

ICM BUSINESS CONTINUITY SERVICES PLC

(Formerly ICM Recovery Services plc)

Report and Financial Statements

30 June 2006

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ICM BUSINESS CONTINUITY SERVICES PLC
(Formerly ICM Recovery Services plc)

REPORT AND FINANCIAL STATEMENTS 2006

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ICM BUSINESS CONTINUITY SERVICES PLC

(Formerly ICM Recovery Services plc)

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements for the year ended 30 June 2006.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the supply of comprehensive business protection services to computer users.

CHANGE OF NAME

On 31 August 2006 the company changed its name from ICM Recovery Services plc to ICM Business Continuity Services plc.

REVIEW OF THE BUSINESS

The directors are delighted to be able to announce another profitable and successful year for ICM Business Continuity Services plc.

Turnover rose to £15.6 million (2005: £12.5m), an increase of 25% for the financial year compared with 2005. Profit before tax fell to £2.9 million from £3.1 million for the previous financial year. Net assets increased by 11% to £10.6 million (2005: £9.6 million)

The strong growth in the company reflects the continuing improvement in the contracted base and the increasing profile and awareness of ICM Business Continuity Services plc Business Continuity capabilities throughout the UK. ICM Business Continuity Services plc is now seeing real returns on its extensive investment programme over the last few years. *Operating profit in the period fell as a direct result of the significant investment in the Romford recovery centre. The costs incurred prior to the facility generating income streams has resulted in a £677k drain on profits.*

Investment has continued in our UK-wide rollout of Business Continuity centres. The new developments in the year were in Hamilton, Scotland and Romford, Essex.

In August 2005 we opened our Scotland Central Business Continuity centre. The centre is located in the Hamilton International Technology Park twenty minutes to the south of Glasgow, close to the M74 and M8 motorways and Glasgow's new southern orbital road. This is ICM's first Business Continuity centre in Scotland and provides 500 syndicated workplace positions together with datacentre facilities.

We opened the London Essex Business Continuity centre in May 2006 following an extensive rapid refit programme. The 73,000 square feet site was acquired during the year and provides approximately 750 dedicated and 950 syndicated workplace positions together with datacentre facilities. The centre now represents one-third the Group's estate, as built up over the last seven years.

Following the opening of this latest centre the Company now has a total of over 5,100 dedicated and syndicated workplace positions throughout the UK across its 11 Business Continuity centres.

The contracted nature of the business means that future visibility of earnings is high and £9.5 million of revenue is already contracted for the first half of the current financial year. With the successful launches of the new centres in 2005/06, the Company is now extremely well positioned to deliver significant growth and returns from Business Continuity.

ICM BUSINESS CONTINUITY SERVICES PLC

(Formerly ICM Recovery Services plc)

DIRECTORS' REPORT

Business Continuity Services

The Company provides a high standard of contracted business continuity services to support 'mission critical' computer installations in the event of a disaster or other loss of IT or office facilities.

The Company offers four types of business continuity services; relocatable recovery, mobile recovery, static site service and alternative workplaces.

Relocatable recovery

Relocatable Recovery provides for smaller IT equipment to be shipped to and installed on the customer's site in the event of a disaster.

Mobile recovery

Mobile Recovery utilises ICM's fleet of mobile computing data-centres which can be deployed to a customer site in the UK following a disaster.

Static site recovery

Static Site Recovery provides access to powerful data centre facilities via high speed communication links.

Alternative workplaces

Alternative Workplace Recovery allows customers to relocate staff to a specified office configuration, including computer networks and office equipment, within a Business Continuity Centre in the event that a customer's offices become unusable through some unexpected event or disaster.

Future development

We have demonstrated our continuing ability to deliver solid organic growth and we will continue to make measured investments in the future growth potential of the Company.

Risks and uncertainties

The operation of the Company involves a series of risks and uncertainties across a range of strategic, commercial, operational and financial areas. The Group has robust internal control and risk management processes. These are designed to identify and provide assurance over the key risks and uncertainties faced by the Company. They cannot however seek to avoid all risks.

The potential risks that could have a material impact on the Company's performance are outlined in the Finance Review of the parent company, ICM Computer Group plc.

Capital structure and treasury policy

The Company finances its operations through a mixture of cash generation and related retained profits and, where appropriate, bank loans and hire purchase agreement to finance certain asset purchases.

