

Innserve Limited

Report and Financial Statements

12 months ended

30 December 2012

Company Number 07226521



Innsolve Limited

Report and financial statements for the period ended 30 December 2012

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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 30 December 2012

The director presents his report together with the audited financial statements for the 12 months ended 30 December 2012

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 profit and loss account is set out on page 5 and shows turnover for the year of £42.5m (2011 - £37.1m) and profit before tax for the period of £0.7m (2011 - £0.6m). The director is pleased with the performance of the company during the period and is confident that the company will remain profitable in 2013.

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.

Dividends of £nil (2011 £290,000) were paid during the period.

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 in 2011.

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 £13,899 (2011 - £Nil).

Director

The director of the company during the period was

NM Bryan

Innserve Limited

Report of the director for the period ended 30 December 2012 (*continued*)

Director's responsibilities

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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,
- 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 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 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 20 June 2013

Innserve Limited

Independent auditor's report

TO THE MEMBER OF INNSERVE LIMITED

We have audited the financial statements of Innserve Limited for the 12 months ended 30 December 2012 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 December 2012 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- 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.

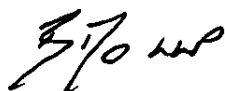
Innserve Limited

Independent auditor's report (*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 2/7/2013

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 30 December 2012

	Note	12 months ended 30 December 2012 £	12 months ended 1 January 2012 £
Turnover	2	42,458,163	37,128,200
Cost of sales		10,929,771	7,804,231
Gross profit		31,528,392	29,323,969
Administrative expenses		30,934,323	28,752,021
Operating profit	3	594,069	571,948
Interest receivable		81,646	58,908
Profit on ordinary activities before taxation		675,715	630,856
Taxation on profit from ordinary activities	6	96,990	296,426
Profit on ordinary activities after taxation	15	578,725	334,430

All amounts relate to continuing activities

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

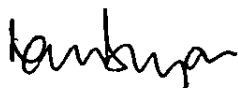
The notes on pages 7 to 15 form part of these financial statements

Innserve Limited

Balance sheet at 30 December 2012

<i>Company number 07226521</i>	Note	30 December 2012 £	30 December 2012 £	1 January 2012 £	1 January 2012 £
Fixed assets					
Tangible assets	8		136,966		124,432
Current assets					
Debtors	9	5,610,927		5,164,369	
Cash at bank and in hand		9,254,294		9,019,347	
		<u>14,865,221</u>		<u>14,183,716</u>	
Creditors: amounts falling due within one year	10	11,338,467		12,311,706	
		<u></u>		<u></u>	
Net current assets			3,526,754		1,872,010
			<u></u>		<u></u>
Total assets less current liabilities			3,663,720		1,996,442
			<u></u>		<u></u>
Creditors: amounts falling due after more than one year	11	772,503		-	
Provisions for liabilities	12	316,050		-	
		<u></u>		<u></u>	
			1,088,553		-
			<u></u>		<u></u>
			2,575,167		1,996,442
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	14		1,850,000		1,850,000
Profit and loss account	15		725,167		146,442
			<u></u>		<u></u>
Shareholder's funds	16		2,575,167		1,996,442
			<u></u>		<u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 20 June 2013 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 30 December 2012

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, 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	- 20-33% per annum
Motor vehicles	- 25% 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 30 December 2012 (continued)

2 Turnover

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

3 Operating profit

	12 months ended 30 December 2012 £	12 months ended 1 January 2012 £
This has been arrived at after charging		
Depreciation of tangible fixed assets	64,536	52,412
Fees payable to the company's auditors for the audit of the company's accounts	25,750	25,000
Non-audit services – corporation tax compliance	6,500	5,200
Hire of other assets – operating leases	1,982,629	2,112,464
Hire of land and buildings – operating leases	276,202	235,528
	<u> </u>	<u> </u>

4 Employees

Staff costs (including directors) consist of

	12 months ended 30 December 2012 £	12 months ended 1 January 2012 £
Wages and salaries	18,159,431	17,376,429
Social security costs	1,827,573	1,853,405
Other pension costs	815,516	799,433
	<u> </u>	<u> </u>
	20,802,520	20,029,267
	<u> </u>	<u> </u>

