

Company number 5472264 (England and Wales)

INNOVARE SYSTEMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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INNOVARE SYSTEMS LIMITED

COMPANY INFORMATION

Directors	A S C Osborne A P Steele M D Taylor P Blunt S Hammond
Company number	5472264
Registered office	Fonteyn House 47-49 London Road Reigate Surrey United Kingdom RH2 9PY
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Portland Building 25 High Street Crawley West Sussex RH10 1BG

INNOVARE SYSTEMS LIMITED

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INNOVARE SYSTEMS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their strategic report for the year ended 31 March 2017.

Results and dividends

The turnover for the year was £9.1m (2016: £11.6m).

The profit before taxation was £0.5m (2016: £0.2m). After making provision for taxation the profit was £0.4m (2016: £0.2m).

The results for the year are set out on page 6. The directors do not recommend the payment of a final ordinary dividend in respect of 2017 (2016: nil).

Principal activities and review of the business

The principal activity of the company is the construction of buildings using structural insulated panel systems.

The directors are satisfied that good progress has been made in building upon the profitability reported during 2015/16 and expect the company to have repaid all intercompany debt during 2018/19.

The results for the financial year and the financial position at the year end were considered satisfactory by the directors.

The company retains its holding in I S Manufacturing Limited with the company owning the whole of the issued ordinary share capital of £1.

The key financial indicators for the company are:

	2017	2016
	£000	£000
Turnover	9,082	11,572
Profit before taxation	508	150
Total equity	(560)	(994)

Total equity has increased to £(560,000), an increase of £434,000 which is wholly due to the profit after tax for the financial year.

Despite turnover decreasing in the year, profit has increased due to more efficient working practices, and a beneficial change in the mix of the work we are undertaking.

Principal risks and uncertainties

The principal risks and uncertainties facing the group are the availability of skilled resources to help deliver projects in an effective manner.

Financial Risk Management

The directors recognise the importance of financial risk management, and as such there are processes and procedures in place to ensure credit and other financial checks are carried out as appropriate across the Geoffrey Osborne Limited group. Accordingly, the financial risks and uncertainties of the Geoffrey Osborne Limited group, which include those of the company, are discussed in the group's strategic report which does not form part of this report.

On behalf of the board



P Blunt

Director

14 June 2017

INNOVARE SYSTEMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and audited financial statements of the company for the year ended 31 March 2017.

Directors

The following directors have, unless otherwise stated, held office since 1 April 2016 and up to the date of signing the financial statements:

A S C Osborne
A P Steele
G B Shepherd (resigned 23 September 2016)
M D Taylor (appointed 31 October 2016)
P Blunt
S Hammond (appointed 23 September 2016)

Dividends

The directors do not recommend the payment of a final ordinary dividend in respect of 2017 (2016: nil).

Financial Risk Management

The directors recognise the importance of financial risk management, and as such there are processes and procedures in place to ensure credit and other financial checks are carried out as appropriate across the Geoffrey Osborne Limited group. Accordingly, the financial risks and uncertainties of the Geoffrey Osborne Limited group, which include those of the company, are discussed in the group's strategic report which does not form part of this report.

Future Developments

The group undertakes regular reviews of strategy and there is currently no intention to materially change strategic direction. Accordingly, the future developments of the Geoffrey Osborne Limited group, which include those of the company, are discussed in the group's strategic report which does not form part of this report.

Going Concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the intermediate parent company, Geoffrey Osborne Limited. The directors have received confirmation that Geoffrey Osborne Limited intends to support the company for at least one year after these financial statements are signed.

Directors' indemnities

The company purchased and continues to maintain directors' and officers' liability insurance cover in respect of itself and its directors.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and PricewaterhouseCoopers LLP will therefore continue in office.

INNOVARE SYSTEMS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



P Blunt
Director

14 June 2017

INNOVARE SYSTEMS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INNOVARE SYSTEMS LIMITED

Report on the financial statements

Our opinion

In our opinion, Innovare Systems Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 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.

