

**COMPANIES
HOUSE
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Company Registration No. 04792721 (England and Wales)

INNVENTURE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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COMPANIES HOUSE

Accounts
Q.C. APPROVED

INNVENTURE LIMITED

COMPANY INFORMATION

Directors	C Gerard F G Gerard
Secretary	F G Gerard
Company number	04792721
Registered office	The Tun House 16 High Street Whitwell Hitchin Hertfordshire SG4 8AG
Auditors	Cowgill Holloway LLP Regency House 45 - 51 Chorley New Road Bolton BL1 4QR
Bankers	National Westminster Bank Plc 12 High Street Hitchin Hertfordshire SG5 1YY
Solicitors	Marriott Harrison Steple Court 11 Staple Inn Buildings London WC1V 7QH

INNVENTURE LIMITED

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INNVENTURE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2012

The directors present their report and financial statements for the year ended 30 June 2012

Principal activities and review of the business

The principal activity of the company continued to be that of the operation of a hotel and five country pubs

The company's sales were essentially flat in the year 2011 - 2012, a disappointing performance masking success at the Wellington and at the Foresters

During June 2012, the Company opened the Cross Keys in Saffron Walden incurring significant pre-opening costs which reduced the profits of the company. The performance of the Cross Keys in the first month of opening was ahead of forecast

The move to Indicatier and to a wholly outsourced accounting solution has not been without teething problems necessitating migration from Cowgill Holloway LLP to Chantey Vellacott DFK LLP for the company's accounting services in the last quarter of the year

Cowgill Holloway LLP has continued as the company's auditors

The business successfully negotiated the repayment of £1.3m in respect of an external shareholder loan, thus reducing interest costs in the year. This repayment was funded by a new facility from National Westminster Bank Plc

Performance going forward is forecast to be strong with an anticipated EBITDA of over £1m for the year 2012 - 2013, complete with anticipated strong cash flows. The company's cash position is expected to be in excess of £1m by 30th June 2013

The business is now setup strongly with billing services provided by Pelican Ltd, Indicatier providing profit and loss reportage to sub department levels, enabling new rewards opportunities for key staff in charge of those sub departments and a fully functioning Indicatier - Sage interface

The business has yet to introduce labour scheduling via Indicatier nor has it turned on the interface between its front of house and back of house systems. Both of these processes are anticipated to be completed in the next financial year and to be revenue enhancing through more efficient ways of working

From the customers perspective the business continues to work on Food that is delicious, Service that is personal and individual and a drink and accommodation offer that is distinctive

It is hoped that at least one business will win a Rosette for food in the next year

Results and dividends

The results for the year are set out on page 5

Directors

The following directors have held office since 1 July 2011

C Gerard

F G Gerard

Auditors

The auditors, Cowgill Holloway LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

INNVENTURE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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

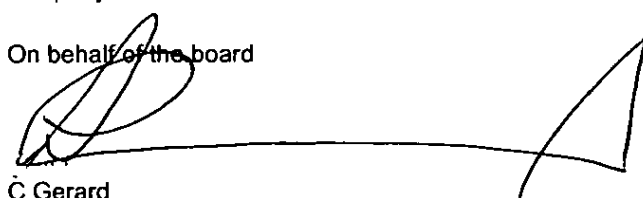
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



C Gerard

Director

10/5/13

INNVENTURE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF INNVENTURE LIMITED

We have audited the financial statements of Innventure Limited for the year ended 30 June 2012 set out on pages 5 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INNVENTURE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF INNVENTURE LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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



Stuart Stead (Senior Statutory Auditor)
for and on behalf of Cowgill Holloway LLP

13 May 2013

Chartered Accountants
Statutory Auditor

Regency House
45 - 51 Chorley New Road
Bolton
BL1 4QR

INNVENTURE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 £	2011 £
Turnover	2	5,282,532	5,271,269
Cost of sales		(3,467,035)	(3,444,656)
Gross profit		1,815,497	1,826,613
Administrative expenses		(1,390,002)	(1,519,320)
Other operating income		-	201,355
Operating profit	3	425,495	508,648
Other interest receivable and similar income	4	3,894	3,796
Interest payable and similar charges	5	(191,500)	(154,529)
Profit on ordinary activities before taxation		237,889	357,915
Tax on profit on ordinary activities	6	(66,063)	(104,152)
Profit for the year	14	171,826	253,763