The key risks which the Company faces in financing its operations are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing interest rate and liquidity risk, the policies are outlined in the Finance Review of the parent company, ICM Computer Group plc.

DIRECTORS

The directors who served throughout the year were as follows:

B A Roberts	(resigned 15 November 2005)
S Wainwright	
A Granelli	
C Fairey	(appointed 11 July 2006)

DIRECTORS INTERESTS

None of the directors had a beneficial interest in the share capital of the Company at any time during the year.

The beneficial interests of B A Roberts, S Wainwright, C Fairey and A Granelli in the shares of the parent company, ICM Computer Group plc, are disclosed in the accounts of that company.

ICM BUSINESS CONTINUITY SERVICES PLC
(Formerly ICM Recovery Services plc)

DIRECTORS' REPORT

RESULTS, DIVIDENDS AND TRANSFERS TO RESERVES

The results of the Company for the year are set out in detail on page 5.

The directors recommend the following dividends:

		2006	2005
		£ per share	£ per share
Ordinary shares of £1 each	Final proposed	20.00	20.00

CREDITOR PAYMENT POLICY

It is the Company's policy and practice to agree terms of business for all transactions with suppliers prior to commencing business with the supplier and to pay amounts which are not in dispute in accordance with these terms. At 30 June 2006 the Company's trade creditor balances amounted to 27 days (2005: 34 days) of average purchases during the year.

AUDITORS

In the case of each of the persons who are directors of the company at the date when this report was approved:

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

A resolution for the reappointment of Deloitte & Touche LLP as auditors will be proposed at the Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are required by the UK Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year 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; to make judgements and estimates that are reasonable and prudent; and to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. It is the responsibility of the directors to maintain proper accounting records to enable them to ensure that the financial statements comply with the Companies Act. It is also the responsibility of the directors to safeguard the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable prudent judgements and estimates, have been used in the preparation of the financial statements and to state whether applicable accounting standards have been followed.

Approved by the Board of Directors
and signed on behalf of the Board



M C Fairey

Secretary

29 January 2007

ICM BUSINESS CONTINUITY SERVICES PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ICM BUSINESS CONTINUITY SERVICES PLC (Formerly ICM Recovery Services plc)

We have audited the financial statements of ICM Business Continuity Services plc for the year ended 30 June 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Statement of Accounting Policies and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Leeds

29 January 2007

ICM BUSINESS CONTINUITY SERVICES PLC
(Formerly ICM Recovery Services plc)

PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2006

	Note	2006		2005	
		£'000	£'000	£'000	£'000
TURNOVER	1		15,605		12,540
Raw materials and consumables		1,474		1,170	
Staff costs	3	2,349		2,106	
Depreciation		2,318		1,876	
Other operating charges		6,608		4,312	
			<u>12,749</u>		<u>9,464</u>
OPERATING PROFIT	2		<u>2,856</u>		<u>3,076</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			2,856		3,076
Tax on profit on ordinary activities	6		<u>842</u>		<u>902</u>
PROFIT FOR THE FINANCIAL YEAR			2,014		2,174
Dividends	7		<u>1,000</u>		<u>1,000</u>
RETAINED PROFIT FOR THE YEAR TRANSFERRED TO RESERVES	15		<u><u>1,014</u></u>		<u><u>1,174</u></u>

All activities of the Company derive from continuing operations. There are no recognised gains and losses other than the profit for the financial year and the profit for the preceding financial year, therefore no statement of total recognised gains and losses is presented.

ICM BUSINESS CONTINUITY SERVICES PLC
(Formerly ICM Recovery Services plc)

BALANCE SHEET

30 June 2006

	Note	2006		2005	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8		16,772		7,475
CURRENT ASSETS					
Debtors	9	5,044		7,456	
Cash at bank and in hand		732		985	
		<u>5,776</u>		<u>8,441</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>10,027</u>		<u>6,315</u>	
NET CURRENT ASSETS			<u>(4,251)</u>		<u>2,126</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			12,521		9,601
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11		1,459		-
PROVISION FOR LIABILITIES AND CHARGES	12		456		9
			<u>10,606</u>		<u>9,592</u>
CAPITAL AND RESERVES					
Called up share capital	14		50		50
Profit and loss account	15		10,556		9,542
EQUITY SHAREHOLDERS' FUNDS			<u>10,606</u>		<u>9,592</u>

Approved by the Board of Directors
and signed on behalf of the Board



S WAINWRIGHT

Director

29 January 2007

ICM BUSINESS CONTINUITY SERVICES PLC

(Formerly ICM Recovery Services plc)

STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies which the directors have adopted and which have been applied consistently throughout the year and the preceding year are set out below.

