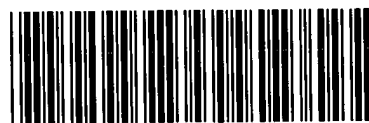


REGISTERED NUMBER: 02841935

SCOMAC CATERING EQUIPMENT LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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SCOMAC CATERING EQUIPMENT LIMITED
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For The Year Ended 31 December 2019

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SCOMAC CATERING EQUIPMENT LIMITED

COMPANY INFORMATION
For The Year Ended 31 December 2019

DIRECTORS:

M Imlah
A M Imlah
S Shepherd
M A J Street

SECRETARY:

M A J Street

REGISTERED OFFICE:

Unitech House
Prospect Road
Burntwood
Staffordshire
WS7 0AU

REGISTERED NUMBER:

02841935

AUDITORS:

Fortus Audit LLP
1 Rushmills
Northampton
Northamptonshire
NN4 7YB

SCOMAC CATERING EQUIPMENT LIMITED

STRATEGIC REPORT For The Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS

Principal Activities

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

Result and performance

2019 has delivered an improved result over that achieved in the prior year:

- Turnover was up 16.5% at £13.6m (2018: £11.7m)
- Gross profit margin was maintained at 26% (28% 2018) in tough trading conditions
- Net Assets are £1.2m, equivalent to 2018
- Profit for the year after tax was £366,916 (2018: £214,040)

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has a well-established process for identifying, evaluating, and managing the business risks faced by the Company. Business risks are identified and evaluated through the management team's ongoing review of progress against strategic objectives. The business risks include:

- Health and Safety risk
- Operational risks arising from the nature of the work undertaken
- External business risks, including regulatory and compliance obligations
- Legal risks resulting from contracts with suppliers and customers
- Financing risks, including hedging of interest and exchange
- Tax risk
- Information risks such as data protection, cyber security, and integrity of IT systems.

Furthermore, we assess risks as regards our market sectors, competitors, partnerships, and the impact of political decisions which may influence our trading activity.

The principal risks and uncertainties facing the company are:

Price Risk

The Company operates in a competitive industry and manages the risk this poses through continued investment in people, equipment, and service offering. A balanced portfolio of customers and services is maintained to mitigate the overall exposure.

Credit risk

The Company is primarily exposed to credit risk from credit sales. It is Company policy that all new customers are reviewed for credit worthiness and appropriate credit limits are established at the outset of any new customer relationship. Ongoing monitoring involved the services of an external credit agency which provide alerts to changes in financial circumstances.

Liquidity risk

The Company actively manages working capital and its debt facilities through rolling cash flow projections and live cash reporting. The policies seek to ensure sufficient liquidity is available to meet the working capital needs of the business whilst maintaining a healthy level of investment and re-investment.

Cash flow risk

The Company finances its operations through a mixture of retained profits and cash balances as well as secured bank and hire purchase debt. Debt facilities are subject to a mixture of fixed and variable rate interest in order to mitigate risk associated with rising interest rates whilst providing opportunity for upside potential should interest rates fall.

SCOMAC CATERING EQUIPMENT LIMITED

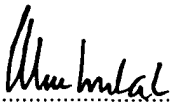
STRATEGIC REPORT
For The Year Ended 31 December 2019

GOING CONCERN AND COVID-19

The management team have been reviewing the Company's cash flow forecasts looking forward every week. The Board have considered these forecasts and are satisfied that the cash flow forecasts for the period of 12 months from the date of signing the financial statements, in the light of Coronavirus and taking account of certain Government assistance, show that the Company can meet its liabilities as they fall due.

Our prudent approach to maintaining a strong cash position, our low level of gearing and supportive funders means that we are well placed to weather the challenges that Coronavirus and any subsequent recession present to us. For these reasons, the Board has adopted the going concern basis of accounting in preparing these financial statements.

ON BEHALF OF THE BOARD:



.....
A M Imlah - Director

Date: 27/07/2020

SCOMAC CATERING EQUIPMENT LIMITED

REPORT OF THE DIRECTORS For The Year Ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

DIVIDENDS

Interim dividends of £370,000 were paid during the year. The directors recommend that no final dividend be paid.

RESEARCH AND DEVELOPMENT

The directors are optimistic that the investment in development of new products will create greater marketing opportunities and increased sales.

FUTURE DEVELOPMENTS

The directors continue to innovate, building on the company's existing customer portfolio and product range.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report:

M Imlah
A M Imlah
S Shepherd
M A J Street

FINANCIAL INSTRUMENTS

The company utilises various financial instruments including loans, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail in the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 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;
- 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.