What we have audited

The financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of financial position as at 31 March 2017;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic report and the Directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

INNOVARE SYSTEMS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF INNOVARE SYSTEMS LIMITED

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

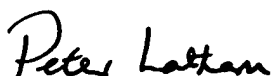
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic report and the Directors' report, we consider whether these reports include the disclosures required by applicable legal requirements.



Peter Latham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
14 June 2017

INNOVARE SYSTEMS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £000	2016 £000
Turnover	3	9,082	11,572
Cost of sales		(5,403)	(8,448)
Gross profit		3,679	3,124
Administrative expenses		(3,171)	(2,974)
Profit before taxation	4	508	150
Tax on profit	5	(74)	87
Profit for the financial year		434	237

The statement of comprehensive income has been prepared on the basis that all amounts relate to continuing operations.

There is no difference between the profit for the financial year and total comprehensive income.


INNOVARE SYSTEMS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	2017 £000	2016 £000
Fixed assets			
Tangible assets	6	78	137
Investments	7	-	-
		<u>78</u>	<u>137</u>
Current assets			
Stocks	8	325	228
Debtors	9	1,596	1,995
Cash at bank and in hand		1,007	264
		<u>2,928</u>	<u>2,487</u>
Creditors: amounts falling due within one year	10	<u>(3,534)</u>	<u>(3,601)</u>
Net current liabilities		<u>(606)</u>	<u>(1,114)</u>
Total assets less current liabilities		<u>(528)</u>	<u>(977)</u>
Creditors: amounts falling due after more than one year	11	<u>(32)</u>	<u>(17)</u>
Net liabilities		<u>(560)</u>	<u>(994)</u>
Capital and reserves			
Called up share capital	13	500	500
Capital reserve		4,985	4,985
Accumulated losses		(6,045)	(6,479)
Total equity		<u>(560)</u>	<u>(994)</u>

The notes on pages 9 to 16 are an integral part of these financial statements.

The financial statements on pages 6 to 16 were approved by the board of directors on 14 June 2017 and were signed on its behalf by:



S Hammond

Director

Company number 5472264 (England and Wales)

INNOVARE SYSTEMS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Called up share capital £000	Capital reserve £000	Accumulated losses £000	Total equity £000
Balance at 1 April 2015	500	4,985	(6,716)	(1,231)
Profit for the financial year	-	-	237	237
Balance at 31 March 2016	500	4,985	(6,479)	(994)
Profit for the financial year	-	-	434	434
Balance at 31 March 2017	500	4,985	(6,045)	(560)

INNOVARE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Statutory Information

Innovare Systems Limited is a private company domiciled in England and Wales, registration number 5472264. The principal activity of the company is the construction of buildings using structural insulated panel systems. The registered office is Fonteyn House, 47 - 49 London Road, Reigate, Surrey, RH2 9PY.

Statement of compliance

These financial statements are prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006. There were no material departures from this standard.

2 Accounting policies

2.1 Accounting convention

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and FRS 102, there were no material departures from that standard. The principal accounting policies, which have been applied consistently throughout the financial year, are set out below.

The financial statements are prepared in pounds sterling which is the functional currency of the company and rounded to the nearest £000.

2.2 Going Concern

These financial statements are prepared on the going concern basis as the company receives the financial support of its parent company. The directors have received confirmation that Geoffrey Osborne Limited intends to support the company for at least one year after these financial statements are signed.

2.3 Cash flow

The company is a wholly owned subsidiary company of a group headed by Geoffrey Osborne Limited, and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption within FRS 102 (Section 1) from preparing a statement of cash flows.

2.4 Financial instruments

The company is a wholly owned subsidiary company of a group headed by GCHO Holdings Limited, and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption within FRS 102 (paragraphs 11.39 to 11.48A and 12.26 to 12.29) from the financial instrument disclosures.

2.5 Consolidation

The company is a wholly-owned subsidiary of Geoffrey Osborne Limited and is included in the consolidated financial statements of Geoffrey Osborne Limited which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

2.6 Turnover

For contracting activities, turnover represents the estimated sales value of work done in the year based on the percentage of contract completion at the year end. For manufacturing activities, turnover represents amounts invoiced at point of delivery on despatch to external customers for goods and services supplied. Turnover is net of value added tax and trade discounts, but includes retentions held by clients.