Accounting convention

These financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The principal accounting policies which the directors have adopted are set out below.

Change in accounting policy in respect of new accounting standards

The company has adopted the following accounting standards in these Accounts:

FRS 17	Retirement benefits
FRS 20	Share based payments
FRS 21	Events after the balance sheet date
FRS 25	Financial Instruments: Presentation and disclosure
FRS 26	Financial Instruments: Measurement

The adoption of these standards represents a change in accounting policy and as such, with the exception of FRS 25 and FRS 26, the comparative information, where necessary, should be restated to comply with these new accounting standards. In compliance with the transitional rules of FRS 25 and FRS 26, these accounting standards have been adopted from 1 July 2005 and would not result in comparative figures being restated. The Company has concluded that there is no adjustment necessary on adoption of any of these standards in either the current year or comparative figures.

Although FRS 17 has been adopted, there is no impact on the figures as explained in the accounting policy note below.

The director's believe that no adjustment to the figures is required on adoption of FRS 20.

Turnover

Turnover is the amount derived from the provision of goods and services during the year which fall within the Company's ordinary activities after deduction of value added tax. Deferred income arises from the allocation of invoiced amounts over the period to which they relate.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated to write down the cost of fixed assets to their estimated residual values by equal monthly instalments over the period of their estimated useful lives, which are considered to be:

Freehold buildings	50 years
Plant, machinery and tools	4 - 5 years
Fixtures, fittings and equipment	4 - 10 years

No depreciation is provided on Freehold land.

Operating leases

The costs of operating leases are charged to the profit and loss account as they accrue.

Taxation

UK Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

ICM BUSINESS CONTINUITY SERVICES PLC
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STATEMENT OF ACCOUNTING POLICIES

Pension costs

A defined benefit funded pension scheme is operated by the Company's parent company, ICM Computer Group plc. Certain employees of the Company are eligible for membership of that scheme.

The cost of providing pensions benefits under the defined benefit funded pension scheme is recharged from the parent company. Such recharges have the effect of charging employee pension costs to the profit and loss account over the expected service lives of participating employees as a substantially level percentage of pensionable payroll. Actuarial surpluses or deficiencies are spread over the expected remaining service lives of the participating employees.

Contributions to the scheme are set for the group as a whole rather than reflecting the actuarial characteristics of the employees of the individual participating employers and as such the Company cannot identify its share of the underlying assets and liabilities.

The costs of providing pensions under the defined contribution scheme are charged to the profit and loss account in the period in which they are incurred.

Details of the latest actuarial valuation of the above scheme are given in the accounts of the parent company, ICM Computer Group plc.

ICM BUSINESS CONTINUITY SERVICES PLC
(Formerly ICM Recovery Services plc)

NOTES TO THE ACCOUNTS

30 June 2006

1. TURNOVER

The whole of turnover is attributable to the principal activity of the Company and arises primarily from customers within the United Kingdom.

2. OPERATING PROFIT

	2006	2005
	£'000	£'000
Operating profit is arrived at after charging:		
Depreciation of owned assets	2,318	1,876
Auditors remuneration - audit fees	12	6
Operating lease rentals - land and buildings	764	188
	<u>2,318</u>	<u>1,876</u>

3. EMPLOYEES

	2006	2005
	Number of employees	
The average number employed by the Company, including directors, within each category of persons was:		
Technical staff	17	18
Sales and administrative staff	32	29
	<u>49</u>	<u>47</u>

	2006	2005
	£'000	£'000
The costs incurred in respect of these employees were:		
Wages and salaries	2,073	1,852
Social security costs	218	203
Pension costs	58	51
	<u>2,349</u>	<u>2,106</u>

4. PENSIONS

The Company participates in a defined benefit funded pension scheme the ICM Computer Group plc Pension and Assurance scheme and a number of defined contribution schemes covering certain of its employees. The Company is a participating employer within the Group scheme. Contributions to the Scheme are set as a whole rather than reflecting the actuarial characteristics of the employees of the individual participating employers and as such the Company cannot identify its share of the underlying assets and liabilities.

The total pension cost to the Company under the defined contribution schemes was £nil (2005: £nil).