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

INNVENTURE LIMITED

BALANCE SHEET

AS AT 30 JUNE 2012

		2012		2011 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		3,941,863		3,974,441
Current assets					
Stocks	8	94,946		82,907	
Debtors	9	179,810		47,513	
Cash at bank and in hand		662,382		657,291	
		937,138		787,711	
Creditors: amounts falling due within one year	10	(1,213,409)		(915,811)	
Net current liabilities			(276,271)		(128,100)
Total assets less current liabilities			3,665,592		3,846,341
Creditors amounts falling due after more than one year	11		(3,051,988)		(3,401,134)
Provisions for liabilities	12		(89,426)		(92,855)
			524,178		352,352
Capital and reserves					
Called up share capital	13		951		951
Other reserves	14		50		50
Profit and loss account	14		523,177		351,351
Shareholders' funds	15		524,178		352,352

Approved by the Board and authorised for issue on

10/5/13

C Gerard
Director

Company Registration No 04792721

INNVENTURE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
£	£	£
Net cash inflow from operating activities	592,042	1,034,155
Returns on investments and servicing of finance		
Interest received	3,894	3,796
Interest paid	(191,500)	(154,529)
Net cash outflow for returns on investments and servicing of finance	(187,606)	(150,733)
Taxation	(92,471)	(27,478)
Capital expenditure		
Payments to acquire tangible assets	(217,728)	(1,942,663)
Receipts from sales of tangible assets	-	10,000
Net cash outflow for capital expenditure	(217,728)	(1,932,663)
Net cash inflow/(outflow) before management of liquid resources and financing	94,237	(1,076,719)
Financing		
Issue of ordinary share capital	-	1
Share based payment transaction	-	(45,556)
Purchase of own shares	-	50
New long term bank loan	1,300,000	-
Other new long term loans	-	1,887,647
Repayment of long term bank loan	(107,957)	(107,136)
Repayment of other long term loans	(1,281,189)	(159,041)
Capital element of hire purchase contracts	-	(5,145)
Net cash (outflow)/inflow from financing	(89,146)	1,570,820
Increase in cash in the year	5,091	494,101

INNVENTURE LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2012

1	Reconciliation of operating profit to net cash inflow from operating activities	2012	2011
		£	£
	Operating profit	425,495	508,648
	Depreciation of tangible assets	250,306	238,764
	Profit on disposal of tangible assets	-	(10,000)
	(Increase)/decrease in stocks	(12,039)	13,450
	Increase in debtors	(132,297)	(19,351)
	Increase in creditors within one year	60,577	302,644
	Net cash inflow from operating activities	592,042	1,034,155

2	Analysis of net debt	1 July 2011	Cash flow	Other non-cash changes	30 June 2012
		£	£	£	£
	Net cash				
	Cash at bank and in hand	657,291	5,091	-	662,382
	Bank deposits	-	-	-	-
	Debt				
	Debts falling due within one year	(114,103)	(260,000)	-	(374,103)
	Debts falling due after one year	(3,401,134)	349,146	-	(3,051,988)
		(3,515,237)	89,146	-	(3,426,091)
	Net debt	(2,857,946)	94,237	-	(2,763,709)

3	Reconciliation of net cash flow to movement in net debt	2012	2011
		£	£
	Increase in cash in the year	5,091	494,101
	Cash outflow/(inflow) from decrease/(increase) in debt	89,146	(1,616,325)
	Movement in net debt in the year	94,237	(1,122,224)
	Opening net debt	(2,857,946)	(1,735,722)
	Closing net debt	(2,763,709)	(2,857,946)

INNVENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Freehold property	2% per annum straight line basis
Property improvements	Over the period of the lease
Plant & machinery	25% per annum straight line basis
Computer equipment	33% per annum straight line basis
Fixtures & fittings	10% per annum straight line basis
Motor vehicles	25% per annum straight line basis

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Deferred taxation

Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date. Timing differences are differences between taxable profits and the results as stated in the financial statements which 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.

