

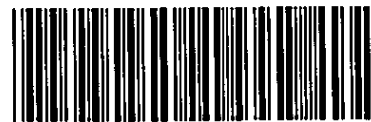
**Company Registration No. 05800739**

**Innovation Property Limited**

**Report and Financial Statements**

**For the year to 30 September 2008**

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**REPORT AND FINANCIAL STATEMENTS 2008**

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**REPORT AND FINANCIAL STATEMENTS 2008**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

B Hill  
P Irvin

**COMPANY SECRETARY**

J Hall

**REGISTERED OFFICE**

Yarmouth House  
1300 Parkway  
Solent Business Park  
Whiteley  
Hampshire  
PO15 7AE

**BANKERS**

The Royal Bank of Scotland  
3 Hampshire Corporate Park  
PO Box 462  
Templars Way  
Chandlers Ford  
SO53 3RY

**SOLICITORS**

Dorsey & Whitney  
21 Wilson Street  
London  
EC2M 2TD

**AUDITORS**

Ernst & Young LLP  
Reading  
RG1 1YE

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year to 30 September 2008.

This directors' report has been prepared in accordance with the special provisions under section 246(4) of the Companies Act 1985 relating to small companies.

## **PRINCIPAL ACTIVITY**

The principal activity of the company is that of property management services. The directors of the company acknowledge that the intellectual property behind the product remains of value, and will look to take the product to market in the future.

## **REVIEW OF RESULTS**

The results for the year to 30 September 2008 are set out in the profit and loss account on page 5.

## **DIRECTORS AND THEIR INTERESTS**

The membership of the Board, who served throughout the year and to date, is set out below.

P Irvin

B Hill

P Hemsley (appointed 23 July 2008, resigned 10 October 2008)

The directors of the company do not have any interest in the shares of the company.

## **AUDITORS**

A resolution to re-appoint Ernst and Young LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

## **DIRECTORS' LIABILITIES**

The Innovation Group plc has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision is in force as at the date of approving the directors' report.

## **DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

The director who was a member of the board at the time of approving the directors' report is listed on page 1. Having made enquiries of the company's auditors, the director confirms that:

- to the best of the director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- the director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Directors and signed on behalf of the Board



J Hall

Company Secretary

30 July 2009

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual 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 director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INNOVATION PROPERTY LIMITED**

We have audited the financial statements of Innovation Property Limited for the year ended 30 September 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2008 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Ernst & Young LLP

Registered Auditor

Reading

RG1 1YE

30/9/2009

*Ernst & Young LLP*

**PROFIT AND LOSS ACCOUNT**  
**For the year to 30 September 2008**

	Note	Year to 30 September 2008 £	28 April 2006 to 30 September 2007 £
Administrative expenses		(207,954)	(347,138)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	(207,954)	(347,138)
Tax on loss on ordinary activities	5	-	-
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>(207,954)</u>	<u>(347,138)</u>

There have been no recognised gains and losses attributable to the shareholders other than the loss for the current and previous financial periods and accordingly no statement of total recognised gains and losses is shown.

All amounts relate to continuing activities.

# Innovation Property Limited

## BALANCE SHEET 30 September 2008

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	6	-	295
<b>CURRENT ASSETS</b>			
Debtors	7	7,808	53,623
Cash at bank and in hand		54	75
		<u>7,862</u>	<u>53,698</u>
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(562,953)</u>	<u>(401,130)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(555,091)</u>	<u>(347,137)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(555,091)</u>	<u>(347,137)</u>
<b>NET LIABILITIES</b>		<u>(555,091)</u>	<u>(347,137)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1	1
Profit and loss account deficit		<u>(555,092)</u>	<u>(347,138)</u>
<b>EQUITY SHAREHOLDER'S DEFICIT</b>	10	<u>(555,091)</u>	<u>(347,137)</u>

These financial statements were approved by the Board of Directors on **30 JULY** 2009.

Signed on behalf of the Board of Directors

*P. R. Irvin*

P Irvin  
Director



**NOTES TO THE ACCOUNTS**  
**For the year to 30 September 2008**

**1. FUNDAMENTAL ACCOUNTING CONCEPT – GOING CONCERN**

The financial statements have been prepared on the going concern basis as the parent company has confirmed that it will continue to give financial support to the company to allow it to pay its debts as they fall due for a period until at least 12 months from the date of signature of these financial statements.

**2. ACCOUNTING POLICIES**

The financial information set out in this report has been prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards. The company's principal accounting policies are described below.

**Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is calculated to write off cost less estimated residual value over the estimated useful economic lives of the assets on the following bases:

Computer equipment	50% straight line
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**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Cash flow statement**

The company has taken advantage of the exemption conferred by FRS1 (revised 1996), not to prepare a cashflow statement on the grounds that it is a wholly owned subsidiary of a company that prepares consolidated financial statements which are publicly available.

**NOTES TO THE ACCOUNTS**  
**For the year to 30 September 2008**

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

During the year, £31,158 (£nil) was charged to the Company by a fellow group company, Assetcare Services Limited, in regards to time spent by B Hill in regards of his services to the Company.

With the exception of the directors and the company secretary, there were no other persons employed by the company during the year to 30 September 2008 (period from 28 April 2006 to 30 September 2007: none).

**4. OPERATING LOSS**

	Year to 30 September 2008 £	28 April 2006 to 30 September 2007 £
Operating Loss is stated after charging:		
Depreciation - owned assets	295	414
Auditors remuneration	6,050	-
	<u>6,345</u>	<u>414</u>

The audit fee for the company for the previous year was borne by the Innovation Group (EMEA) Limited, a fellow subsidiary of the Innovation Group.

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	Year to 30 September 2008 £	28 April 2006 to 30 September 2007 £
Current tax		
UK corporation tax at 29% (2007: 30%)	-	-
	<u>-</u>	<u>-</u>

Reconciliation of expected tax charge with actual tax charge:

	Year to 30 September 2008 £	28 April 2006 to 30 September 2007 £
Loss on ordinary activities before tax	(207,954)	(347,138)
Tax credit at 29% (2007: 30%) thereon	(60,307)	(104,141)
Effects of:		
Depreciation in excess of capital allowances	86	124
Losses surrendered under Group relief	58,047	64,589
Tax losses carried forward	2,174	39,428
	<u>58,237</u>	<u>103,931</u>
	<u>-</u>	<u>-</u>

**NOTES TO THE ACCOUNTS**  
**For the year to 30 September 2008**

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)**

There are unrecognised deferred tax assets as follows:

	Year to 30 September 2008 £	28 April 2006 to 30 September 2007 £
Decelerated capital allowances	-	54
Trading losses carried forward	38,899	36,800
	<u>38,899</u>	<u>36,854</u>

These assets have not been recognised due to uncertainty over suitable future profits being available. The asset would be recognised should there be sufficient profits to recover it against.

A tax rate of 28% has been used to calculate the deferred tax asset due to the change in tax rate from 30% to 28% given in Finance Act 2007. As these changes were substantively enacted at the balance sheet date, the deferred tax asset has been reflected at 28%.

**6. TANGIBLE FIXED ASSETS**

	Computer equipment £
<b>Cost</b>	
At 30 September 2007 and 30 September 2008	<u>709</u>
<b>Accumulated depreciation</b>	
At 30 September 2007	414
Charge for the period	295
At 30 September 2008	<u>709</u>
<b>Net book value</b>	
At 30 September 2008	-
At 30 September 2007	<u>295</u>

**NOTES TO THE ACCOUNTS**  
**For the year to 30 September 2008**

**7. DEBTORS**

	2008	2007
	£	£
VAT	7,208	10,290
Prepayments	600	43,333
	<u>7,808</u>	<u>53,623</u>

All amounts are due within one year.

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008	2007
	£	£
Amounts owed to fellow group undertakings	561,553	379,630
Accruals	1,400	21,500
	<u>562,953</u>	<u>401,130</u>

**9. CALLED UP SHARE CAPITAL**

	2008	2007
	£	£
<b>Authorised</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Called up, allotted and fully paid</b>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

**10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT**

	Share capital £	Profit and loss account £	Total £
Opening shareholder's deficit	-	-	-
Issue of share capital	1	-	1
Loss for the financial period	-	(347,138)	(347,138)
At 30 September 2007	<u>1</u>	<u>(347,138)</u>	<u>(347,137)</u>
Loss for the year	-	(207,954)	(207,954)
At 30 September 2008	<u>1</u>	<u>(555,092)</u>	<u>(555,091)</u>

**NOTES TO THE ACCOUNTS**  
**For the year to 30 September 2008**

**11. RELATED PARTY TRANSACTIONS**

The company has utilised the exemption given under FRS 8 para 3(c) not to disclose transactions with entities that are part of the Innovation Group plc, as it is a wholly owned subsidiary.

**12. ULTIMATE PARENT COMPANY**

The ultimate parent company and controlling party, which heads the only group for which consolidated accounts are produced, is the Innovation Group plc, which is incorporated in England. Copies of the consolidated financial statements of the ultimate parent company can be obtained from Yarmouth House at the address given on page 1.