SCOMAC CATERING EQUIPMENT LIMITED

**REPORT OF THE DIRECTORS
For The Year Ended 31 December 2019**

STATEMENT AS TO 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.

ON BEHALF OF THE BOARD:


.....
A M Imlah - Director

Date: 27/07/2020

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SCOMAC CATERING EQUIPMENT LIMITED**

Opinion

We have audited the financial statements of Scomac Catering Equipment Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SCOMAC CATERING EQUIPMENT LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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 a Report of the Auditors 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.

Emma Jones

Emma Jones FCCA (Senior Statutory Auditor)
for and on behalf of Fortus Audit LLP
1 Rushmills
Northampton
Northamptonshire
NN4 7YB

Date: 22/7/2020

SCOMAC CATERING EQUIPMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For The Year Ended 31 December 2019

	Notes	2019 £	2018 £
TURNOVER	3	13,639,303	11,699,238
Cost of sales		<u>10,066,540</u>	<u>8,387,553</u>
GROSS PROFIT		3,572,763	3,311,685
Administrative expenses		<u>3,153,291</u>	<u>3,062,347</u>
OPERATING PROFIT	5	419,472	249,338
Interest receivable and similar income		<u>-</u>	<u>287</u>
		419,472	249,625
Interest payable and similar expenses	6	<u>5,567</u>	<u>10,947</u>
PROFIT BEFORE TAXATION		413,905	238,678
Tax on profit	7	<u>46,989</u>	<u>24,638</u>
PROFIT FOR THE FINANCIAL YEAR		366,916	214,040
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>366,916</u></u>	<u><u>214,040</u></u>


The notes form part of these financial statements

SCOMAC CATERING EQUIPMENT LIMITED (REGISTERED NUMBER: 02841935)

BALANCE SHEET
31 December 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	9	466,787	597,274
CURRENT ASSETS			
Stocks	10	254,091	328,601
Debtors	11	3,830,732	3,141,789
Cash at bank and in hand		2,731	1,988
		4,087,554	3,472,378
CREDITORS			
Amounts falling due within one year	12	3,315,329	2,798,160
NET CURRENT ASSETS		772,225	674,218
TOTAL ASSETS LESS CURRENT LIABILITIES		1,239,012	1,271,492
CREDITORS			
Amounts falling due after more than one year	13	33,192	62,588
NET ASSETS		1,205,820	1,208,904
CAPITAL AND RESERVES			
Called up share capital	17	106	106
Retained earnings	18	1,205,714	1,208,798
SHAREHOLDERS' FUNDS		1,205,820	1,208,904

The financial statements were approved by the Board of Directors and authorised for issue on 27/07/2020 and were signed on its behalf by:


A M Imlah - Director


M A J Street - Director

The notes form part of these financial statements

SCOMAC CATERING EQUIPMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
For The Year Ended 31 December 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	106	1,694,758	1,694,864
Changes in equity			
Dividends	-	(700,000)	(700,000)
Total comprehensive income	-	214,040	214,040
Balance at 31 December 2018	106	1,208,798	1,208,904
Changes in equity			
Dividends	-	(370,000)	(370,000)
Total comprehensive income	-	366,916	366,916
Balance at 31 December 2019	106	1,205,714	1,205,820

The notes form part of these financial statements

SCOMAC CATERING EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 December 2019

1. STATUTORY INFORMATION

Scomac Catering Equipment Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page. The company's business address is as follows:

1 Bell Square
Livingston
EH54 9BY

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

There were no material departures from that standard.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount reported. These estimates and judgements are continually reviewed and are based on experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition - long term contracts

Revenue is recognised on long term contracts where the outcome of the contract can reliably be estimated. Revenue and costs are recognised based on the work performed at the date of the balance sheet. This is measured looking at the actual costs incurred to date as a percentage of the total estimated costs of the project. The estimated costs of a contract are based on detailed models of expected costs, which are regularly reviewed as the project progresses. Adjustments to total expected costs are updated as required.

Revenue is based on contracted amounts, and variations to the extent that they are considered reliable and the receipt can be considered probable. Management assess the likelihood that variations will be recovered considering: the contractual position, success rate of similar claims and the ability of the customer to accept the variation.

Stock provisioning

The group supplies, installs and maintains equipment which is subject to changing customer demands and technological change. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. Management consider the nature and condition of stock, as well as apply assumptions around expected future demand for the stock, when calculating the level stock provisioning.