Innserve Limited

Notes forming part of the financial statements for the period ended 30 December 2012 (continued)

4 Employees (continued)

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

	12 months ended 30 December 2012 Number	12 months ended 1 January 2012 Number
Senior management	5	5
Supply chain	34	33
Planning and administration	180	166
Technical	370	338
	589	542

5 Director's remuneration

	12 months ended 30 December 2012 £	12 months ended 1 January 2012 £
Director's emoluments	62,966	62,759

Innserve Limited

Notes forming part of the financial statements for the period ended 30 December 2012 (continued)

6 Taxation on profit from ordinary activities

	12 months ended 30 December 2012 £	12 months ended 1 January 2012 £
<i>Current tax</i>		
UK corporation tax	239,431	194,569
Adjustments in respect of prior periods	196,497	(14,369)
Total current tax	435,928	180,200
<i>Deferred tax</i>		
Origination and reversal of timing differences	(71,469)	(16,680)
Effect of rate change	29,904	13,244
Adjustments in respect of prior periods	(191,567)	13,856
Adjustments in respect of transferred deferred tax	(105,806)	105,806
Total deferred tax	(338,938)	116,226
Taxation on profit on ordinary activities	96,990	296,426

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

	12 months ended 30 December 2012 £	12 months ended 1 January 2012 £
Profit on ordinary activities before tax	675,715	630,856
Profit on ordinary activities at the standard rate of corporation tax in the UK of 24.50% (2011 - 26.49%)	165,532	167,134
Effects of		
Expenses not deductible for tax purposes	11,319	16,118
Short term timing differences	74,723	25,680
Capital allowances in excess of depreciation	1,399	(8,005)
R&D tax relief	(13,542)	(6,358)
Adjustments in respect of prior periods	196,497	(14,369)
Current tax charge for period	435,928	180,200

Innserve Limited

Notes forming part of the financial statements for the period ended 30 December 2012 (continued)

7 Dividends

	12 months ended 30 December 2012 £	12 months ended 1 January 2012 £
Ordinary shares		
Paid in the period of £nil(2011 - 15 6p) per share	-	290,000

8 Fixed assets

	Motor vehicles £	Plant and machinery £	Computer equipment £	Total £
<i>Cost</i>				
At 2 January 2012	15,988	71,515	112,404	199,907
Additions	-	46,439	30,631	77,070
At 30 December 2012	15,988	117,954	143,035	276,977
<i>Depreciation</i>				
At 2 January 2012	5,731	32,581	37,163	75,475
Charge for the period	3,997	28,152	32,387	64,536
At 30 December 2012	9,728	60,733	69,550	140,011
<i>Net book value</i>				
At 30 December 2012	6,260	57,221	73,485	136,966
At 1 January 2011	10,257	38,934	75,241	124,432

9 Debtors

	30 December 2012 £	1 January 2012 £
Trade debtors	2,741,957	2,740,395
Other debtors	501,151	658,236
Prepayments and accrued income	1,952,452	1,583,503
Deferred taxation (note 13)	415,367	182,235
	5,610,927	5,164,369

All amounts shown under debtors fall due for payment within one year, except the deferred tax asset which is recoverable in more than one year

Innserve Limited

Notes forming part of the financial statements for the period ended 30 December 2012 (continued)

10 Creditors: amounts falling due within one year

	30 December 2012 £	1 January 2012 £
Trade creditors	1,112,629	944,801
Corporation tax	35,231	194,569
Other creditors	2,772,498	4,111,110
Taxation and social security	1,385,829	1,253,716
Accruals and deferred income	5,991,522	5,807,510
Amounts due to group undertaking	40,758	-
	<u>11,338,467</u>	<u>12,311,706</u>

