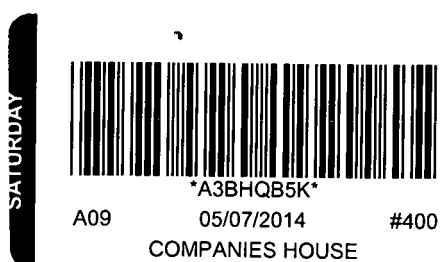


SCOMAC CATERING EQUIPMENT LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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SCOMAC CATERING EQUIPMENT LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2013**

Directors:	A M Imlah Mrs M Imlah M A J Street I P Munro S Shepherd
Secretary:	M A J Street
Registered office:	Unitech House Prospect Road Burntwood Staffordshire WS7 0AL
Registration number:	02841935 (England and Wales)
Senior statutory auditor:	Malcolm H J Willcox FCCA
Auditors:	Malcolm Willcox & Co Chartered Certified Accountants and Statutory Auditors 39 George Road Edgbaston Birmingham B15 1PL
Solicitors:	Shoosmiths 125 Colmore Row Birmingham B3 3SH

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their strategic report for the year ended 31 December 2013.

Review of the business

Principal activities

The company's principal activities are the design, bespoke manufacture, distribution and maintenance of commercial catering equipment.

Result and performance

The profit for the year after tax was £273,824 (2012: £(14,276) loss), as set out on page 5.

The economic environment remained challenging during the year, but nevertheless the company improved its trading performance; the operating profit increased to £827,425 (2012: £185,032).

This enhanced profitability was achieved as a result of an increase in sales and lower operating expenses.

The company made further provision amounting to £349,297 against the inter company debt of its subsidiary, which will be discontinued in 2014.

The directors are satisfied with the company's trading performance for the year, particularly in view of the slow economic recovery in the UK, and the state of its affairs at the year end. The balance sheet at this date on page 6 shows a healthy position with an improvement in working capital.

The company faces the same risks and uncertainties as its competitors of similar size and complexity. However, the directors have an optimistic view of the future, and they will endeavour to maintain the company's performance level by responding to changes in the market and actively looking for new business opportunities.

Key performance indicators

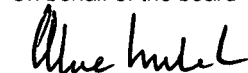
	<u>2013</u>	<u>2012</u>
Turnover	£ 14,241,666	£ 13,047,066
Turnover increase/(decrease)	9%	(14%)
Gross profit margin	27%	26%

Principal risks and uncertainties

The principal risks and uncertainties facing the company are:

- Cost of raw materials – the company has a limited ability to pass on to customers current significant increases in commodity prices.
- Competition – the company is constantly subject to pressure on prices from its competitors, and without cost control and investment in new products, there is a risk that profitability could be reduced.
- The economy – the company's sales are influenced by the state of the economy, particularly the demand for capital equipment, which creates a risk of uncertain demand for its products.
- Product acceptance – there is a need for the company to refresh and innovate so that its products appeal to the current market, otherwise there is a risk that sales and profitability could decline.
- Financial instruments – the company is exposed to a variety of financial risks at varying degrees, including the effects of changes in interest rates, foreign exchange rates, liquidity and credit risk relating to trade debtors and creditors.

On behalf of the board



A M IMLAH
Director

1 July 2014

SCOMAC CATERING EQUIPMENT LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors present their report with the financial statements of the company for the year ended 31 December 2013.

Dividends

A distribution of £163,637 was made during the year.

Directors

The directors who served during the year were:

A M Imlah
Mrs M Imlah
M A J Street
I P Munro
S Shepherd

Statement of disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Malcolm Willcox & Co, have signified their willingness to continue in office.

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 directors have 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 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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. 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.

On behalf of the Board



A M IMLAH
Director

1 July 2014

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SCOMAC CATERING EQUIPMENT LIMITED

We have audited the financial statements of ScoMac Catering Equipment Limited for the year ended 31 December 2013 on pages five to thirteen. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors 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.

