

Company Registration No. 3865691

ILMS (HOLDINGS) LIMITED

Report and Financial Statements

Year ended 30 September 2017

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ILMS (HOLDINGS) LIMITED

REPORT AND FINANCIAL STATEMENTS 2017

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ILMS (HOLDINGS) LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

Keith Hamill
Ian Hendrie
Neil King (resigned 1 February 2018)
Mark Braithwaite (appointed 1 February 2018)
Julian Nicholls

SECRETARY

Ian Hendrie

REGISTERED OFFICE

LDH House
St Ives Business Park
Parsons Green
St Ives
Cambridgeshire
PE27 4AA

AUDITOR

Deloitte LLP
Statutory Auditor
Leeds

ILMS (HOLDINGS) LIMITED

STRATEGIC REPORT

The directors present their strategic report and the audited financial statements for the year ended 30 September 2017. The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council.

PRINCIPAL ACTIVITIES

ILMS (Holdings) Limited ("The Company") is the holding company for iLife Management Solutions Limited ("iLife"). The company does not trade, and is expected to continue as such for the foreseeable future.

OWNERSHIP AND CAPITAL

There has been no movement of the ordinary share capital of £1k ordinary shares in 2017 (2016: £1k ordinary shares). There has been no movement of £1,440k preference shares in 2017 (2016: £1,440k preference shares).

BUSINESS REVIEW

The company does not trade, and is expected to continue as such for the foreseeable future. The company holds an investment in iLife. Determining whether the investment is impaired requires an estimation of the value in use of the cash-generating units to which the investment has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. In the financial statement for the year to 30 September 2016 the Company's investment in a subsidiary company was written down for impairment by £7,215,000 to £8,424,000. Taking account of future projected cash flows the Directors consider that no further impairment of this amount is required.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is a holding company. Its principal risks and uncertainties are considered to be liquidity risk and solvency risk due to the net liabilities of the company, as well as impairment risk for the carrying value of investments held. The liquidity and solvency risk is mitigated through the use of group financing arrangements, and confirmation has been obtained from the parent company that the loans will not be recalled until ILMS (Holdings) is able to make repayment. The risk of impairment of the investment is considered on an annual basis by management, assessing the value in use of the underlying investment against the carrying value. Provision for impairment is made to the extent that value in use falls below the carrying value of the asset. This investment is listed in note 6.

KEY PERFORMANCE INDICATORS

The company is a holding company, and as such it does not have any individual key performance indicators (KPIs) that are monitored. There are a number of KPIs for the company held as investment and these are included within their individual financial statements. This investment is listed in note 6.

By order of the Board



Ian Hendrie
Director

5 February 2018

ILMS (HOLDINGS) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2017.

MATTERS INCLUDED IN THE STRATEGIC REPORT

The following matters are set out in the Strategic Report on page 2:

Principal Activities (including Capital Structure)

Business Review

Future developments

Key performance indicators

Principal risks and uncertainties

GOING CONCERN

In assessing the appropriateness of the going concern basis the directors have considered the nature of the business, the principle risks and uncertainties, being the carrying value of the investment, and any required cash flows for the 12 month period following approval of these financial statements. The net current liability position has been considered, all of which is due to other group companies. The directors have concluded that based on this review it is appropriate to adopt the going concern basis in preparing the annual report and financial statements.

DIVIDENDS

The directors do not recommend the payment of a dividend in respect of the year ended 30 September 2017 (2016: Nil).

DIRECTORS

The directors, who served during the year and to the date of this report, unless otherwise stated, were as follows:

Keith Hamill

Ian Hendrie

Neil King (resigned 1 February 2018)

Mark Braithwaite (appointed 1 February 2018)

Julian Nicholls

EVENTS AFTER THE BALANCE SHEET DATE

On 1 February 2018 Neil King resigned as Managing Director and Mark Braithwaite was appointed as his successor.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company treasury team operates procedures designed to reduce financial risk. The policies are approved by the Board and the use of financial instruments is strictly controlled. The company's principal financial instruments comprise intercompany loans. The Company does not use interest rate swaps to manage the interest rate risks.

