)**

**For the year ended 31st December 2020**

#### **Going Concern**

In assessing the impact of COVID-19 on IGD Services Limited, the directors have considered all the matters described in the Directors' Report, including the group's operations, the impact on membership subscriptions and our training and research activities. In particular, in order to support the directors' assessment of the sustainability of the company's activities, management has prepared monthly cash-flow forecasts based on different scenarios arising from the impact of COVID-19. The majority of IGD Services' revenue is contracted annually and invoiced upfront therefore the company has good visibility of its forward revenues, giving it time to adjust the cost base accordingly should it be necessary, as it did during 2020. However, to provide assurance, a 'worst case' scenario was completed which assumed a 25% reduction in revenue vs budget (15% reduction in 2021 to reflect that around a third of income was already contracted by the start of the year). This worst case scenario gave assurance that cash reserves would remain positive for over three years with minimal related cost reductions. As at the date of signing, the directors are confident that the company will be able to maintain liquidity for a period of at least one year from that date and will therefore be able to continue to trade as a going concern.

#### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the directors' report, including the strategic 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 of the profit or loss of the company for that period. In preparing these 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

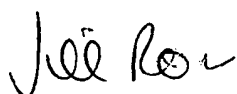
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information

#### **Auditors**

A resolution for the reappointment of BDO LLP will be proposed at the forthcoming Annual General Meeting. The Directors' Report (including the Strategic Report) was approved for and on behalf of the Board of Directors



Jill Ross  
Chairman  
30<sup>th</sup> June 2021

**IGD Services Limited**  
**Income Statement and Retained Earnings**  
For the year ended 31st December 2020

	Notes	2020 £	2019 £
<b>Turnover</b>	3	13,082,860	16,890,368
Cost of sales		(536,374)	(2,264,136)
<b>Gross profit</b>		12,546,486	14,626,232
Administrative expenses		(9,502,736)	(10,826,190)
<b>Operating profit</b>		3,043,750	3,800,042
Interest receivable		35,458	58,738
Income from investments	5	-	241,706
<b>Profit on ordinary activities before taxation</b>		3,079,208	4,100,486
Tax on profit on ordinary activities	6	(104)	(11,627)
<b>Profit on ordinary activities after tax and total comprehensive income</b>		<b>3,079,104</b>	<b>4,088,859</b>
<b>Statement of Retained Earnings</b>			
Profit and loss account at 1 January		70,522	70,522
Total comprehensive income		3,079,104	4,088,859
Gift Aid		(3,079,104)	(4,088,859)
<b>Profit and loss account at 31 December</b>		<b>70,522</b>	<b>70,522</b>

The company has no recognised gains or losses other than the profit for the year disclosed above, which is all in respect of continuing activities and all attributable to its parent company IGD.

The notes on pages 7 to 13 form part of these accounts.

**IGD Services Limited**  
**Statement of Financial Position**  
**As at 31st December 2020**

Company Number 03357260

	Notes	2020	2020	2019	2019
		£	£	£	£
<b>Fixed assets</b>					
Intangible fixed assets	8		233,480		627,152
Tangible assets	8		317,837		418,181
Investments	9		64		65
			<u>551,381</u>		<u>1,045,398</u>
<b>Current assets</b>					
Debtors	10	3,140,276		3,085,428	
Short-term bank deposits		4,106,296		4,058,208	
Cash at bank and in hand		<u>4,105,506</u>		<u>6,320,112</u>	
		<u>11,352,078</u>		<u>13,463,748</u>	
<b>Creditors: Amounts falling due within one year</b>	11a	(11,513,699)		(14,127,374)	
<b>Net current liabilities</b>			<u>(161,621)</u>		<u>(663,626)</u>
<b>Total assets less current liabilities</b>			<u>389,760</u>		<u>381,772</u>
<b>Creditors: Amounts falling due after more than year</b>	11b		(19,238)		(11,250)
<b>Net assets</b>			<u><b>370,522</b></u>		<u><b>370,522</b></u>
<b>Financed by:</b>					
<b>Capital and reserves</b>					
Called up share capital	12		300,000		300,000
Profit and loss account			<u>70,522</u>		<u>70,522</u>
			<u><b>370,522</b></u>		<u><b>370,522</b></u>

The financial statements were approved by the Board of Directors on 30<sup>th</sup> June 2021.

Signed on behalf of the Board of Directors:



Colin Moss – Trustee and Chair of Audit Committee

The notes on pages 7 to 13 form part of these accounts.