The total pension cost to the Company under the defined benefit funded pension scheme was £58,000 (2005: £51,000) and the employer's contribution rate for future years, which is maintained in accordance with the advice of the Scheme's actuarial advisers, has been set at 7.2% of pensionable earnings.

ICM BUSINESS CONTINUITY SERVICES PLC
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NOTES TO THE ACCOUNTS

30 June 2006

4. PENSIONS (Continued)

As stated in the ICM Computer Group plc financial statements for the year ended 30 June 2006 the most recent formal actuarial valuation of the defined benefit funded pension scheme took place at 6 April 2003. The actuarial method used was the projected unit method. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the annual rates of increase in pensionable earnings. The assumptions used involve the former exceeding the latter by 2.2%. At the date of valuation the total market value of the scheme's assets was £4,740,000 and the actuarial value was sufficient to cover approximately 90% of the benefits that had accrued to members at that date after allowing for expected future increases in earnings.

The actuarial valuation carried out at 6 April 2003 has been updated to 30 June 2006 by a qualified independent actuary.

The major assumptions used by the actuary at each financial year end were:

	2006	2005	2004
	Per annum	Per annum	Per annum
Rate of increase in salaries	3.75%	3.70%	4.00%
Rate of increase in pensions in payment (for pensions which increase at lesser of 5% per annum and RPI)	2.90%	2.60%	2.80%
Discount rate	5.28%	4.90%	5.70%
Inflation assumption	3.10%	2.70%	3.00%

FRS 17 requires the market value of the assets of the scheme to be compared with the present value of scheme liabilities discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability to determine any surplus or deficit in the scheme at the end of the financial year.

The value of the assets in the scheme, the expected rate of return and the net pension liability at the end of the financial year, measured in accordance with the requirements of FRS 17, are as follows:

	Long term rate of return expected at 30 June 2006	Value at 30 June 2006 £'000	Long term rate of return expected at 30 June 2005	Value at 30 June 2005 £'000	Long term rate of return expected at 30 June 2004	Value at 30 June 2004 £'000
Insurance contract*	6.2%	9,007	5.8%	7,628	6.7%	6,096
Cash	4.5%	42	0.0%	109	0.0%	(1)
Market value of assets		9,049		7,737		6,095
Present value of scheme liabilities		(11,304)		(9,712)		(7,411)
Deficit in scheme		(2,255)		(1,975)		(1,316)
Related deferred tax asset		677		593		395
Net pension liability		(1,578)		(1,382)		(921)

*The assets of the Scheme are invested in Legal and General's AF4 with-profits deposit administration contract.

ICM BUSINESS CONTINUITY SERVICES PLC
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NOTES TO THE ACCOUNTS

30 June 2006

5. DIRECTORS' EMOLUMENTS

The directors are remunerated by the parent company for their services to all group companies and it is not practicable to allocate their total remuneration to individual companies. Total remuneration paid to the directors for their services to the group was £622,000 (2005: £525,000).

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of tax charge	2006 £'000	2005 £'000
United Kingdom corporation tax at 30% (2005: 30%)	6	284
Group relief	431	725
Adjustments to prior years' corporation tax provisions	(59)	(149)
Adjustments to prior years' group relief	17	94
	<hr/>	<hr/>
	395	954
Deferred taxation – origination of timing differences	447	(52)
	<hr/>	<hr/>
	842	933
	<hr/>	<hr/>

b) Factors affecting tax charge for year

The standard rate of current tax for the year, based on the UK standard rate of corporation tax, is 30% (2005: 30%). The difference between the current tax charge for the year of 30.0% (2005: 31.0%) and the standard rate of current tax for the year is due to disallowable expenses of 1% (2005: 1%), and capital allowances in excess of depreciation of 0.0% (2005: 1.7%), which was partially offset by prior year credits and other items accounting for (1.0%) (2005: (1.7%)).

