

IMS LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2006



IMS LIMITED

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FOR THE YEAR ENDED 31ST MAY 2006**

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IMS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MAY 2006

DIRECTORS:

S Radford
Miss L Holden
R D Taylor

SECRETARY:

Miss L Holden

REGISTERED OFFICE:

Askern House
High Street
Askern
Doncaster
South Yorkshire
DN6 0AA

REGISTERED NUMBER:

04259451

IMS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MAY 2006

The directors present their report with the financial statements of the company for the year ended 31st May 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of field marketing.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1st June 2005 to the date of this report.

The beneficial interests of the directors holding office at 31st May 2006 in the shares of the company, according to the register of directors' interests, were as follows:

	31.5.06	1.6.05
Ordinary shares of £1 each		
S Radford	2	1
Miss L Holden	2	1
R D Taylor	2	1

These directors did not hold any non-beneficial interests in the shares of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Haigh & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

IMS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MAY 2006

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

Miss L Holden - Secretary



16th October 2006

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF IMS LIMITED

We have audited the financial statements of IMS Limited for the year ended 31st May 2006 on pages six to twelve. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 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 auditors' 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 directors and auditors

As described on page two the company's directors are responsible for the preparation of 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 Report of the Directors is 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 other transactions is not disclosed.

We read the Report of the Directors 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
IMS LIMITED**

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31st May 2006 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the report of the directors is consistent with the financial statements.

Haigh & Co

Haigh & Co
Grange Cottage
Womersley
Nr Doncaster
South Yorkshire
DN6 9BW

Date: 25/10/06

IMS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MAY 2006**

	Notes	2006 £	2005 £
TURNOVER	2	1,670,300	948,130
Cost of sales		<u>856,854</u>	<u>536,533</u>
GROSS PROFIT		813,446	411,597
Administrative expenses		<u>460,734</u>	<u>357,925</u>
		352,712	53,672
Other operating income		<u>1,434</u>	<u>1,010</u>
OPERATING PROFIT	3	354,146	54,682
Interest receivable and similar income		<u>733</u>	<u>1,229</u>
		354,879	55,911
Interest payable and similar charges		<u>15,569</u>	<u>11,463</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		339,310	44,448
Tax on profit on ordinary activities	4	<u>73,764</u>	<u>10,140</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>265,546</u>	<u>34,308</u>

The notes form part of these financial statements


IMS LIMITED

BALANCE SHEET
31ST MAY 2006

		2006	2005
	Notes	£	£
FIXED ASSETS			
Intangible assets	6	-	5,625
Tangible assets	7	54,537	36,658
		<u>54,537</u>	<u>42,283</u>
CURRENT ASSETS			
Debtors	8	382,382	127,470
Cash at bank and in hand		13,905	482
		<u>396,287</u>	<u>127,952</u>
CREDITORS			
Amounts falling due within one year	9	268,033	159,179
NET CURRENT ASSETS/(LIABILITIES)		<u>128,254</u>	<u>(31,227)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>182,791</u>	<u>11,056</u>
CREDITORS			
Amounts falling due after more than one year	10	(20,724)	-
PROVISIONS FOR LIABILITIES	13	(4,886)	(4,491)
ACCRUALS AND DEFERRED INCOME	14	(3,723)	(5,156)
NET ASSETS		<u>153,458</u>	<u>1,409</u>
CAPITAL AND RESERVES			
Called up share capital	15	6	3
Profit and loss account	16	153,452	1,406
SHAREHOLDERS' FUNDS		<u>153,458</u>	<u>1,409</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Board of Directors on 16th October 2006 and were signed on its behalf by:


S Radford - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2006**

1. ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2003, is being amortised evenly over its estimated useful life of four years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

The depreciation policy for computer equipment has been amended by the Directors from 5 years to 4 years. This was considered a more realistic estimation of the equipments useful life.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2006	2005
UK sales	91.63%	97.10%
EC sales	8.37%	2.90%
	<u>100.00%</u>	<u>100.00%</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2006