SCOMAC CATERING EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added tax, and includes revenue earned from the sale of goods and from the rendering of services.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point when the customer takes delivery of the goods.

Turnover from the rendering of services is recognised when they are performed, and the outcome can be reliably estimated.

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

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

Tangible fixed assets are measured at cost, less accumulated depreciation and impairment losses.

No depreciation is provided in respect of the freehold property, which is held for use by the group, on the grounds that the directors believe that the estimated residual value of the property is not materially different from the carrying value of the asset, and that this policy reflects a true and fair view in the financial statements.

Tangible fixed assets are depreciated on net book values at the following annual rates apart from those of low cost which are charged to revenue in the year of purchase.

Stocks

Raw materials, consumables and work in progress are valued at the lower of cost and estimated selling price less costs to complete and sell after making due allowance for obsolete and slow moving stock.

SCOMAC CATERING EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Financial instruments

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other payables, and loans from fellow Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

SCOMAC CATERING EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the year end balance sheet. 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 as are rentals payable under operating leases.

Pension costs and other post-retirement benefits

The company operates defined contributions schemes for the benefit of all employees eligible to participate. Contributions are charged annually to the profit and loss and the asset of the pension schemes are invested externally and managed by insurance companies.

Going concern

The directors have considered the impact of COVID-19 in relation to their assessment of going concern and in their opinion have taken all reasonable steps to mitigate these factors. As at the point of authorising the accounts, and for the foreseeable future, the directors consider the going concern assumption to still be appropriate. The directors acknowledge that given the currently rapidly changing business and social environment, there are likely to be significant unknown factors which may present themselves. Such factors are considered by the directors to represent a general inherent level of risk in relation to the going concern assumption albeit not quantifiable at this time.

3. TURNOVER

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

An analysis of turnover by class of business is given below:

	2019 £	2018 £
Sale of goods	13,137,799	11,242,172
Maintenance contracts	501,504	457,066
	<u>13,639,303</u>	<u>11,699,238</u>

SCOMAC CATERING EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2019

3. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	2019 £	2018 £
United Kingdom	13,639,303	11,699,238
	<u>13,639,303</u>	<u>11,699,238</u>

4. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	3,105,999	2,987,546
Social security costs	262,915	260,555
Other pension costs	64,486	64,481
	<u>3,433,400</u>	<u>3,312,582</u>

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

	2019	2018
Production	72	74
Administration	24	24
	<u>96</u>	<u>98</u>

	2019 £	2018 £
Directors' remuneration	125,406	125,771
Directors' pension contributions to money purchase schemes	2,400	2,250
	<u>127,806</u>	<u>128,021</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

5. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation - owned assets	35,888	47,495
Depreciation - assets on hire purchase contracts	64,441	97,239
Loss on disposal of fixed assets	21,023	6,403
Auditors' remuneration	10,000	10,000
Auditors' remuneration for non audit work	5,948	9,000
	<u>137,299</u>	<u>170,137</u>

SCOMAC CATERING EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2019

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank interest	379	74
Other interest	-	37
Hire purchase	5,188	10,836
	<u>5,567</u>	<u>10,947</u>

7. TAXATION

Analysis of the tax charge

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

	2019	2018
	£	£
Current tax:		
Group relief	71,756	30,413
Deferred tax	(24,767)	(5,775)
Tax on profit	<u>46,989</u>	<u>24,638</u>

UK corporation tax has been charged at 19%.

Reconciliation of total tax charge included in profit and loss

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

	2019	2018
	£	£
Profit before tax	<u>413,905</u>	<u>238,678</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	78,642	45,349
Effects of:		
Expenses not deductible for tax purposes	18,532	1,358
Depreciation in excess of capital allowances	4,848	9,843
Research & development	(30,266)	(22,475)
Deferred tax	(24,767)	(5,775)
Other adjustments	-	(3,662)
Total tax charge	<u>46,989</u>	<u>24,638</u>

A reduction in UK corporation tax to 17% from 1st April 2020 was substantively enacted on 6th September 2016. The deferred tax balance at the end of the previous financial year was calculated on this basis. Legislation has been introduced in the Finance Bill 2020 to amend the Corporation Tax rate to 19% from 1 April 2020, hence deferred tax has been recognised at this rate at 31 December 2019.

