

Innserve Limited

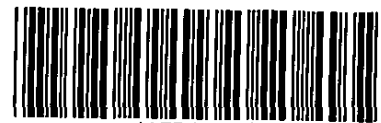
Report and Financial Statements

8 month period ended

2 January 2011

Company number 07226521

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Innserve Limited

Annual report and financial statements for the period ended 2 January 2011

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Director

NM Bryan

Registered office

The Old Maltings, Leeds Road, Tadcaster, LS24 9HB

Company number

7226521

Auditors

BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU

Innserve Limited

Report of the director for the period ended 2 January 2011

The director presents his report together with the audited financial statements for the 8 month period ended 2 January 2011

Incorporation

The company was incorporated as St James Parade (127) Limited on 17 April 2010

The company changed its name from St James Parade (127) Limited to Innserve Limited on 12 July 2010

Principal activities, trading review and future developments

The company's principal activity is the provision of technical services to the brewing industry and pub companies

The company commenced trading on 24 May 2010 after certain assets and liabilities were transferred from Old Innserve Limited

The profit and loss account is set out on page 5 and shows turnover for the year of £22.1m and profit before tax for the period of £0.2m. The director is pleased with the performance of the company during the period and is confident that the company will remain profitable in 2011.

The company monitors its performance with its customers through a series of key performance indicators that include, the measurement of technician on site visit attendance within pre agreed timescales and call capture data associated with our Customer Service Centre. The director is particularly pleased that the company has exceeded the levels agreed with its customers on all these indicators.

Principal risks and uncertainties

The company earned the majority of its income through one customer which is secured on a 10 year contract that was entered into during the year. The company looks to reduce this concentration by securing additional customers on long-term contracts.

Financial risks are minimal, as the company has no borrowings or exposure to foreign exchange fluctuations.

Operational risk largely concerns the systems required by the business to schedule and manage its mobile workforce and supply chain. The management of these systems is outsourced to a third party with appropriate disaster recovery procedures in the event of a systems failure.

Employment of disabled persons

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind.

Employee involvement

Our staff newsletter has maintained the flow of information to staff. Members of the management team regularly discuss matters of current interest and concern to the business with members of staff.

Charitable donations

During the period the company made charitable donations of £1,700.

Director

The director of the company during the period was

NM Bryan (appointed 17 April 2010)

Innserve Limited

Report of the director for the period ended 2 January 2011 (*Continued*)

Director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The director is also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The director is responsible for keeping adequate accounting records that show and explain the company's transactions, 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.

Auditors

The current director has taken all the steps that he ought to have taken to make himself aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The director is not aware of any relevant audit information of which the auditors are unaware.

BDO LLP were appointed as the first auditors of the company during the period. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board



**NM Bryan
Director**

Date 29 March 2011

Innserve Limited

Report of the independent auditors

TO THE MEMBER OF INNSERVE LIMITED

We have audited the financial statements of Innserve Limited for the period ended 2 January 2011 which comprise the profit and loss account, the balance sheet, and the related notes. 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 member 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 member those matters we are required to state to him 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 member, 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 statement of director's responsibilities, the director is 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2 January 2011 and of its profit for the period 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the director's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Innserve Limited

Report of the independent auditors (*Continued*)

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



Ian Beaumont (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Leeds
United Kingdom

Date *31/3/2011*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Innserve Limited

Profit and loss account for the period ended 2 January 2011

	Note	8 month period ended 2 January 2011 £
Turnover	2	22,123,858
Cost of sales		5,108,105
Gross profit		17,015,753
Administrative expenses		16,834,337
Operating profit	3	181,416
Interest receivable		2,388
Profit on ordinary activities before taxation		183,804
Taxation on profit from ordinary activities	6	81,792
Profit on ordinary activities after taxation	13	102,012

All amounts relate to acquisitions in the period

All amounts relate to continuing activities

All recognised gains and losses in the current period are included in the profit and loss account