2.7 Tangible assets

Tangible assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable of bringing the asset to its working condition for intended use. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful economic life, as follows:

Fixtures, fittings and equipment	15% to 25% straight line.
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The residual value of fixtures, fittings and equipment were reviewed at the end of the accounting year, there were no material changes to the residual values of assets and therefore no change in depreciation.

INNOVARE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

2 Accounting policies (continued)

2.8 Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term. The benefit of lease incentives are recognised in the income statement over the lease period.

The company has taken advantage of the exemption in FRS 102 (Section 35) to continue to account for operating leases entered into before the date of transition as they were previously.

2.9 Investments

Fixed asset investments are stated at cost less provision for impairment in value.

2.10 Stocks

Stock is stated at the lower of cost and net realisable value, being estimated selling price less costs to completion and costs to sell. Cost includes all costs incurred to bring stock items to their present location and condition.

2.11 Long term contracts

Long term contract work includes the profit attributable to that part of the work performed at the statement of financial position date. No profit is recognised until the outcome of the contract can be determined with reasonable certainty. Foreseeable losses are recognised in full as they are foreseen.

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for future losses, less amounts received and receivable as progress payments on account. Excess progress payments are included in creditors as payments on account.

2.12 Deferred taxation

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the end of the reporting year, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the end of the reporting period.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is measured on an undiscounted basis.

2.13 Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the income statement in the year to which they relate.

2.14 Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 6 for the carrying amount of the property plant and equipment, and note 2.7 for the useful economic lives for each class of assets

(b) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

INNOVARE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

3 Turnover

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

4 Profit before taxation

2017
£000

2016
£000

Profit before taxation is stated after charging:

Depreciation on owned tangible assets

80 107

Auditors' remuneration for audit services

6 6

5 Tax on profit

2017
£000

2016
£000

Current tax

Adjustments in respect of prior years

3 -

Tax on profit

3 -

Deferred tax

Deferred tax charge current year - relating to capital allowances

- (15)

Deferred tax charge current year - relating to unutilised losses

71 (72)

Total deferred tax

71 (87)

Total tax on profit

74 (87)

The tax charge/(credit) for the financial year is lower (2016 - lower) than the standard rate of corporation tax in the UK of 20% (2016 - 20%)

Factors affecting the tax charge/(credit) for the year

2017
£000

2016
£000

Profit before taxation

508 150

Profit multiplied by the standard rate of UK corporation tax of 20% (2016 - 20%)

102 30

Effects of:

Expenses not deductible for tax purposes

(2) 1

Depreciation in excess of capital allowances

5 15

Adjustments in respect of prior years

3 -

Losses utilised

(86) (46)

Group relief claimed

(19) -

Deferred tax charge current year - relating to capital allowances

- (15)

Deferred tax charge current year - relating to unutilised losses

71 (72)

Total tax charge/(credit) for the year

74 (87)

INNOVARE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

5 Tax on profit (continued)

At the year end date, the Finance Bill 2017 had been enacted confirming that the main UK corporation tax rate will reduce to 19% with effect from 1 April 2017 and 17% from 1 April 2020. Therefore, at 31 March 2017, deferred tax assets and liabilities have been calculated based on a rate of 17% where the temporary difference is expected to reverse after 1 April 2020. These reductions may also reduce the company's future current tax charges accordingly.

6 Tangible assets

	Fixtures, fittings and equipment £000
Cost	
At 1 April 2016	602
Additions	21
At 31 March 2017	623
Accumulated depreciation	
At 1 April 2016	465
Charge for the year	80
At 31 March 2017	545
Net book value	
At 31 March 2017	78
At 31 March 2016	137

7 Investments

Shares in group undertaking	£
Cost and net book value	
At 1 April 2016 and at 31 March 2017	1

The company owns the whole of the issued share capital in the following subsidiary undertaking, which is registered in England:

Name	Principal activity	Shares held %
IS Manufacturing Limited	Dormant	100

IS Manufacturing Limited ceased trading on 26 March 2013. The directors believe that the carrying value of the investment is supported by its underlying net assets. The registered address of IS Manufacturing Limited is Fonteyn House, 47 - 49 London Road, Reigate, Surrey, RH2 9PY.