# **IGD Services Limited**

## **Notes to the financial statements**

### **For the year ended 31st December 2020**

#### **1. Company information**

IGD Services Limited is a company incorporated in England. Its registered office, which is also its principal place of business, is at IGD, Grange Lane, Letchmore Heath, Watford, WD25 8GD.

#### **2. Accounting Policies**

##### **Basis of preparation**

The accounts have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ('FRS 102') and with the Companies Act 2006.

During 2020 the impact of the ongoing COVID-19 pandemic created uncertainty for IGD Services Ltd resulting in a £3.8k (23%) downturn in revenue vs 2019. Despite this, net current liabilities improved, with cash levels falling because the amount due to the parent company was reduced. As a significant proportion of IGD Services Ltd revenue is invoiced upfront under an annual contract, the company has a significant amount of deferred income. As a result, the company has net current liabilities. As this is an accounting entry and not a cash amount due, it is not a concern to the company's liquidity.

Budgeting for 2021 and beyond has taken the learnings from 2020 and assumes that the impact of COVID-19 will remain for some time. In addition, scenarios were prepared with a reduction vs budgeted income of 25% (15% in 2021 given that over a third of income was already contracted at the start of the year). These scenarios gave assurance that cash reserves would remain positive for several years. Based on the budget and these scenarios, the Directors believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the company's ability to continue as a going concern for the foreseeable future, being a period of at least 12 months after the date on which the report and Financial Statements are signed. The Directors therefore consider it appropriate for the accounts to be prepared on a going concern basis.

The financial statements present information about the company as an individual undertaking. IGD Services Limited is exempted from the requirements to prepare group accounts as consolidated accounts are prepared by the parent company, the Institute of Grocery Distribution (IGD).

Transactions with the company's parent company and subsidiary undertakings have not been disclosed on the basis that the companies are all wholly owned and consolidated financial statements are prepared for the ultimate parent company, IGD.

##### **Significant judgements and estimates**

In preparing these financial statements, the directors have not identified any significant judgements and key estimates which impact on IGD Services Limited.

##### **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.

##### **Subsidiary Undertakings**

IGD Services Limited has three wholly owned subsidiary companies, IGD Services (Canada) Inc (formed in 2009), IGD Services (Singapore) Pte. Ltd (formed in 2016) and IGD Trading Limited (formed in 2019). The first two, both overseas subsidiary companies, share the aim of providing funding for the ultimate parent company so that it can provide charitable activities through providing training and information services in Canada and Asia respectively. The third, IGD Trading Limited, a company limited by guarantee, is dormant and has never traded.

##### **Statement of Cash Flows**

The Company has taken advantage of the exemption available in FRS102, not to prepare a statement of cash flows on the basis that it is a qualifying entity and its ultimate parent company, The Institute of Grocery Distribution Limited, includes the Company's cash flows in its own consolidated financial statements.

**IGD Services Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31st December 2020**

**2. Accounting Policies (continued)**

**Distributions**

Taxable profits transferred to the parent entity, a registered charity, are recognised as distributions from equity when the company has made an irrevocable commitment to the parent to pay the taxable profits.

**Turnover**

Turnover is the amount receivable for services supplied and from subscriptions for membership, excluding value added tax. Where income is received relating to future events (such as a conference or workshop) it is deferred and treated as a creditor until the event has occurred. Where income is received relating to a fixed period (eg a subscription to one of our online services or membership) the amount is allocated across the length of the subscription on a monthly basis and any portion relating to a future period is deferred and treated as a creditor.

**Intangible Fixed Assets**

Intangible fixed assets relate to software including website development costs. Where group companies' websites are expected to generate future revenues in excess of the costs of developing those websites and all other capitalisation criteria are met, expenditure on the functionality of the website is capitalised and treated as an intangible fixed asset. The capitalised website development costs are subsequently amortised to 'administrative' expenses on a straight-line basis over 3 years, except for those that are 'assets under construction', where no amortisation charge is incurred until the asset is complete. Also included in Intangible Fixed Assets is the Intellectual Property of a website transferred from IGD Services (Singapore) Pte. Ltd during 2019. The IP has been recognised at directors' valuation and is being amortised over two years.

**Tangible Fixed Assets**

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Only assets costing over £300 are capitalised.

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 equipment & computer software	5 years reducing balance
Computer Hardware	3 years straight line

**Leases**

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

**Translation of Foreign Currencies**

Transactions denominated in foreign currencies are translated into sterling at the rate applying on the date of the transaction or at an average rate where this rate approximates the actual rate at the date of the transaction. Year end balances in foreign currencies are translated into sterling at the relevant Bank of England currency rate on 31<sup>st</sup> December. All gains and losses on translation of foreign currency amounts are recognised as income or expenditure.