11 Creditors: amounts falling after more than one year

	30 December 2012 £	1 January 2012 £
Other creditors	<u>772,503</u>	<u>-</u>

Amounts shown in other creditors are due for payment in 2-5 years

12 Provisions for liabilities

	Vehicle damage £	Early termination £	Total £
At 2 January 2012	-	-	-
Transferred from accruals	49,700	125,771	175,471
Charged to profit and loss account	20,046	120,533	140,579
	<u>69,746</u>	<u>246,304</u>	<u>316,050</u>
At 30 December 2012	<u>69,746</u>	<u>246,304</u>	<u>316,050</u>

The vehicle damage provision represents expected vehicle repair costs to be charged by the lease company at the end of the lease. Charges are based on estimated future costs which are expected to be paid over the next 3 years.

The early termination provision represents charges on vehicle leases where the contract mileage will be reached prior to the lease end date. Charges are based on estimated future costs which are expected to be paid over the next 4 years.

Innserve Limited

Notes forming part of the financial statements for the period ended 30 December 2012 (*continued*)

13 Deferred taxation asset

	£
At 2 January 2012	182,235
Adjustment in respect of prior periods	191,567
Effect of rate change on opening balance	(29,904)
Charged to profit and loss account	71,469
At 30 December 2012	415,367

The deferred tax asset comprises

	30 December 2012 £	1 January 2012 £
Accelerated capital allowances	(15,095)	(17,835)
Sundry timing differences	430,462	200,070
	415,367	182,235

14 Share capital

	30 December 2012 £	1 January 2012 £
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1 each	1,850,000	1,850,000

15 Reserves

	Profit and loss account £
At 2 January 2012	146,442
Profit for the financial period	578,725
At 30 December 2012	725,167

Innserve Limited

Notes forming part of the financial statements for the period ended 30 December 2012 (continued)

16 Reconciliation of movements in shareholder's funds

	12 months ended 30 December 2012 £	12 months ended 1 January 2012 £
Profit for the financial period	578,725	334,430
Dividend paid	-	(290,000)
Opening shareholder's funds	1,996,442	1,952,012
Closing shareholder's funds	2,575,167	1,996,442

17 Related party disclosures

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related party disclosures", not to disclose any transactions with members of the group headed by Hallriver Limited on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements

During the period Innserve Limited made sales to Old Innserve Limited, a subsidiary of Serviced Dispense Holdings Limited (SDEHL), of £35,897,012 (2011 - £34,763,386) and purchases of £3,999,631 (2011 - £4,039,643) NM Bryan, a director and ultimate shareholder of Innserve Limited, is also a director of SDEHL

At 30 December 2012, Innserve Limited was owed £3,746,096 (2011 - £3,651,455) from Old Innserve Limited (included within trade debtors and accrued income) and owed £3,420,347 (2011 - £3,197,808) to Old Innserve Limited (included within trade creditors, accruals and deferred income)

During the period Innserve Limited made sales to Innserve Technical Solutions Limited of £6,419,219 (2011 - £2,432,186) and purchases of £188,715 (2011 - £181,122) NM Bryan, a director and ultimate shareholder of Innserve Limited, is also a director and ultimate shareholder of Innserve Technical Solutions Limited

At 30 December 2012, Innserve Limited was owed £1,056,925 (2011 - £575,759) from Innserve Technical Solutions Limited (included within trade debtors and other debtors) and owed £16,326 (2011 - £14,698) to Innserve Technical Solutions Limited (included within trade creditors, accruals and deferred income)

18 Ultimate controlling party

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

19 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 £815,516 (2011 - £799,433). A balance of £Nil (2011 - £89,789) was outstanding at the end of the period

Innserv Limited

Notes forming part of the financial statements
for the period ended 30 December 2012 (*continued*)

20 Commitments under operating leases

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

	30 December 2012 Other £	30 December 2012 Land and buildings £	1 January 2012 Other £	1 January 2012 Land and buildings £
Operating leases which expire				
Within one year	107,816	-	151,430	-
In two to five years	1,858,091	190,882	1,626,619	-
After five years	-	-	-	190,882
	<u>1,965,907</u>	<u>190,882</u>	<u>1,778,049</u>	<u>190,882</u>