The notes on pages 7 to 15 form part of these financial statements

Innserve Limited

Balance sheet at 2 January 2011

Company number 07226521	Note	2 January 2011 £	2 January 2011 £
Fixed assets			
Tangible assets	7		107,490
Current assets			
Debtors	8	2,200,160	
Cash at bank and in hand		8,362,298	
		<u>10,562,458</u>	
Creditors: amounts falling due within one year	9	7,402,954	
		<u>7,402,954</u>	
Net current assets			3,159,504
			<u>3,159,504</u>
Total assets less current liabilities			3,266,994
Creditors: amounts falling due after more than one year	10		1,314,982
			<u>1,314,982</u>
			<u>1,952,012</u>
Capital and reserves			
Called up share capital	12		1,850,000
Profit and loss account	13		102,012
			<u>1,952,012</u>
Shareholder's funds	14		1,952,012
			<u>1,952,012</u>

The financial statements were approved and authorised for issue by the Board of Directors on 29 March 2011 and were signed on its behalf by



NM Bryan
Director

The notes on pages 7 to 15 form part of these financial statements

Innserve Limited

Notes forming part of the financial statements for the period ended 2 January 2011

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied.

Turnover

Turnover represents the invoiced value of services performed less value added tax.

Installation income is recognised when the service is completed and related costs are matched with income.

Service income is recognised in the period in which it is receivable.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Hallriver Limited and the company is included in consolidated financial statements.

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Dividend

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Pension costs

The company operates a group personal pension plan. Contributions are charged to the profit and loss account in the period in which they become payable. Contributions are made to the plan by both the employee and the employer.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Plant & machinery	- 25% per annum
Computer equipment	- 33% per annum

Leased assets

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Innserve Limited

Notes forming part of the financial statements for the period ended 2 January 2011 (*Continued*)

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom

3 Operating profit

8 month
period ended
2 January
2011
£

This has been arrived at after charging

Depreciation of tangible fixed assets	23,062
Loss on disposal of fixed assets	1,843
Fees payable to the company's auditors for the audit of the company's accounts	24,500
Non-audit services – corporation tax compliance	4,800
Hire of other assets – operating leases	1,218,987
Hire of land and buildings – operating leases	170,127

4 Employees

Staff costs (including directors) consist of

8 month
period ended
2 January
2011
£

Wages and salaries	9,841,071
Social security costs	1,066,464
Other pension costs	504,086
	11,411,621

Innserve Limited

Notes forming part of the financial statements for the period ended 2 January 2011 (*Continued*)

4 Employees (*continued*)

The average number of employees during the period (including the directors) was as follows

	8 month period ended 2 January 2011 Number
Senior management	7
Supply chain	34
Planning and administration	168
Technical	340
	549

5 Director's remuneration

	8 month period ended 2 January 2011 £
Director's emoluments	36,813

Innserve Limited

Notes forming part of the financial statements
for the period ended 2 January 2011 (*Continued*)

6 Taxation on profit from ordinary activities

	8 month period ended 2 January 2011 £
<i>Current Tax</i>	
UK corporation tax at 28%	274,448
<i>Deferred tax</i>	
Origination and reversal of timing differences	(192,656)
Taxation on profit on ordinary activities	81,792

The tax assessed for the period is different than the standard rate of corporation tax in the UK. The differences are explained below

	8 month period ended 2 January 2011 £
Profit on ordinary activities before tax	183,804
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28%	51,465
Effects of	
Expenses not deductible for tax purposes	27,867
Short term timing differences	211,306
Capital allowances in excess of depreciation	(11,515)
Group relief	(4,675)
Current tax charge for period	274,448

Innserve Limited

Notes forming part of the financial statements
for the period ended 2 January 2011 (*Continued*)

7 Fixed assets

	Motor vehicles £	Plant and machinery £	Computer equipment £	Total £
Cost				
Assets transferred from related company	-	69,326	32,290	101,616
Additions	15,988	799	13,993	30,780
Disposals	-	(1,843)	-	(1,843)
At 2 January 2011	15,988	68,282	46,283	130,553
Depreciation				
Charge for the period	1,734	10,632	10,697	23,063
At 2 January 2011	1,734	10,632	10,697	23,063
Net book value				
At 2 January 2011	14,254	57,650	35,586	107,490

8 Debtors

	2 January 2011 £
Trade debtors	78,202
Other debtors	521,733
Prepayments and accrued income	1,407,569
Deferred taxation (note 11)	192,656
	2,200,160