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Cash flow risk

The company has no exchange rate risk due to no foreign currency being held.

Credit risk

The Company's principal financial assets are other receivables, and investments.

The amounts presented in the balance sheet are net of allowances for doubtful receivables.

ILMS (HOLDINGS) LIMITED

DIRECTORS' REPORT (continued)

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses intercompany debt finance. Further details on liquidity risk is set out in the going concern section above.

EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period that require disclosing under FRS 102.

AUDITOR

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418A of the Companies Act 2006.

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage, in respect of its separate financial statements, of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholders have been notified about the intention to take advantage of the disclosure exemptions and no objections have been received.

By order of the Board



**Ian Hendrie
Director**

5 February 2018

ILMS (HOLDINGS) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgments 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; 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ILMS (HOLDINGS) LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of ILMS (Holdings) Limited (the 'company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 11.

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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 1LMS (HOLDINGS) LIMITED (continued)

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ILMS (HOLDINGS) LIMITED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions on other matters prescribed by the Companies Act 2006

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.

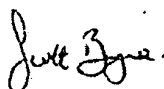
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.



Scott Bayne FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

Leeds, UK

6 February 2018

ILMS (HOLDINGS) LIMITED

Profit and loss account For the year ended 30 September 2017

	Notes	2017 £ 000	2016 £ 000
Impairment of Investment	6	-	(7,215)
Operating loss	4	-	(7,215)
Loss before tax		-	(7,215)
Taxation	5	-	-
Loss for the year after tax		-	(7,215)

All income and expenditure in the year was derived from continuing operations.

The accompanying notes are an integral part of this income and expenditure account.

There are no items of comprehensive income for the current financial year or the prior financial year other than as stated in the income and expenditure account, therefore no separate statement of other comprehensive income is presented.

1LMS (HOLDINGS) LIMITED

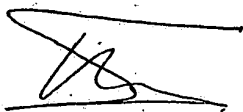
Balance Sheet **As at 30 September 2017**

	Note	30 September 2017 £ 000	30 September 2016 £ 000
FIXED ASSETS			
Investments	6	8,424	8,424
Trade and other receivables	7	1	1
Trade and other payables	8	(9,300)	(9,300)
NET CURRENT LIABILITIES		(9,299)	(9,299)
NET LIABILITIES		(875)	(875)
CAPITAL AND RESERVES			
Called up share capital	9	1,441	1,441
Share premium account		4,899	4,899
Profit and loss account		(7,215)	(7,215)
SHAREHOLDERS' (DEFICIT)/FUNDS		(875)	(875)

The accompanying notes are an integral part of this balance sheet.

The financial statements of 1LMS (Holdings) Limited (company registration no. 3865691) were approved by the Board of Directors and authorised for issue on 5 February 2018.

Signed on behalf of the Board of Directors



Ian Hendrie
Director

5 February 2018

ILMS (HOLDINGS) LIMITED

Statement of changes in equity As at 30 September 2017

	Called up share capital £'000	Share Premium £'000	Profit and loss account £'000	Total £'000
At 1 October 2015	1,441	4,899	-	6,340
Result for the financial year and total comprehensive income	-	-	(7,215)	(7,215)
At 30 September 2016	1,441	4,899	(7,215)	(875)
Result for the financial year and total comprehensive income	-	-	-	-
At 30 September 2017	1,441	4,899	(7,215)	(875)

ILMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2017

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable law and Accounting Standards in the United Kingdom.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council.

General information and basis of accounting

The financial statements are prepared in accordance with the historical cost convention. Consolidated financial statements have not been prepared as the company is exempt from the obligation to prepare group financial statements and to deliver them to the Registrar of Companies under Section 400 of the Companies Act 2006.

ILMS (Holdings) Limited (the Company) is a company incorporated in the United Kingdom and under the Companies Act.

The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The functional currency of the Company is considered to be pounds sterling, because that is the currency of the economic environment in which the Company operates. These financial statements are also presented in pounds sterling.

The principal activities of the Company and the nature of the Company's operations are set out in the strategic report on page 2.