**3. Turnover**

Turnover, analysed by category, was as follows:

	2020 £	2019 £
Membership subscriptions	3,304,216	3,249,488
Insight based services	9,778,644	13,640,880
	<u>13,082,860</u>	<u>16,890,368</u>

**IGD Services Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31st December 2020**

**4. Operating profit**

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation/Amortisation - owned assets	555,396	557,136
Auditors' remuneration - for audit services	18,074	18,422
- for other services	10,262	12,199
Foreign exchange (gains)/losses	(22,276)	37,195
Operating lease rentals - plant & machinery	<u>8,507</u>	<u>26,936</u>

**Staff costs**

No staff are directly employed by IGD Services Limited. All staff are employed by the parent company (IGD).

**5. Investment income**

	2020 £	2019 £
Dividend income	<u>-</u>	<u>241,706</u>

**6. Taxation on the profit on ordinary activities**

	2020 £	2019 £
6a.		
Analysis of tax charge in the year:		
Current Taxation:		
UK Corporation tax at 19% (2019: 19%)	-	-
Withholding tax on dividend received	-	(11,627)
Under-provision for tax in previous year	<u>(104)</u>	<u>-</u>
Tax on profit on ordinary activities	<u>(104)</u>	<u>(11,627)</u>
6b.		
Factors affecting the tax charge for the year:		
Profit on ordinary activities before tax	<u>3,079,208</u>	<u>4,100,486</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax of 19% (2019: 19%)	585,050	779,092
Effects of:		
Deferred tax not recognised	55,967	(19,008)
Remeasurement of deferred tax for changes in tax rates	6,215	-
Fixed asset differences	16,062	76,783
Expenses not deductible for tax purposes	1,829	137,689
Income not taxable for tax purposes	-	(45,924)
Group relief claimed	(80,093)	(151,748)
Charitable donations paid through equity	(585,030)	(776,884)
Overseas WHT suffered	<u>(104)</u>	<u>(11,627)</u>
Total tax charge for the year	<u>(104)</u>	<u>(11,627)</u>

## IGD Services Limited

### Notes to the financial statements (continued)

For the year ended 31st December 2020

#### 7. a) Net Income of Canadian Subsidiary

IGD Services Limited has a wholly owned subsidiary, IGD Services (Canada) Inc. (registered office: Impart Law Professional Corp, 700 - 34 King Street East, Toronto, M5C 2X9, Canada), incorporated under the Business Corporations Act of Ontario on 5<sup>th</sup> October 2009. The company provides training and information services in Canada to companies mainly in the food and consumer goods industry.

	2020 £	2019 £
Turnover	120,934	168,934
Cost of sales	(1,664)	(7,922)
Administration expenses	(101,601)	(112,968)
Profit before taxation	17,669	48,044
Taxation	(4,682)	(12,869)
Dividend payable	-	(232,531)
<b>Retained profit/(loss) in Canadian subsidiary</b>	<b>12,987</b>	<b>(197,356)</b>
Total assets	273,942	303,541
Total liabilities	(206,130)	(248,155)
Shareholders' funds	<b>67,812</b>	<b>55,386</b>

#### 7. b) Net Income of Singapore Subsidiary

IGD Services Limited has a wholly owned subsidiary, IGD Services (Singapore) Pte. Ltd. (registered office: c/o Associates Corporate Services Pte. Ltd., 19 Keppel Road, #03-10 Jit Poh Building, Singapore 89058) incorporated in Singapore on 15<sup>th</sup> February 2016. The company conducts research across Asia.

	2020 £	2019 £
Turnover	-	161,894
Income from transfer of Intellectual Property	-	569,000
Management charge income	271,678	255,189
Cost of sales	-	(1,821)
Administration expenses	(255,986)	(675,571)
Profit before taxation	15,692	308,691
Taxation	-	573
<b>Retained profit in Singapore subsidiary</b>	<b>15,692</b>	<b>309,264</b>
Total assets	34,810	46,093
Total liabilities	(2,023)	(728,204)
Shareholders' funds/(deficit)	<b>32,787</b>	<b>(682,111)</b>

During the year, the company issued shares of £699k to IGD Services Ltd in order to clear the inter-company balance at 31 Dec 2019.

#### 7. c) IGD Trading Limited

IGD Services has a third wholly owned subsidiary, IGD Trading Limited, a company limited by guarantee. It was incorporated in the UK on 4<sup>th</sup> July 2019 with registration number 12120486 (registered office: Grange Lane, Letchmore Heath, Watford, WD25 8GD). IGD Trading Limited has not traded since incorporation.