All amounts shown under debtors fall due for payment within one year

Innserve Limited

Notes forming part of the financial statements
for the period ended 2 January 2011 (*Continued*)

9 Creditors: amounts falling due within one year

	2 January 2011 £
Trade creditors	986,712
Corporation tax	274,448
Other creditors	1,639,358
Taxation and social security	1,115,974
Accruals and deferred income	3,386,462
	7,402,954

10 Creditors: amounts falling after more than one year

	2 January 2011 £
Other creditors	1,314,982
Amounts shown in other creditors are due for payment in 1-2 years	

11 Deferred taxation

	£
Credited to profit and loss account and at 2 January 2011	192,656
<i>Deferred taxation</i>	
	2 January 2011 £
Accelerated capital allowances	(11,104)
Sundry timing differences	203,760
	192,656

Innserve Limited

Notes forming part of the financial statements for the period ended 2 January 2011 (*Continued*)

12 Share capital

2 January
2011
£

Allotted, called up and fully paid

1 Ordinary share of £1 each

1,850,000

On incorporation on 17 April 2010 1 ordinary share of £1 was issued for £1 and on 20 May 2010, 1,849,999 ordinary shares of £1 each were issued for £1,849,999

13 Reserves

Profit and
loss account
£

Profit for the financial period

102,012

14 Reconciliation of movements in shareholder's funds

8 month
period ended
2 January
2011
£

Profit for the financial period

102,012

Shares issued in the period

1,849,999

Net addition to shareholder's funds

1,952,011

Shareholder's funds on incorporation

1

Closing shareholder's funds

1,952,012

Innserve Limited

Notes forming part of the financial statements for the period ended 2 January 2011 (*Continued*)

15 Related party disclosures

The company is a wholly owned subsidiary of Hallriver Limited at 2 January 2011, and is included in the consolidated financial statements of that company, which are publically available

On 24 May 2010, trading assets and liabilities with a net book value of £nil were transferred to Innserve Limited from Old Innserve Limited. Refer to note 19 for details of the assets and liabilities transferred

During the period Innserve Limited made sales to Old Innserve Limited, a subsidiary of Serviced Dispense Holdings Limited (SDEHL), of £20,992,217 and purchases of £1,375,803. NM Bryan, a director and shareholder of Hallriver Limited, is also a director of SDEHL.

At 2 January 2011, Innserve Limited was owed £1,482,701 from Old Innserve Limited (included within trade debtors and accrued income), and owed £343,149 to Old Innserve Limited (included within accruals and deferred income)

During the period Innserve Limited made sales to Innserve Technical Solutions Limited of £1,265,867 and purchases of £29,563. NM Bryan, a director and shareholder of Innserve Limited, is also a director and shareholder of Innserve Technical Solutions Limited

At 2 January 2011, Innserve Limited was owed £150,240 from Innserve Technical Solutions Limited (included within trade debtors and other debtors)

16 Ultimate controlling party

The company is controlled by NM Bryan, the director and shareholder of the parent company, Hallriver Limited

17 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £504,086. There was no balance outstanding at the end of the year.

18 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	2 January 2011 Other £	2 January 2011 Land and buildings £
Operating leases which expire		
Within one year	353,307	-
In two to five years	526,252	-
After five years	-	190,882
	879,559	190,882

Innserve Limited

Notes forming part of the financial statements for the period ended 2 January 2011 (Continued)

19 Acquisitions

Acquisition of trading assets and liabilities from Old Innserve Limited

On 24 May 2010, the company acquired trading assets and liabilities with a net book value of £nil from Old Innserve Limited

	Book and fair value £
Fixed assets	
Tangible fixed assets	101,616
Current assets	
Stock	60,467
Debtors	3,111,618
Cash at bank and in hand	1,765,721
Total assets	5,039,421
Creditors	
Due within one year	5,039,421
Net assets	-

Cash flows

The net inflow of cash arising from the acquisition of assets and liabilities from Old Innserve Limited was as follows

	£
Cash consideration	-
Cash acquired	1,765,721
Net inflow of cash	1,765,721