Grant Thornton

Financial statements Graysons Hospitality Associates Limited (formerly Food RN Limited)

For the period ended 30 June 2011

Company No. 07403174

Company information

Company registration number	07403174
Registered office	53 Moutney Bridge Industrial Estate Westham East Sussex United Kingdom BN24 5NH
Directors	Sir F H Mackay Mr A A Rostenburg Mrs C R E Edwards Mr N E H Thomas
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditor Enterprise House 115 Edmund Street Birmingham B3 2HJ

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Report of the directors

The Directors present their annual report together with the audited financial statements for the period ended 30 June 2011

Incorporation

The Company was incorporated on 11 October 2010 and on 11 November 2010 it acquired the entire share capital of The Simply Smart Group Limited and all of its subsidiaries

Principal activity

The Group is principally engaged in the supply of catering services The principal activity of the Company is that of a holding company

Business review and future developments

On 2 November 2010 the Company changed its name from Food RN Limited to Graysons Hospitality Associates Limited

During the year the Company changed its year end to 30 June

The results of the Group are shown on page 11 The Directors have not recommended a dividend

Whilst trading conditions were difficult during the period due to the economic climate, the Directors are pleased to report that the current projections indicate an expected improvement in the profitability of the Group for the year to 30 June 2012

The directors are pleased to report that on 4 July 2011 the company acquired Graysons Limited and its subsidiary undertakings and are confident that this will further enhance the performance and financial strength of the business

The Directors consider the key performance indicators of the Group to be turnover and profit by contract The Directors are satisfied with the performance of the Group under these measures

Financial risk management objectives and policies

The Group's principal financial instruments comprise bank overdrafts and cash The main purpose of these financial instruments is to raise finance for the Group's operations The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations The Group does not enter into derivative transactions

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk and credit risk The board reviews and agrees policies for managing each of these risks and they are summarised below

Liquidity risk

The Board of Directors continually review the facilities available to the Group and seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably

Report of the directors (continued)

Financial risk management objectives and policies (continued)

Interest rate risk

Where the Group has cash deposits the rate of interest received on these deposits is regularly reviewed to ensure the most favourable rate of return is achieved

Credit risk

The Group trades with only recognised, creditworthy third parties It is the Group policy that all significant customers who wish to trade on credit terms are subject to credit vetting procedures In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant

Directors

The membership of the Board during the period is set out below

Mr J J J Cowdry (appointed and resigned 11 October 2010)
London Law Secretarial Limited (appointed and resigned 11 October 2010)
Mr A A Roestenburg (appointed 11 October 2010)
Sir F H Mackay (appointed 11 October 2010)
Mrs C R E Edwards (appointed 25 August 2011)
Mr N E H Thomas (appointed 25 August 2011)

Directors' responsibilities statement

The Directors are responsible for preparing the Report of the directors 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 laws) 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 and profit or loss of the Company and Group 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 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 Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Report of the directors (continued)

Directors' responsibilities statement (contined)

In so far as each of the Directors is aware

- there is no relevant audit information of which the Company's auditors are unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors

Grant Thornton UK LLP were appointed auditors to fill a casual vacancy Special notice having been given, a resolution to appoint Grant Thornton UK LLP as auditors will be proposed at the Annual General Meeting

ON BEHALF OF THE BOARD

Mr A A Roestenburg
Director
Date 14 October 2011

Company no 07403174

Grant Thornton

Report of the independent auditors to the members of Graysons Hospitality Associates Limited (formerly Food RN Limited)

We have audited the financial statements of Graysons Hospitality Associates Limited for the period ended 30 June 2011 which comprise the principal accounting policies, the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and parent Company balance sheets, the consolidated cash flow statement, 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 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 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 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 4 and 5, 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 (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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2011 and of the Group's 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 Report of the directors for the financial period for which the financial statements are prepared is consistent with the financial statements

Grant Thornton

Report of the independent auditors to the members of Graysons Hospitality Associates Limited (formerly Food RN 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent Company 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

Grant Thornton UK LLP

Mark Taylor
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
BIRMINGHAM

Date 14 October 2011

Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards The principal accounting policies of the Group are set out below

Basis of consolidation

The Group financial statements consolidate those of the Company and of its subsidiary undertakings drawn up to 30 June 2011 The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 to omit its own profit and loss account from the statutory Group accounts