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 31 December 2013 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Malcolm H J Willcox FCCA
Senior Statutory Auditor
For and on behalf of Malcolm Willcox & Co
Chartered Certified Accountants and Statutory Auditors
39 George Road
Edgbaston
Birmingham
B15 1PL

2 July 2014

SCOMAC CATERING EQUIPMENT LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	31.12.13 £	31.12.12 £
TURNOVER	2	14,241,666	13,047,066
Cost of sales		<u>(10,373,534)</u>	<u>(9,643,137)</u>
GROSS PROFIT		3,868,132	3,403,929
Operating expenses		<u>(3,040,707)</u>	<u>(3,218,897)</u>
OPERATING PROFIT	4	827,425	185,032
Exceptional item	5	<u>(349,297)</u>	<u>(145,024)</u>
		478,128	40,008
Interest payable and similar charges	6	<u>(19,916)</u>	<u>(14,408)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		458,212	25,600
Tax on profit on ordinary activities	7	<u>(184,388)</u>	<u>(39,876)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		273,824	(14,276)
Retained profit brought forward		<u>687,861</u>	<u>702,137</u>
		961,685	687,861
Dividends	8	<u>(163,637)</u>	-
RETAINED PROFIT CARRIED FORWARD		<u>798,048</u>	<u>687,861</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

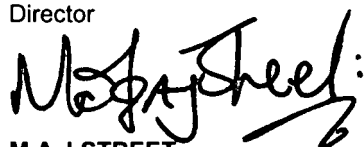
BALANCE SHEET
31 DECEMBER 2013

	Notes	31.12.13 £	£	31.12.12 £	£
FIXED ASSETS					
Tangible assets	9		440,607		562,073
Investment in subsidiary	10		<u>1</u>		<u>1</u>
			440,608		562,074
CURRENT ASSETS					
Stocks	11	472,830		377,032	
Debtors	12	4,285,590		2,872,045	
Cash in hand		<u>1,479</u>		<u>2,506</u>	
		4,759,899		3,251,583	
CREDITORS					
Amounts falling due within one year	13	<u>(4,016,073)</u>		<u>(2,626,073)</u>	
NET CURRENT ASSETS			<u>743,826</u>		<u>625,510</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,184,434		1,187,584
CREDITORS					
Amounts falling due after more than one year	14		(373,080)		(475,217)
PROVISIONS FOR LIABILITIES	18		<u>(13,200)</u>		<u>(24,400)</u>
NET ASSETS			<u>798,154</u>		<u>687,967</u>
CAPITAL AND RESERVES					
Called up share capital	19		106		106
Profit and loss account			<u>798,048</u>		<u>687,861</u>
SHAREHOLDERS' FUNDS	22		<u>798,154</u>		<u>687,967</u>

The financial statements were approved by the Board of Directors on 1 July 2014 and were signed on its behalf by:



A M IMLAH
Director



M A J STREET
Director

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about ScoMac Catering Equipment Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Unitech Industries Limited, a company incorporated in England.

Financial Reporting Standard number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group. Transactions with subsidiaries which are not wholly owned are disclosed in the notes to the accounts.

Turnover

This represents the value of the goods and services supplied to customers excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	-	20% on reducing balance
Office and computer equipment	-	50% on reducing balance
Motor vehicles	-	25% on reducing balance

Stocks

Raw materials and work in progress are valued at the lower of cost and net realisable value.

Deferred tax

This is provided, using the liability method, at the current rate of corporation tax to take account of the potential tax liability arising from the timing differences of accelerated tax allowances on fixed assets.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Tangible fixed assets financed by leasing agreements that give rights approximating to ownership ("finance leases") are capitalised, and outstanding lease instalments are shown under creditors. Depreciation on such assets, which is calculated on the above basis, and the interest element of the leasing payments are charged to revenue.

Pension costs and other post-retirement benefits

The company operates defined contribution schemes for the benefit of the employees eligible to participate. Contributions are charged annually to revenue and the assets of the pension schemes are invested externally and managed by insurance companies.