**IGD Services Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31st December 2020

**8. Intangible and Tangible Fixed Assets**

**a. Tangible fixed assets**

	<b>Computer Equipment £</b>	<b>Fixtures and equipment £</b>	<b>Total £</b>
<b><u>Cost</u></b>			
At 1 January 2020	977,702	480,994	1,458,696
Additions	33,058	8,071	41,129
Disposals / write-offs	(239,079)	(1,500)	(240,579)
At 31 December 2020	<u>771,681</u>	<u>487,565</u>	<u>1,259,246</u>
<b><u>Accumulated depreciation</u></b>			
At 1 January 2020	765,678	274,837	1,040,515
Charge for the year	94,891	46,582	141,473
Disposals / write-offs	(239,079)	(1,500)	(240,579)
At 31 December 2020	<u>621,490</u>	<u>319,919</u>	<u>941,409</u>
<b><u>Net book value</u></b>			
At 31 December 2020	<u>150,191</u>	<u>167,646</u>	<u>317,837</u>
At 31 December 2019	<u>212,024</u>	<u>206,157</u>	<u>418,181</u>

**b. Intangible fixed assets**

	<b>Software £</b>	<b>IP transfer from subsidiary £</b>	<b>Websites £</b>	<b>Assets under construction £</b>	<b>Total £</b>
<b><u>Cost</u></b>					
At 1 January 2020	95,109	569,000	793,569	-	1,457,678
Additions	-	-	-	20,251	20,251
At 31 December 2020	<u>95,109</u>	<u>569,000</u>	<u>793,569</u>	<u>20,251</u>	<u>1,477,929</u>
<b><u>Accumulated amortisation</u></b>					
At 1 January 2020	24,555	118,542	687,429	-	830,526
Charge for the year	23,283	284,500	106,140	-	413,923
At 31 December 2020	<u>47,838</u>	<u>403,042</u>	<u>793,569</u>	<u>-</u>	<u>1,244,449</u>
<b><u>Net book value</u></b>					
At 31 December 2020	<u>47,271</u>	<u>165,958</u>	<u>-</u>	<u>20,251</u>	<u>233,480</u>
At 31 December 2019	<u>70,554</u>	<u>450,458</u>	<u>106,140</u>	<u>-</u>	<u>627,152</u>

During 2019, the content and Intellectual Property of a website owned by IGD Services (Singapore) Pte. Ltd was transferred to IGD Services Limited. The IP has been recognised at directors' valuation and is being amortised over two years. Assets under construction were costs incurred to date on configuring new finance software due to go live during the first half of 2021 at which point it will be moved to 'software' and amortised.

## IGD Services Limited

### Notes to the financial statements (continued)

For the year ended 31st December 2020

#### 9. Investments

##### Group Undertakings

	2020 £	2019 £
Shares at cost – IGD Services (Canada) Inc.	64	64
Shares at value – IGD Services (Singapore) Pte. Ltd.	-	1
	<u>64</u>	<u>65</u>

IGD Services Limited owns 100% of the issued share capital of IGD Services (Canada) Inc. The investment represents 100 Common Shares of C\$1 each.

IGD Services Limited owns 100% of the issued share capital of IGD Services (Singapore) Pte. Ltd. The investment represents 1,243,150 Share of S1\$ each. During the year, the company issued shares of \$1,243,149 to IGD Services Ltd for a consideration of \$1,243,149 in order to clear the inter-company balance at 31 Dec 2019. The value of this investment (£689,260) has been fully impaired in IGD Services Ltd balance sheet. This impairment does not impact the 2020 income statement as the inter-company balance had been fully impaired in 2019.

#### 10. Debtors

	2020 £	2019 £
Trade debtors	2,714,075	2,455,875
Other debtors	2,227	2,227
Prepayments and accrued income	224,226	397,065
Amount due from subsidiary companies (net of impairment)	199,748	230,261
	<u>3,140,276</u>	<u>3,085,428</u>

#### 11. a) Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	474,881	429,300
Taxation and social security	520,865	552,450
Accruals	267,208	288,116
Deferred income (see 11c)	5,790,747	5,094,090
Amount due to parent company	4,425,188	7,763,418
Amount due to subsidiary company	34,810	-
	<u>11,513,699</u>	<u>14,127,374</u>

#### b) Creditors: Amounts falling due after one year

Accruals and deferred income	<u>19,238</u>	<u>11,250</u>
------------------------------	---------------	---------------

Creditors falling due after one year comprises deferred income for subscriptions which fall beyond 31<sup>st</sup> December 2021.