Accounting policies are applied consistently across the Group

Acquisitions of subsidiaries are dealt with by the acquisition method of accounting

Going Concern

The financial statements have been prepared on a going concern basis as the Directors have prepared cashflow forecasts for 12 months from the date of signing these financial statements, which make certain assumptions regarding trading On the basis of these assumptions the forecasts demonstrate that the Group has sufficient finance facilities available to allow it to continue in business for the foreseeable future The Directors have also confirmed they will continue to support the business in the unlikely event of a cash shortfall during the 12 months following the signing of the financial statements

Goodwill

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised and amortised over its useful economic life of 20 years

Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Intangible fixed assets

Licences are included at cost and amortised on a straight line basis over the life of the contract for which the licences are purchased

Principal accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and any required impairment

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by annual instalments over their expected useful economic lives The rates generally applicable are

Leasehold property improvements	Over the life of the lease
Computer and office equipment	3 years
Plant, equipment, fixtures and fittings	5 years or over the life of the contract for which the assets are purchased
Motor vehicles	4 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Turnover

Turnover represents the total value, excluding VAT, of goods supplied and services provided and is recognised on delivery of the service Deposits received in connection with catering events to be held at a later date are deferred until the event has taken place

Related parties transactions

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with members of the Group

Leased assets

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the lease term

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the Group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date Deferred tax assets are recognised when it is more likely than not that they will be recovered Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date Deferred tax assets and liabilities are not discounted

Principal accounting policies (continued)

Pensions

Defined contribution pension scheme

The Group operates a defined contribution pension scheme for certain employees The assets of the pension scheme are held separately from those of the Group in independently administered funds The annual contributions payable are charged to the profit and loss account

Defined benefit pension scheme

The Group also has a defined benefit pension scheme for certain employees of a subsidiary undertaking Scheme assets are measured at fair values Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet A net surplus is recognised only to the extent that is recoverable by the Group through reduced contributions or a repayment

The current service cost and costs from settlements and curtailments are charged against operating profit Post service costs are spread over the period until the benefit increases vest Interest on the scheme liabilities and the expected return on scheme assets are included net in interest costs Actuarial gains and losses are reported in the statement of total recognised gains and losses

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

Consolidated profit and loss account

		Note	11 November 2010 to June 2011 £
Turnover		1	6,180,618
Cost of sales			(5,079,347)
Gross profit			1,101,271
Administrative expenses			(1,084,624)
Operating profit		2	16,647
Net interest		4	2,633
Profit on ordinary activities before taxation			19,280
Tax on profit on ordinary activities		5	-
Profit for the financial period	15/16		19,280

All of the activities of the Group are classed as continuing and acquired, following the incorporation of the company on 11 October 2010 and its acquisition of The Simply Smart Group Limited on 11 November 2010 The statutory post acquisition results are shown in the column headed 11November 2010 to 30 June 2011

Consolidated statement of total recognised gains and losses

	Note	2011 £
Profit for the period attributable to members of the parent company		19,280
Actuarial gain recognised on the pension scheme	18	93,000
Total recognised gains and losses for the period		112,280

Consolidated balance sheet

	Note	2011 £
Fixed assets		
Intangible assets	6	**1,943,461**
Tangible assets	7	**683,994**
		2,627,455
Current assets		
Stocks	9	**153,893**
Debtors	10	**1,377,269**
Cash at bank and in hand		**111,413**
		1,642,575
Creditors: amounts falling due within one year	11	**(3,105,750)**
Net current liabilities		**(1,463,175)**
Total assets less current liabilities and net assets (excluding pension liability)		**1,164,280**
Pension liability	18	**(52,000)**
Net assets		**1,112,280**
Capital and reserves		
Share capital	14	**1,000,000**
Profit and loss account	15	**112,280**
Shareholders' funds	16	**1,112,280**

These financial statements were approved by the directors on 14 October 2011 and are signed on their behalf by

Mr AA Roestenburg
Director

Sir F H Mackay
Director

Company balance sheet

	Note	2011 £
Fixed assets		
Investments	8	1,652,136
Current assets		
Debtors	10	77,864
		77,864
Creditors: amounts falling due within one year	11	(730,000)
Net current liabilities		(652,136)
Total assets less current liabilities and net assets		1,000,000
Capital and reserves		
Share capital	14	1,000,000
Profit and loss account	15	-
Shareholders' funds		1,000,000

