

Be first to get a close look at the rising stars



FINANCIAL Mail today launches a regular series highlighting private companies blazing a trail in their sector through innovation, excellence or sheer hard work. One day these companies may look to the market for investment or they may become targets for takeover, or perhaps they will become household names. But for whatever reason, we think these companies will be Ones to Watch.

HEALTH Secretary Andrew Lansley sparked a row last month when he said NHS medical data could be made available for companies' research. Critics feared a risk to patient confidentiality, or an unwelcome intrusion of private interests into the NHS.

But researchers welcomed the idea, as did IDBS, a software group that specialises in the kind of programs that could help analyse that data and turn it into life-saving cures. Founded in 1989 by Neil Kipling, now chief executive, the group, based in Guildford, Surrey, has grown steadily and is beginning to develop a good reputation worldwide. Its products are in a field known as enterprise data management.

Its software packages help research and development teams take raw data and turn it into meaningful information that can be used to spot trends or patterns.

Clients include leaders in the pharmaceutical field such as Pfizer and GlaxoSmithKline as well as academic institutes. IDBS has just finished its latest financial year and figures will be filed later this year, but accounts for 2010 demonstrate its growth and solidity. Sales hit £30 million (up 30 per cent) while pre-tax profits were £5.26 million (up 39 per cent). Kipling, 48, expects results for 2011 to show another year of 'significant progress'. As well as being robustly profitable, IDBS has grown without building up any debt.

In the case of sharing NHS data, he says fears of private information being sold are misplaced while the benefits are potentially huge. 'The success of advanced medical research will depend on large amounts of patient data being made available so that meaningful conclusions are possible,' he says.

IDBS last year won a Queen's Award for International Trade. It is owned entirely by Kipling and with millions in the bank there is little sign it will need to raise money from the markets. But if it chose to carry out a major takeover that could change. And despite being privately held, IDBS has already caught the attention of some City analysts.

George O'Connor of broker Panmure Gordon has drawn comparisons between IDBS and Autonomy, the British software success story that was a darling of the stock market until its takeover last year by US computer giant Hewlett Packard for almost £8 billion.

IDBS is a long way from being that successful, but is certainly one to watch.

■ **Simon Watkins**