7. DIVIDENDS

		2006 (per share)	2005 (per share)	2006 £'000	2005 £'000
Equity Shares					
Ordinary shares of £1 each	Final proposed	£20.00	£20.00	<hr/> 1,000	<hr/> 1,000

ICM BUSINESS CONTINUITY SERVICES PLC
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NOTES TO THE ACCOUNTS

30 June 2006

8. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant, machinery and tools £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 July 2005	2,903	11,167	3,264	17,334
Additions	1,047	3,736	6,884	11,667
Disposals	-	-	(102)	(102)
At 30 June 2006	<u>3,950</u>	<u>14,903</u>	<u>10,046</u>	<u>28,899</u>
Depreciation				
At 1 July 2005	250	8,062	1,547	9,859
Charge for the year	68	1,710	539	2,318
Disposals	-	-	(49)	(49)
At 30 June 2006	<u>318</u>	<u>9,772</u>	<u>2,037</u>	<u>12,127</u>
Net book value				
At 30 June 2006	<u>3,632</u>	<u>5,131</u>	<u>8,009</u>	<u>16,772</u>
At 30 June 2005	<u>2,653</u>	<u>3,105</u>	<u>1,717</u>	<u>7,475</u>

9. DEBTORS

	2006 £'000	2005 £'000
Amounts falling due within one year:		
Trade debtors	3,720	3,101
Prepayments and accrued income	1,044	325
Amounts owed by parent company	98	224
Amounts owed by fellow subsidiaries	-	3,806
Corporation tax	182	-
	<u>5,044</u>	<u>7,456</u>

ICM BUSINESS CONTINUITY SERVICES PLC
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NOTES TO THE ACCOUNTS

30 June 2006

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£'000	£'000
Trade creditors	626	259
Amount owed to parent company	84	-
Amounts owed to fellow subsidiaries	337	249
Other creditors	224	18
Corporation tax	-	118
Other taxation and social security	745	620
Accruals and deferred income	8,011	5,051
	<u>10,027</u>	<u>6,315</u>

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

	2006	2005
	£'000	£'000
Accruals and deferred income	1,459	-
	<u>1,459</u>	<u>-</u>

12. PROVISION FOR LIABILITIES AND CHARGES

Deferred Taxation	2006	2005
	£'000	£'000
Brought forward	9	61
Charge for the year	447	(52)
Carried forward	<u>456</u>	<u>9</u>

The amounts of deferred tax provided and unprovided in the accounts are as follows:

	2006	Provided	2005
	£'000		£'000
Capital allowances in excess of depreciation	460		10
Short term timing differences	(4)		(1)
	<u>456</u>		<u>9</u>

ICM BUSINESS CONTINUITY SERVICES PLC
(Formerly ICM Recovery Services plc)

NOTES TO THE ACCOUNTS

30 June 2006

13. CONTINGENT LIABILITIES AND BANK SECURITY

The Company is party to an unlimited group cross guarantee and cross debenture in respect of the borrowings of the parent company and other fellow subsidiary companies.

14. CALLED UP SHARE CAPITAL

	2006 £'000	2005 £'000
Authorised		
50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>
Allotted and fully paid		
50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>

15. RESERVES

	Profit and Loss account £'000
At 1 July 2005	9,542
Profit for the financial year	<u>1,014</u>
At 30 June 2006	<u>10,556</u>

16. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2006 £'000	2005 £'000
Profit for the financial year	2,014	2,174
Dividends	<u>(1,000)</u>	<u>(1,000)</u>
Net movement in shareholders' funds	1,014	1,174
Opening shareholders' funds	<u>9,592</u>	<u>8,418</u>
Closing shareholders' funds	<u>10,606</u>	<u>9,592</u>

ICM BUSINESS CONTINUITY SERVICES PLC
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NOTES TO THE ACCOUNTS

30 June 2006

17. FINANCIAL COMMITMENTS

(a) Future capital expenditure

The Company had no future capital expenditure which had been contracted for but not provided in the accounts at the end of the financial year (2005: Nil).

(b) Operating lease commitments

	2006		2005	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Annual commitments under non-cancellable operating leases are as set out below:				
Operating leases which expire:				
In the first to second year	87	-	101	-
In the second to fifth year	-	-	87	-
After 5 years	906	-	-	-
	<u>993</u>	<u>-</u>	<u>188</u>	<u>-</u>

18. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8 and therefore does not disclose transactions with fellow companies within the ICM Computer Group.

19. CASH FLOW STATEMENT

The Company is a wholly owned subsidiary of ICM Computer Group plc which prepares a consolidated cash flow statement for the group. The Company has therefore taken advantage of the exemption granted by Financial Reporting Standard No. 1 (revised) and consequently does not publish a cash flow statement for the Company alone.

20. ULTIMATE PARENT COMPANY

The ultimate parent company and ultimate controlling party is ICM Computer Group plc, a company registered in England and Wales. A copy of the financial statements of the parent company may be obtained from the Registrar of Companies, Crown Way, Maindy, Cardiff.