**IGD Services Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31st December 2020

**c) Movement in deferred income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deferred income brought forward		
Released in the year	5,105,340	5,329,261
Income deferred in the year	(5,100,357)	(5,270,398)
	5,805,002	5,046,477
	<b><u>5,809,985</u></b>	<b><u>5,105,340</u></b>

Deferred income comprises income invoiced for subscriptions, membership, training and events which fall beyond 31<sup>st</sup> December 2020.

**12. Share capital**

	<b>2020 Number</b>	<b>2020 £</b>	<b>2019 Number</b>	<b>2019 £</b>
<b>Authorised:</b>				
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>
<b>Issued and fully paid:</b>				
Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

**13. Ultimate Parent Undertaking**

The ultimate parent undertaking is The Institute of Grocery Distribution (IGD). Accounts can be obtained from the Company Secretary at the registered office, Grange Lane, Letchmore Heath, Watford, WD25 8GD. IGD is a charity (registered number: 309939) and a company limited by guarantee (registered no. 105680) so there is no ultimate controlling party.

**14. Lease commitments**

	<b>2020 £</b>	<b>2019 £</b>
Minimum future lease commitment:		
Due within one year	3,514	5,573
Due 2-5 years	<u>-</u>	<u>-</u>
	<b><u>3,514</u></b>	<b><u>5,573</u></b>

None of the above lease commitments are in respect of land and buildings.

**15. Capital Commitments**

At 31 December 2020 IGD Services Ltd was committed to capital spend of £24k being the configuration of new finance software (2019: £nil).

## **IGD Services Limited**

### **Independent auditors' report to the members of IGD Services Limited**

#### *Opinion on the financial statements*

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 result 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.

We have audited the financial statements of IGD Services Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

#### *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 directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

#### *Other Companies Act 2006 reporting*

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the 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:



## **IGD Services Limited**

### **Independent auditors' report to the members of IGD Services Limited (continued)**

- 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.

#### *Responsibilities of Directors*

As explained more fully in the Statement of Directors' Responsibilities, 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.

#### **Extent to which the audit was capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be relevant charities acts in the UK and Ireland. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition the company are subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, data protection and health and safety legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

- We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006, The Health and Safety at Work Act 1974, Data Protection Act 2018, Bribery Act 2010 and tax legislation.
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of minutes and correspondences with HMRC;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the accruals, depreciation and bad debt provision; and

## **IGD Services Limited**

### **Independent auditors' report to the members of IGD Services Limited (continued)**

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by discussing with management where it is considered there was a susceptibility of fraud relating to management override of controls and improper income recognition. In addressing the risk of fraud including the management override of controls, and improper income recognition we tested the appropriateness of journal entries and other adjustments including material journals posted manually and manual journals to cash posted outside expectation; reviewed application of assessing whether the judgements made in making accounting estimates are indicative of a potential bias; tested the application of cut-off and revenue recognition, particularly around training, research and membership subscriptions, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **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.

DocuSigned by:  
**BDO LLP**  
C9A7C7386A35456...

#### **Laurence Elliott (Senior Statutory Auditor)**

For and on behalf of BDO LLP, statutory auditor  
London, United Kingdom

Date: 16 July 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**IGD Services Limited**  
**IGD Services Limited Board of Directors**  
**For the year ended 31st December 2020**

The following is a list of Directors who have served since 1<sup>st</sup> of January 2020. Individuals served throughout the year unless otherwise indicated.

Ann Bell (resigned Feb 2021)	Chief Operating Officer	Tesco Thailand
Michael Evans	Group Communications Director	Greencore Group
Paul Mills-Hicks (resigned Feb 2021)	Food Commercial Director	Sainsbury's
Bradley Moore	Sales Director	Nestle Purina Petcare UK
Ian Morley	Group Sales Director, Northern Europe	Procter & Gamble
David O'Flynn (resigned Feb 2021)	Chief Financial Officer	Musgrave
Jill Ross	Chief Executive Officer	McCurrach UK Ltd
Phil Tenney (resigned Nov 2020)	Chief Digital and Technology Officer	Asda
Colin Moss (appointed Feb 2021)	FP&A Director	Mars
Sam Burston (appointed Feb 2021)	Director of Grocery	Sainsbury's

**IGD Services Limited**  
**Senior Leadership Team**  
**For the year ended 31st December 2020**

**The senior leadership team of IGD Services Limited comprises:**

Chief Executive Officer	Susan Barrett
Chief Finance Officer	Ian Fish
Strategy and Corporate Affairs Director	Naomi Kissman
Charity Programmes Director	Anne Bordier
Commercial Director	Nick Downing
Products Director	Ben Miller (appointed Jan 2020)
Communications and Marketing Director	Sarah Baldock