8. DIVIDENDS

	2019	2018
	£	£
Ordinary shares of £0.10 each		
Interim	<u>370,000</u>	<u>700,000</u>

SCOMAC CATERING EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2019

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2019	155,195	417,344	955,987	96,665	1,625,191
Additions	-	-	-	690	690
Disposals	-	-	(144,271)	-	(144,271)
At 31 December 2019	<u>155,195</u>	<u>417,344</u>	<u>811,716</u>	<u>97,355</u>	<u>1,481,610</u>
DEPRECIATION					
At 1 January 2019	-	332,283	606,520	89,114	1,027,917
Charge for year	-	16,555	79,654	4,120	100,329
Eliminated on disposal	-	-	(113,423)	-	(113,423)
At 31 December 2019	<u>-</u>	<u>348,838</u>	<u>572,751</u>	<u>93,234</u>	<u>1,014,823</u>
NET BOOK VALUE					
At 31 December 2019	<u>155,195</u>	<u>68,506</u>	<u>238,965</u>	<u>4,121</u>	<u>466,787</u>
At 31 December 2018	<u>155,195</u>	<u>85,061</u>	<u>349,467</u>	<u>7,551</u>	<u>597,274</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 January 2019	432,404
Transfer to ownership	(127,614)
At 31 December 2019	<u>304,790</u>
DEPRECIATION	
At 1 January 2019	182,410
Charge for year	64,441
Transfer to ownership	(78,842)
At 31 December 2019	<u>168,009</u>
NET BOOK VALUE	
At 31 December 2019	<u>136,781</u>
At 31 December 2018	<u>249,994</u>

10. STOCKS

	2019 £	2018 £
Raw materials	147,807	144,939
Work-in-progress	106,284	183,662
	<u>254,091</u>	<u>328,601</u>

SCOMAC CATERING EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2019

11. DEBTORS

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	3,236,549	2,344,904
Amounts owed by group undertakings	226,918	364,606
Other debtors	125	13
Deferred tax asset	36,574	11,807
Prepayments	197,233	187,126
	<u>3,697,399</u>	<u>2,908,456</u>
 Amounts falling due after more than one year:		
Prepayments and accrued income	<u>133,333</u>	<u>233,333</u>
 Aggregate amounts	<u>3,830,732</u>	<u>3,141,789</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Bank loans and overdrafts (see note 14)	621,311	906,467
Hire purchase contracts (see note 15)	29,398	105,031
Trade creditors	1,980,448	1,152,621
Amounts owed to group undertakings	104,505	66,218
Social security and other taxes	71,743	51,398
VAT	267,824	210,702
Other creditors	112,953	170,688
Accruals and deferred income	127,147	135,035
	<u>3,315,329</u>	<u>2,798,160</u>

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

	2019 £	2018 £
Hire purchase contracts (see note 15)	<u>33,192</u>	<u>62,588</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>621,311</u>	<u>906,467</u>

SCOMAC CATERING EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2019

15. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Gross obligations repayable:		
Within one year	31,484	110,329
Between one and five years	34,465	65,948
	<u>65,949</u>	<u>176,277</u>
Finance charges repayable:		
Within one year	2,086	5,298
Between one and five years	1,273	3,360
	<u>3,359</u>	<u>8,658</u>
Net obligations repayable:		
Within one year	29,398	105,031
Between one and five years	33,192	62,588
	<u>62,590</u>	<u>167,619</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2019 £	2018 £
Hire purchase contracts	<u>62,590</u>	<u>167,619</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
1,059	Ordinary	£0.10	<u>106</u>	<u>106</u>

18. RESERVES

	Retained earnings £
At 1 January 2019	1,208,798
Profit for the year	366,916
Dividends	<u>(370,000)</u>
At 31 December 2019	<u>1,205,714</u>

SCOMAC CATERING EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2019

19. OTHER FINANCIAL COMMITMENTS

The company operates defined contribution pension schemes for the benefit of all employees eligible to participate. Contributions are charged annually to profit and loss and these amounted to £64,486 (2018: £64,481) for the year.

20. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Entities with control, joint control or significant influence over the entity

	2019	2018
	£	£
Management and asset rental charges incurred	124,815	121,440
Purchases	99,490	84,800
Amount due from related parties	<u>226,641</u>	<u>343,778</u>

Key management personnel of the entity or its parent

	2019	2018
	£	£
Remuneration	<u>127,806</u>	<u>111,750</u>

Fellow subsidiary companies which are not wholly owned

	2019	2018
	£	£
Sales	2,987	7,716
Purchases	148,849	150,567
Amount due to related parties	4,535	35,803
Amount due from related parties	<u>277</u>	<u>20,828</u>

21. ULTIMATE CONTROLLING PARTY

The controlling party is Unitech Industries Limited.

The ultimate controlling party is A M Imlah.