These financial statements were approved by the directors on 14 October 2011 and are signed on their behalf by

Mr A A Roestenburg
Director

Sir F H Mackay
Director

Consolidated cash flow statement

	Note	2011 £
Net cash inflow from operating activities	17	245,011
Returns on investments and servicing of finance		
Interest received		2,303
Interest paid		(6,170)
Net cash outflow from returns on investments and servicing of finance		(3,867)
Capital expenditure and financial investment		
Purchase of tangible fixed assets		(189,429)
Acquisitions and disposals		
Purchase of subsidiary undertaking	19	(1,022,136)
Cash acquired		81,834
		(940,302)
Financing		
Issuing of share capital		1,000,000
Increase in cash	17	111,413

Notes to the financial statements

1 Turnover

The Group's turnover and profit on ordinary activities before taxation were all derived from the principal activities of the Group, primarily the supply of catering services, solely in the UK

2 Operating profit

Operating profit is stated after charging

	2011
	£
Depreciation of fixed assets	94,722
Amortisation of goodwill	62,885
Amortisation of intangibles	20,833
Auditors' remuneration	
- Audit of group and parent company	3,000
- Non-audit services audit of subsidiary undertakings	25,000
- Non-audit services taxation services	6,600
Operating lease costs	
Property	76,240
Other	46,030

3 Directors and employees

The average number of staff employed by the group during the financial period amounted to 277

The aggregate payroll costs of the above were

	2011
	£
Wages and salaries	2,560,263
Social security costs	219,389
Other pension costs	46,716
	2,826,378

Remuneration in respect of directors was as follows

	2011
	£
Emoluments	174,170
Contributions to personal money purchase pension schemes	9,069
	183,239

During the period 1 director accrued benefits under money purchase pension scheme

3 Directors and employees (continued)

The amounts set out above include remuneration in respect of the highest paid director as follows

	Period ended 30 June 2011
Emoluments	174,170
Pension contributions to money purchase pension schemes	9,069
	183,239

4 Net Interest

	Period ended 30 June 2011 £
Bank interest receivable	2,303
Bank interest payable	(6,170)
Other finance charges	
Expected return on pension scheme assets	44,000
Interest on pension scheme liabilities	(37,500)
	2,633

5 Tax on loss on ordinary activities

There is no tax charge for the period

Unrelieved tax losses of approximately £4,519,387 remain available to offset against future taxable trading profits The deferred tax asset not provided, in connection with these losses amounts to approximately £1,246,000

The deferred tax asset not provided, in connection with the defined benefit pension scheme amounts to £14,336 and is unprovided due to the tax losses brought forward

5 Tax on loss on ordinary activities (continued)

The tax assessed for the period differs from the standard rate of corporation tax in the UK as follows

	2011
	£
Profit on ordinary activities before taxation	19,280
Loss on ordinary activities at 28%	5,398
Expenditure not deductible for tax	28,563
Depreciation in excess of capital allowances	65,085
Other short term timing differences	(6,355)
Utilisation of tax losses	(92,691)
Total current tax	-

6 Intangible fixed assets

Group	Goodwill on consolidation	Licenses	Total
	£	£	£
Cost			
On acquisition (note 19)	-	140,625	140,625
Additions	1,886,554	-	1,886,554
At 30 June 2011	1,886,554	140,625	2,027,179
Amortisation			
Provided in the period and at 30 June 2011	62,885	20,833	83,718
Net book value			
At 30 June 2011	**1,823,669**	**119,792**	**1,943,461**

7 Tangible fixed assets

Group	Leasehold improve-ments	Computer & office equipment	Plant, equipment, fixtures and fittings	Motor Vehicles	Total
	£	£	£	£	£
Cost					
On acquisition (note 19)	1,482	23,834	560,409	3,562	589,287
Additions	126,540	7,000	55,889	-	189,429
At 30 June 2011	128,022	30,834	616,298	3,562	778,716
Depreciation					
Charge for the period and at 30 June 2011	593	15,233	77,948	948	94,722
Net book value					
At 30 June 2011	**127,429**	**15,601**	**538,350**	**2,614**	**683,994**

8 Investments

Company	Shares in group undertakings	Loans to group undertaking	Total
	£	£	£
Additions and at 30 June 2011	22,137	1,629,999	1,652,136

On 11 November 2010 the company acquired The Simply Smart Group Limited and all of its subsidiaries Further details of the acquisition are detailed in note 19 to the financial statements