3. OPERATING PROFIT

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

	2006	2005
	£	£
Depreciation - owned assets	16,395	12,286
Depreciation - assets on hire purchase contracts or finance leases	-	2,401
Profit on disposal of fixed assets	(2,000)	-
Goodwill amortisation	5,625	5,625
Auditors' remuneration	1,500	-
Pension costs	29,809	9,637
Government grants	3,723	9,641
	<u>53,100</u>	<u>35,823</u>
Directors' emoluments and other benefits etc	<u>53,100</u>	<u>35,823</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2006	2005
	3	3
Money purchase schemes	<u>3</u>	<u>3</u>

4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2006	2005
	£	£
Current tax:		
UK corporation tax	73,369	11,258
Deferred tax	395	(1,118)
Tax on profit on ordinary activities	<u>73,764</u>	<u>10,140</u>

5. DIVIDENDS

	2006	2005
	£	£
Interim	<u>113,500</u>	<u>81,260</u>

IMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2006

6. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1st June 2005	
and 31st May 2006	<u>22,500</u>
AMORTISATION	
At 1st June 2005	16,875
Charge for year	<u>5,625</u>
At 31st May 2006	<u>22,500</u>
NET BOOK VALUE	
At 31st May 2006	-
At 31st May 2005	<u><u>5,625</u></u>

7. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1st June 2005	-	68,730	68,730
Additions	2,330	31,943	34,273
Disposals	-	(9,601)	(9,601)
At 31st May 2006	<u>2,330</u>	<u>91,072</u>	<u>93,402</u>
DEPRECIATION			
At 1st June 2005	-	32,071	32,071
Charge for year	49	16,346	16,395
Eliminated on disposal	-	(9,601)	(9,601)
At 31st May 2006	<u>49</u>	<u>38,816</u>	<u>38,865</u>
NET BOOK VALUE			
At 31st May 2006	<u><u>2,281</u></u>	<u><u>52,256</u></u>	<u><u>54,537</u></u>
At 31st May 2005	<u><u>-</u></u>	<u><u>36,659</u></u>	<u><u>36,659</u></u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade debtors	347,792	116,696
Other debtors	34,590	10,774
	<u><u>382,382</u></u>	<u><u>127,470</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2006

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Bank loans and overdrafts	-	23,718
Trade creditors	43,463	15,062
Taxation and social security	117,176	38,956
Other creditors	107,394	81,443
	<u>268,033</u>	<u>159,179</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £	2005 £
Other creditors	<u>20,724</u>	<u>-</u>

11. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2006 £	2005 £
Expiring: Between one and five years	<u>39,103</u>	<u>-</u>

12. SECURED DEBTS

The following secured debts are included within creditors:

	2006 £	2005 £
Bank overdraft	-	23,718
Other loans	35,214	-
	<u>35,214</u>	<u>23,718</u>

13. PROVISIONS FOR LIABILITIES

	2006 £	2005 £
Deferred tax	<u>4,886</u>	<u>4,491</u>

	Deferred tax £
Balance at 1st June 2005	4,491
Accelerated Capital Allowances	395
Balance at 31st May 2006	<u>4,886</u>

IMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2006

14. ACCRUALS AND DEFERRED INCOME

	2006	2005
	£	£
Deferred government grants	<u>3,723</u>	<u>5,156</u>

15. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2006	2005
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2006	2005
			£	£
6	Ordinary	£1	6	3
(2005 - 3)			<u> </u>	<u> </u>

3 Ordinary shares of £1 were issued during the year for cash of £3.

16. RESERVES

	Profit and loss account £
At 1st June 2005	1,406
Profit for the year	265,546
Dividends	<u>(113,500)</u>
At 31st May 2006	<u>153,452</u>

17. FACTORED DEBT

The amount of factored debt outstanding at 31st May 2006 is £285,967.