Grants

Grants relating to revenue expenditure are credited to the profit and loss account in the year of receipt.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

2. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company.

An analysis of turnover by geographical market is given below:

	31.12.13 £	31.12.12 £
United Kingdom	<u>14,241,666</u>	<u>13,047,066</u>
	<u>14,241,666</u>	<u>13,047,066</u>

3. STAFF COSTS

	31.12.13 £	31.12.12 £
Wages and salaries	3,163,067	3,020,274
Social security costs	306,712	303,570
Other pension costs	<u>15,425</u>	<u>22,545</u>
	<u>3,485,204</u>	<u>3,346,389</u>

The average monthly number of employees during the year was as follows:

	31.12.13	31.12.12
Production	68	68
Sales and distribution	40	40
Administration	<u>18</u>	<u>18</u>
	<u>126</u>	<u>126</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.13 £	31.12.12 £
Hire of equipment	21,950	13,575
Depreciation	136,430	173,274
Loss/(profit) on disposal of fixed assets	8,753	(2,593)
Auditors' remuneration	<u>20,100</u>	<u>20,000</u>
Directors' remuneration	133,950	131,462
Directors' pension contributions to money purchase schemes	<u>9,000</u>	<u>9,000</u>

5. EXCEPTIONAL ITEM

	31.12.13 £	31.12.12 £
Provision for subsidiary company debt	<u>349,297</u>	<u>145,024</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.13 £	31.12.12 £
Bank interest	494	403
Hire purchase interest	<u>19,422</u>	<u>14,005</u>
	<u>19,916</u>	<u>14,408</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

7. TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.13 £	31.12.12 £
Current tax:		
UK corporation tax	90,103	10,203
Corporation tax re prior years	(2,115)	94
Group relief surrendered	<u>107,600</u>	<u>39,979</u>
Total current tax	195,588	50,276
Deferred tax	<u>(11,200)</u>	<u>(10,400)</u>
Tax on profit on ordinary activities	<u>184,388</u>	<u>39,876</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.13 £	31.12.12 £
Profit on ordinary activities before tax	<u>458,212</u>	<u>25,600</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2012 - 24%)	105,389	6,144
Effects of:		
Expenses not deductible for tax purposes	81,236	35,900
Depreciation in excess of capital allowances	10,123	7,744
Adjustments to tax charge in respect of previous periods expenses	(2,115)	94
Effect of change in rate	<u>955</u>	<u>394</u>
Current tax charge	<u>195,588</u>	<u>50,276</u>

8. DIVIDENDS

	31.12.13 £	31.12.12 £
Ordinary dividends	<u>163,637</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Office and computer equipment £	Motor vehicles £	Totals £
COST				
At 1 January 2013	341,179	47,853	706,746	1,095,778
Additions	-	3,716	22,251	25,967
Disposals	-	-	(20,949)	(20,949)
At 31 December 2013	<u>341,179</u>	<u>51,569</u>	<u>708,048</u>	<u>1,100,796</u>
DEPRECIATION				
At 1 January 2013	135,585	41,771	356,349	533,705
Charge for year	41,119	4,900	90,411	136,430
Eliminated on disposal	-	-	(9,946)	(9,946)
At 31 December 2013	<u>176,704</u>	<u>46,671</u>	<u>436,814</u>	<u>660,189</u>
NET BOOK VALUE				
At 31 December 2013	<u>164,475</u>	<u>4,898</u>	<u>271,234</u>	<u>440,607</u>
At 31 December 2012	<u>205,594</u>	<u>6,082</u>	<u>350,397</u>	<u>562,073</u>

Tangible fixed assets with a net book value of £258,086 are secured on hire purchase contracts, and the depreciation charged on these assets for the year was £77,915.

10. INVESTMENT IN SUBSIDIARY

This represents the cost of the whole of the issued share capital of ScoMac Express Limited which is incorporated in England.