Basis of preparation and going concern

In assessing the appropriateness of the going concern basis the directors have considered the nature of the business, the principle risks and uncertainties, being the carrying value of the investment, and any required cash flows for the 12 month period following approval of these financial statements.

The net current liability position has been considered, all of which is due to the group. The directors have received confirmation that Horsforth Holdings Limited will not request repayment of this balance for a period of at least 12 months from the date of signing of the financial statements for the year ended 30 September 2017, unless the liquidity position of the Company reasonably permits earlier repayment. The directors have concluded that based on this review it is appropriate to adopt the going concern basis in preparing the annual report and financial statements.

Investments

Investments in subsidiary undertakings are stated at cost. Provision is made in respect of any impairment.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

ILMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2017

1. ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

ILMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2017

1. ACCOUNTING POLICIES (continued)

Financial Reporting Standard 102 – reduced disclosure exemptions

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions available to it in FRS102 Paragraph 1.12. In preparing these financial statements, exemptions have been taken in respect of:

- The requirements of Section 3; Financial Statement Presentation paragraph 3.17(d), and Section 7, Statement of Cashflows;
- The requirements of Section 11; Basic Financial Instruments paragraphs 11.41(b) - (c), 11.41 (e) - (f), 11.42, 11.44 - .45, 11.47, 11.48(iii) – (iv), 11.48(b) – (c)
- The requirements of Section 12; Other Financial Instruments Issues paragraph 12.26 -27, 12.29(a) – (b) and 12.29A
- The requirements of Section 33; Related Party Disclosures paragraph 33.7.
- The requirements of Section 33.1: Key Management Personnel

The Company's shareholder, Horsforth Holdings Limited, has been notified about the intention to take advantage of the disclosure exemptions and no objections have been received.

Impairment of Assets

Impairment occurs when the carrying amount of an asset exceeds its recoverable amount.

For assets other than inventories:

- If the recoverable amount is lower than the carrying amount, the Company recognises the difference in profit or loss as an impairment loss;
- The Company assesses at each reporting date if there is any indication of impairment;
- If it is not possible to determine recoverable amount of asset, the company then determines the recoverable amount of the cash-generating unit (CGU) to which it belongs.
- When circumstances that led to impairment no longer exists, the impairment loss is reversed except for reversals of goodwill impairment are not allowed as part of the July 2015 amendments to FRS 102.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

Due to the nature of the business activity, the directors do not consider there to be any critical judgements in applying the Company's accounting policies.

Key source of estimation uncertainty - impairment of the investment

Determining whether the investment is impaired requires an estimation of the value in use of the cash-generating units to which the investment has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate based on weighted average cost of capital, in order to calculate present value. The carrying amount of the investment at the balance sheet date was £8,424k. Management have considered appropriate sensitivities in calculating value in use. The growth and discount rates used represent critical judgements.

ILMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2017

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

None of the Directors received emoluments from the company. The emoluments of the directors are paid by other group companies as their services to ILMS (Holdings) Limited are incidental to their services provided to the other group companies. It is not possible to make an accurate apportionment of the emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in respect of those directors. In both the current and prior year, no employees were employed by the company.

The fees payable to the company's auditor for the audit of the company's annual financial statements of £1,000 (2016: £1,000) and Companies House fees in both the current and prior year were borne by a fellow group undertaking.

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 30 September 2017 £'000	Year ended 30 September 2016 £'000
Loss on ordinary activities before taxation is stated after charging		
Impairment of Investment for the period (note 6)	-	(7,215)
	-	(7,215)

5. TAXATION

	Year ended 30 September 2017 £'000	Year ended 30 September 2016 £'000
The tax charged based on the results for the period comprises:		
United Kingdom corporation tax at 19% (2016: 20%)		
- current tax charge	-	-
Deferred tax charge	-	-
Total tax charge on profit on ordinary activities	-	-

The factors affecting the current tax charge for the period are explained below:

	Year ended 30 September 2017 £'000	Year ended 30 September 2016 £'000
Company loss on ordinary activities before tax	-	(7,215)
Tax on ordinary activities at UK Corporation tax rate of 19% (2016: 20 %)	-	(1,443)
Effects of:		
Expenses not deductible for tax purposes	-	1,443
Total tax charge for the period	-	-

The Company has no provided or unprovided deferred tax at each balance sheet date.

ILMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2017

5. TAXATION (continued)

The Company's future tax charge will be affected by the change in the UK corporation tax rate.

The Finance (No.2) Act 2015, which provided for reductions in the main rate of UK corporation tax to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. The Finance Act 2016 provided for a further reduction to 17%, effective from 1 April 2020 and was substantively enacted on 6 September 2016. As this was before the balance sheet date, the rate reduction to 17% has been reflected in the calculation of the deferred tax asset at 30 September 2017.

6. FIXED ASSET INVESTMENT

Shares in group undertaking	£'000
Cost at 30 September 2016 and 30 September 2017	54,239
Provisions for impairment	
At 30 September 2016 and 30 September 2017	(45,815)
Net book value	
At 30 September 2016 and 30 September 2017	8,424

The company has estimated the value in use of the cash-generating units to which the investment has been allocated. In this the entity has estimated the future cash flows expected to arise from the cash-generating unit assuming inflationary growth of 2% after year four only and using a suitable discount rate of 10.5%, based on weighted average cost of capital, in order to calculate present value. No impairment has been recognised in the year (2016: £7,215k). Management have considered appropriate sensitivities in calculating value in use.

The subsidiary of the company was incorporated and operates solely in the United Kingdom.

Details of subsidiary undertakings	Activity	Percentage held
ILife Management Solutions Limited Ldh House St Ives Business Park Parsons Green St Ives Cambs PE27 4AA	Leisure management	100%
<i>Held through ILife Management Solutions Limited</i>		
Smart Fit Fitness Limited	Leisure management	100%
Smart Fit 35 Limited	Leisure management	100%

1LMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2017

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 September 2017 £ 000	30 September 2016 £ 000
Amounts owed from parent company	1	1
	<u>1</u>	<u>1</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 September 2017 £ 000	30 September 2016 £ 000
Amounts due to group companies	9,300	9,300
	<u>9,300</u>	<u>9,300</u>

Of the amounts owed to the group, £7,232k is owed to the parent company and £2,068k is owed to the subsidiary.

These amounts are unsecured, interest free and repayable on demand.

9. CALLED UP SHARE CAPITAL

	30 September 2017 £ 000	30 September 2016 £ 000
Authorised, allotted, issued, called up and fully paid		
87,140 A ordinary and 12,860 B ordinary shares of £0.01 each	1	1
1,440,250 fixed rate preference shares of £1 each	1,440	1,440
	<u>1,441</u>	<u>1,441</u>

The holders of the fixed rate preference shares are entitled to all equity returns up to the value of £3,585,000. The return on preference shares is not guaranteed. Any equity returns over this value are distributed to the ordinary A and B shareholders as a class and divided between the Ordinary Shareholders in proportion to the number of Ordinary Shares held by each of them.

The Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss reserve represents cumulative profits or losses, including impairment on the investment.

10. RELATED PARTY DISCLOSURES

As a wholly owned subsidiary undertaking of Horsforth Holdings Limited, the company has taken advantage of the exemption in FRS 102 "Related Party Disclosures" not to disclose transactions with other wholly owned members of the group headed by Horsforth Holdings Limited since that company produces financial statements which are available to the public and which include 1LMS (Holdings) Limited.

ILMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2017

11. ULTIMATE PARENT COMPANY

At the balance sheet date, the directors regard Horsforth Holdings Limited, a company registered in England and Wales, as the ultimate parent company. Horsforth Holdings Limited is the parent undertaking of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the consolidated financial statements may be obtained from The Secretary, Horsforth Holdings Limited, LDH House, St Ives Business Park, Parsons Green, St Ives, Cambridgeshire, PE27 4AA.

EOS Partners, a company registered in the USA, is regarded as the ultimate controlling party by virtue of its 95% interest in the equity share capital of Horsforth Holdings Limited.