A net deferred tax asset is regarded as recoverable and therefore recognised only when it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued asset and the resulting gain or loss has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates which are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws which have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

INNVENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

1 Accounting policies (continued)

17 Prior year adjustment

A prior year adjustment has been included in these accounts in relation to the valuation of the properties. The properties were incorrectly revalued up by £1,860,875 during 2011 and therefore the prior year adjustment included in the 2012 accounts has been to revert the properties back to cost as opposed to valuation. The adjustment has no profit effect. Fixed assets, revaluation reserve and net shareholders funds have reduced by £1,860,875 accordingly.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2012 £	2011 £
Operating profit is stated after charging		
Depreciation of tangible assets	250,306	238,764
Operating lease rentals		
- Land and buildings	147,112	153,776
Auditors' remuneration (including expenses and benefits in kind)	6,950	4,500
and after crediting		
Profit on disposal of tangible assets	-	(10,000)

4 Investment income	2012 £	2011 £
Bank interest	3,894	3,796
	<u>3,894</u>	<u>3,796</u>

5 Interest payable	2012 £	2011 £
On bank loans and overdrafts	59,335	30,002
Hire purchase interest	-	(2,765)
Other interest	132,165	127,292
	<u>191,500</u>	<u>154,529</u>

INNVENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

6	Taxation	2012 £	2011 £
	Domestic current year tax		
	U K corporation tax	69,492	92,471
	Adjustment for prior years	-	8,320
	Total current tax	<u>69,492</u>	<u>100,791</u>
	Deferred tax		
	Deferred tax charge credit current year	(3,429)	3,361
		<u>66,063</u>	<u>104,152</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>237,889</u>	<u>357,915</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2011 - 26.00%)	<u>57,093</u>	<u>93,058</u>
	Effects of		
	Non deductible expenses	52	5,514
	Depreciation add back	60,073	62,079
	Capital allowances	(36,743)	(41,302)
	Other tax adjustments	(10,983)	(18,558)
		<u>12,399</u>	<u>7,733</u>
	Current tax charge for the year	<u>69,492</u>	<u>100,791</u>

INNVENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

7 Tangible fixed assets

	Freehold property & improve- ments	Plant & machinery and computer equipment	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2011	3,879,418	340,897	440,185	38,152	4,698,652
Additions	41,431	81,256	95,041	-	217,728
	<u>3,920,849</u>	<u>422,153</u>	<u>535,226</u>	<u>38,152</u>	<u>4,916,380</u>
At 30 June 2012	3,920,849	422,153	535,226	38,152	4,916,380
Depreciation					
At 1 July 2011	257,658	237,068	209,448	20,037	724,211
Charge for the year	132,902	67,481	44,841	5,082	250,306
	<u>390,560</u>	<u>304,549</u>	<u>254,289</u>	<u>25,119</u>	<u>974,517</u>
At 30 June 2012	390,560	304,549	254,289	25,119	974,517
Net book value					
At 30 June 2012	<u>3,530,289</u>	<u>117,604</u>	<u>280,937</u>	<u>13,033</u>	<u>3,941,863</u>
At 30 June 2011	<u>3,621,760</u>	<u>103,829</u>	<u>230,737</u>	<u>18,115</u>	<u>3,974,441</u>

8 Stocks

	2012 £	2011 £
Finished goods and goods for resale	<u>94,946</u>	<u>82,907</u>

9 Debtors

	2012 £	2011 £
Other debtors	29,272	30,513
Prepayments and accrued income	150,538	17,000
	<u>179,810</u>	<u>47,513</u>

INNVENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

10 Creditors: amounts falling due within one year	2012	2011
	£	£
Bank loans and overdrafts	367,143	107,143
Trade creditors	389,656	236,561
Corporation tax	69,492	92,471
Other taxes and social security costs	215,731	192,255
Other creditors	33,607	63,922
Accruals and deferred income	137,780	223,459
	<u>1,213,409</u>	<u>915,811</u>