The loss after tax for the year ended 31 December 2013 was (£326,758) and the aggregate capital and reserves at 31 December 2013 were (£471,782).

The directors have decided to implement a controlled shutdown of this company's trading operation and this should be completed in 2014.

11. STOCKS

	31.12.13 £	31.12.12 £
Stocks	241,655	195,576
Work-in-progress	<u>231,175</u>	<u>181,456</u>
	<u>472,830</u>	<u>377,032</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.13 £	31.12.12 £
Trade debtors	3,900,631	2,534,332
Amounts owed by group undertakings	268,479	220,206
Other debtors	17,052	18,866
Prepayments	<u>99,428</u>	<u>98,641</u>
	<u>4,285,590</u>	<u>2,872,045</u>

SCOMAC CATERING EQUIPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.13	31.12.12
	£	£
Bank overdraft (see note 15)	795,487	180,201
Hire purchase contracts (see note 16)	118,575	125,315
Trade creditors	2,134,887	1,388,812
Corporation tax	90,103	127,812
Tax and social security	239,561	356,088
Value added tax	481,320	243,614
Other creditors and accrued expenses	60,729	97,866
Deferred income	95,411	106,365
	<u>4,016,073</u>	<u>2,626,073</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.13	31.12.12
	£	£
Hire purchase contracts (see note 16)	123,080	225,217
Unsecured loan from parent company	250,000	250,000
	<u>373,080</u>	<u>475,217</u>

15. LOANS

An analysis of the maturity of loans is given below:

	31.12.13	31.12.12
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>795,487</u>	<u>180,201</u>

16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	31.12.13	31.12.12
	£	£
Gross obligations repayable:		
Within one year	130,298	143,862
Between one and five years	<u>131,049</u>	<u>243,116</u>
	<u>261,347</u>	<u>386,978</u>
Finance charges repayable:		
Within one year	11,723	18,547
Between one and five years	<u>7,969</u>	<u>17,899</u>
	<u>19,692</u>	<u>36,446</u>
Net obligations repayable:		
Within one year	118,575	125,315
Between one and five years	<u>123,080</u>	<u>225,217</u>
	<u>241,655</u>	<u>350,532</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

17. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.13	31.12.12
	£	£
Bank overdraft	<u>795,487</u>	<u>180,201</u>

The bank overdraft is secured by a fixed and floating charge over all the company's assets in favour of National Westminster Bank Plc.

18. PROVISIONS FOR LIABILITIES

	31.12.13	31.12.12
	£	£
Deferred tax	<u>13,200</u>	<u>24,400</u>

		Deferred tax
		£
Balance at 1 January 2013		24,400
Credit to profit and loss account during year		(11,200)
Balance at 31 December 2013		<u>13,200</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.13	31.12.12
			£	£
1,059	Ordinary	£0.10	<u>106</u>	<u>106</u>

20. ULTIMATE PARENT COMPANY

The company is a subsidiary of Unitech Industries Limited, a company incorporated in England.

21. RELATED PARTY DISCLOSURES

The following property rental charges were paid to :

A M Imlah £9,600

I P Munro £9,600

Unitech Industries Limited

The parent company

Rent, management and asset rental charges amounting to £100,900 were paid during the year.

Unitech Engineering Ltd

A fellow subsidiary company

Management charges of £19,800 and purchases of £50,487 were made during the year.

Corsair Engineering Limited

A fellow subsidiary company.

Purchases of £127,147 were made during the year.

21. RELATED PARTY DISCLOSURES - continued

Corsair Wholesale Limited
Fellow subsidiary

Purchases of £19,614 were made from this company.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.13	31.12.12
	£	£
Profit/(loss) for the financial year	273,824	(14,276)
Dividends	<u>(163,637)</u>	<u>-</u>
Net addition/(reduction) to shareholders' funds	110,187	(14,276)
Opening shareholders' funds	<u>687,967</u>	<u>702,243</u>
Closing shareholders' funds	<u>798,154</u>	<u>687,967</u>