The Company holds 100% of the share capital of the following companies

Company	Country of incorporation	Nature of activities
Simply Smart Group Limited	England and Wales	Provision of catering services
By Word of Mouth Limited*	England and Wales	Provision of catering services
Convex Leisure Limited*	England and Wales	Provision of catering services
Red Eventful Cuisine Limited*	England and Wales	Dormant
By Word of Mouth Fine Dining Limited*	England and Wales	Dormant
Simply Smart Dining Limited*		Dormant

*denotes shares held by subsidiary undertaking

9 Stocks

Group	2011 £
Goods for resale	153,893

10 Debtors

	2011 Group £	Company £
Trade debtors	900,035	-
Amounts owed by group undertakings	-	77,864
Other debtors	150,941	-
Prepayments and accrued income	326,293	-
	1,377,269	77,864

11 Creditors: amounts falling due within one year

	2011 Group £	Company £
Trade creditors	843,919	-
Other taxation and social security	505,753	-
Other creditors	448,333	-
Accruals and deferred income	577,745	-
Deferred consideration	630,000	630,000
Directors loan account	100,000	100,000
	3,105,750	730,000

12 Leasing commitments

At 30 June 2011 the Group had annual commitments under non-cancellable operating leases as set out below The company had no non-cancellable operating leases at 30 June 2011

Group	2011 £ Land and buildings	£ Other Items
Operating leases which expire		
Within 1 year	-	6,518
Within 2 to 5 years	65,850	28,478
	65,850	34,996

13 Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8

14 Share capital

Authorised share capital

	2011
	£
10,000,000 ordinary shares of £1 each	**10,000,000**

Allotted, called up and fully paid

	2011	
	No	£
Ordinary shares of £1 each	**1,000,000**	**1,000,000**

On 11 October 2010 one ordinary share of £1 each was issued at par, a further 999,999 ordinary shares of £1 each were issued at par on 11 November 2010

15 Profit and loss account

	2011	
	Group	Company
	£	£
Balance brought forward	-	-
Retained profit for the period	19,280	-
Actuarial gain on pension scheme	93,000	-
Balance carried forward	**112,280**	**-**

The company made neither a profit or a loss for period ended 30 June 2011

16 Reconciliation of movements in shareholders' funds

	2011	
	Group	Company
	£	£
Profit for the financial period	19,280	-
Actuarial gain on pension scheme	93,000	-
Issued share capital	1,000,000	1,000,000
Net increase in equity shareholders' funds	**1,112,280**	**1,000,000**
Opening equity shareholders' funds	-	-
Closing equity shareholders' funds	**1,112,280**	**1,000,000**

17 Notes to the statement of cash flows

Reconciliation of operating loss to net cash outflow from operating activities

	2011
	£
Operating profit	16,647
Pension	(3,500)
Depreciation	94,722
Amortisation of goodwill	62,885
Amortisation of intangibles	20,833
Increase in stocks	(33,128)
Increase in debtors	(430,053)
Increase in creditors	516,605
Net cash inflow from operating activities	245,011

Reconciliation of net cash flow to movement in net debt

	2011
	£
Increase in cash in the period and at 30 June 2011	111,413

Analysis of changes in net debt

	Cash flows	At 30 June 2011
	£	£
Cash at bank and in hand	111,413	111,413

18 Pensions

Defined contribution scheme

The company operates a defined contribution pension scheme for the benefit of certain Directors and Group employees The assets of the scheme are administered by a trustee in a fund independent from those of the company The amount paid to the scheme during the period was £29,580 The outstanding contribution at the balance sheet date is £4,453

Defined benefit scheme

Certain employees of the Group are members of the East Sussex Pension Fund, a defined benefit scheme The assets of the scheme are administered by a trustee in a fund independent from those of the Group A full actuarial valuation was carried out for the defined benefit scheme at 31 March 2010 and updated to 31 March 2011 by East Sussex County Council using the projected unit method The Directors consider there has been no material change in the position from 31 March 2011 to 30 June 2011

The Group expects to make pension contributions to the defined benefit scheme of £15,000 during the year ending 30 June 2012

18 Pensions (continued)

The major assumptions used by the actuary are as follows

	2011 %
Rate of increase in salaries	5.1
Future pension increases	2.8
Discount rate	5.5
Inflation assumption	3.0