Bank loans and overdrafts are secured

11 Creditors amounts falling due after more than one year	2012	2011
	£	£
Bank loans	2,217,764	1,285,721
Other loans	834,224	2,115,413
	<u>3,051,988</u>	<u>3,401,134</u>
Analysis of loans		
Wholly repayable within five years	3,426,091	3,515,237
	<u>3,426,091</u>	<u>3,515,237</u>
Included in current liabilities	(374,103)	(114,103)
	<u>3,051,988</u>	<u>3,401,134</u>
Loan maturity analysis		
In more than one year but not more than two years	367,143	107,143
In more than two years but not more than five years	1,850,621	1,178,578
	<u>367,143</u>	<u>1,178,578</u>

Bank loans are secured on the properties concerned

INNVENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

12 Provisions for liabilities

	Deferred tax liability £
Balance at 1 July 2011	92,855
Profit and loss account	(3,429)
Balance at 30 June 2012	89,426

The deferred tax liability is made up as follows

	2012 £	2011 £
Accelerated capital allowances	89,426	92,855

13 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
950 Ordinary shares of £1 each	950	950
1 Special Redeemable Deferred shares of £1 each	1	1
	951	951

The Ordinary £1 shares have full rights in respect of votes, dividend and capital distribution (including on winding up) They do not confer any rights of redemption

The Special Redeemable Deferred shares of £1 each have no right to participate in the profits of the company or receive a dividend Neither do they have right to receive notice or attend a general meeting or vote at any general meeting There are specific rights to return of capital on a winding which are disclosed in the Articles of Association

INNVENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

14 Statement of movements on reserves

	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2011 as previously reported	1,860,875	50	351,351
Prior year adjustment	(1,860,875)	-	-
Balance at 1 July 2011 as restated	-	50	351,351
Profit for the year	-	-	171,826
Balance at 30 June 2012	-	50	523,177

Other reserves

Capital redemption reserve

Balance at 1 July 2011 & at 30 June 2012

50

15 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	171,826	253,763
Proceeds from issue of shares	-	1
Share based payment transactions	-	(45,556)
Movements on other reserves	-	50
Net addition to shareholders' funds	171,826	208,258
Opening shareholders' funds	352,352	144,094
Closing shareholders' funds	524,178	352,352

Opening shareholders' funds were originally £2,213,227 before deducting prior year adjustments of £1,860,875

16 Financial commitments

At 30 June 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2013

	Land and buildings	
	2012 £	2011 £
Operating leases which expire In over five years	154,250	123,000

INNVENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

17 Directors' remuneration	2012	2011
	£	£
Remuneration for qualifying services	5,280	8,426

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2012	2011
	Number	Number
Directors	1	1
Administration	2	2
Hospitality	149	147
	152	150

Employment costs	2012	2011
	£	£
Wages and salaries	63,624	91,244
Social security costs	110,541	121,575
	174,165	212,819

19 Control

The company is controlled by C Gerard by virtue of his 100% shareholding

INNVENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

20 Related party relationships and transactions

Included in creditors greater than one year is a director's loan account due to C Gerard amounting to £617,551 (2011 £599,173) Interest is charged on the loan account at 6% per annum (2011 7.5%) and a charge of £35,950 (2011 £41,210) is included in the profit and loss account There is no fixed date for repayment

The director C Gerard has provided a personal guarantee of £200,000 (2011 £200,000) to the company bankers in respect of company banking facilities

At year end a balance of £207,397 (2011 £1,650,000) was due to Nickco Limited, a company connected to the brother of C Gerard Gross interest has been charged at a rate of 7.4% per annum and a charge of £51,965 (2011 £80,685) is included in the profit and loss account There is no fixed repayment terms however a fixed repayment date of 30th September 2015 has been agreed At the year end the full loan of £200,000 (2011 £1,500,000) is included within other creditors payable in greater than 12 month in respect of this loan