8 Stocks	2017 £000	2016 £000
Raw materials and consumables	325	228

INNOVARE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2017**

9 Debtors	2017	2016
	£000	£000
Trade debtors	677	783
Amounts recoverable on long term contracts	814	1,058
Deferred tax (note 12)	16	87
Taxation and social security	16	4
Corporation tax	-	3
Prepayments and accrued income	73	60
	<u>1,596</u>	<u>1,995</u>

Amounts falling due after more than one year and included in debtors above are:

	2017	2016
	£000	£000
Trade debtors	<u>198</u>	<u>107</u>

10 Creditors: amounts falling due within one year	2017	2016
	£000	£000
Payments received on account	389	228
Trade creditors	1,231	405
Amounts owed to group undertakings	686	2,096
Taxation and social security	-	4
Other creditors	7	1
Accruals and deferred income	1,221	867
	<u>3,534</u>	<u>3,601</u>

Amounts owed to group undertakings are unsecured and repayable on written demand. Interest is charged at base rate plus 1.5%. The directors of Geoffrey Osborne Limited have given written agreement to waive the interest chargeable for the years 31 March 2016 and 31 March 2017.

INNOVARE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

11 Creditors: amounts falling due after more than one year

	2017	2016
	£000	£000
Trade creditors	32	17

12 Deferred tax

The deferred tax asset (included in note 9) is made up as follows:	£000
Balance at 1 April 2016	(87)
Charged to income statement (note 5)	71
Balance at 31 March 2017	(16)

Deferred tax is fully provided at 19% (2016: 20%) analysed over the following timing differences:

	2017	2016
	£000	£000
Capital allowances	(16)	(15)
Losses unutilised	-	(72)
Total timing differences	(16)	(87)

13 Called up share capital

	2017	2016
	£000	£000
Allotted and fully paid 500,000 (2016: 500,000) ordinary shares of £1	500	500

INNOVARE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

14 Directors' emoluments	2017	2016
	£000	£000
Aggregate emoluments for qualifying services	150	87
Company contributions to defined contribution pension scheme	11	9

The number of directors who received emoluments from the company was 1 (2016: 1).

The company's other directors are directors of a number of fellow group companies and their remuneration was paid by another group company, Geoffrey Osborne Limited, which made no recharge to the company; it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Their total emoluments are disclosed in the financial statements of Geoffrey Osborne Limited.

The directors are considered to be the key management of the company.

15 Pension costs	2017	2016
	£000	£000
Defined contribution scheme		
The amount recognised as an expense for the defined contribution pension scheme was:		
Contributions payable by the company	131	120

16 Employees

Number of employees

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

	2017	2016
	Number	Number
Management and technical	33	33
Construction and manufacturing	25	29
	58	62

Employment costs

	2017	2016
	£000	£000
Wages and salaries	1,863	1,548
Social security costs	183	156
Other pension costs (note 15)	131	120
	2,177	1,824

INNOVARE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

17 Contingent liabilities

In the course of business claims are received. In relevant cases the company takes appropriate advice and makes a provision where a future liability is probable.

In all cases presently outstanding against the company, after having taken appropriate legal advice, the directors believe that material claims are not likely to be substantiated. The company does not currently have any contingent liabilities.

18 Ultimate parent and controlling party

The immediate parent company and controlling party is Geoffrey Osborne Limited, and the ultimate parent company is GCHO Holdings Limited, both companies are registered in England and Wales.

Geoffrey Osborne Limited is the smallest group of undertakings to consolidate these financial statements at 31 March 2017, GCHO Holdings Limited is the largest group of undertakings to consolidate these financial statements at 31 March 2017. The consolidated financial statements can be obtained from Fonteyn House, 47 - 49 London Road, Reigate, Surrey, RH2 9PY.

19 Related party transactions

Exemption has been taken from the requirement to disclose related party transactions within the group as permitted by FRS 102 (Section 33). There were no other related party transactions.

Copies of the group financial statements for Geoffrey Osborne Limited which include this company may be obtained from Fonteyn House, 47 - 49 London Road, Reigate, Surrey, RH2 9PY.