The mortality assumptions used were as follows

	2011 Years
Life expectancy at age 65 for current pensioners	
- Men	21 3
- Women	23.4
Life expectancy at 65 age for future pensioners	
- Men	23.3
- Women	25 7

The major categories of plan asset, as a percentage of the total plan assets are as follows

	2011 %
Equities	78
Bonds	8
Property	8
Cash	6
	100

The fair value of the assets in the scheme and the present value of the liabilities in the scheme

	Value 2011 £
Total market value of assets	1,315,000
Present value of scheme liabilities	(1,367,000)
Deficit in the scheme	(52,000)

18 Pensions (continued)

Analysis of the amount charged to operating profit

	2011
	£
Current service cost	8,500
Total operating charge	8,500

	2011
	£
Expected return on pension scheme assets	44,000
Interest on pension scheme liabilities	(37,500)
Total other finance costs	6,500

Analysis of amount recognised in the statement of total recognised gains and losses (STRGL)

	2011
	£
Actuarial return less expected return on pension scheme assets	12,500
Changes in assumptions underlying the present value of the scheme liabilities	80,500
Actuarial gain recognised in STRGL	93,000

Movement in deficit during the period

	2011
	£
Deficit in scheme at acquisition	(155,000)
Movement in the period	
Current service cost	(8,500)
Contributions	25,000
Other finance income	(6,500)
Actuarial gain	93,000
As at 30 June 2011	(52,000)

18 Pensions (continued)

History of gains and losses

	2011
Difference between the expected and actual return on scheme assets	
Amount - £	500
Percentage of the scheme assets	0.04%
Experience gains and (losses) on scheme liabilities	
Amount - £	-
Percentage of the present value of scheme liabilities	-
Total amount recognised in statement of total recognised gains and losses	
Amount - £	93,000
Percentage of the present value of scheme liabilities	7%

Changes in the fair value of plan liabilities are as follows

	2011 £
At acquisition	1,431,000
Current service cost	8,500
Member contributions	2,500
Interest cost	37,500
Actuarial (gains	(12,000)
Benefits paid	(20,000)
Past service costs	(80,500)
At 30 June 2011	1,367,000

Changes in the fair value of plan assets are as follows

	2011 £
At acquisition	1,276,000
Expected return on assets	44,000
Actuarial losses	500
Employer contributions	12,000
Member contributions	2,500
Benefits paid	(20,000)
At 30 June 2011	1,315,000

19 Acquisition

On 11 November 2010 the company acquired The Simply Smart Group Limited and all of its subsidiaries for consideration of £1,630,000, before professional fees, of this amount £1 was for the acquisition of the share capital of The Simply Smart Group Limited and the balance was to settle an element of loan notes due by that company £999,999 of the loan notes were settled immediately and £630,000 will be settled in November 2011 Goodwill arising on the acquisition has been capitalised and is being amortised 20 years

The book value and fair value of assets and liabilities acquired were as follows

	Book and fair value £
Tangible fixed assets	589,287
Intangible assets (excluding goodwill)	140,625
Stock	120,765
Debtors	947,216
Cash	81,834
Creditors due within 1 year	(1,959,145)
Pension liability	(155,000)
Net liabilities	(234,418)
Satisfied by	
Settlement of loan notes by cash	999,999
Deferred settlement of loan notes	630,000
Cash	1
Professional costs	22,136
	1,652,136
Goodwill arising on acquisition (note 6)	**1,886,554**

The acquired Group achieved a turnover for the period of £5,357,345 (2010 year £8,792,342) and made a profit before taxation of £3,741,626 (2010 year loss of £1,323,290) from 1 May 2010 to the date of acquisition The Group acquired comprised the entire contribution to, and utilisations of, group cash flows in the period

20 Ultimate controlling party

The Directors consider Sir Francis Mackay to be the ultimate controlling party, by virtue of his shareholding

22 Post balance sheet events

On 4 July 2011 the company acquired Graysons Limited and its subsidiary undertakings for consideration of £2,675,000, which was satisfied by the allotment and issue of shares in Graysons Hospitality Associates Limited

At the date of acquisition Graysons Limited had consolidated net liabilities of £434,000

On 4 July 2011 the authorised share capital of the company of 10,000,000 ordinary shares of £1 each was subdivided into 40,000,000 ordinary shares of 25 pence each of these shares 6,520,000 were then allotted as consideration in the acquisition of Graysons Limited and its subsidiary undertakings