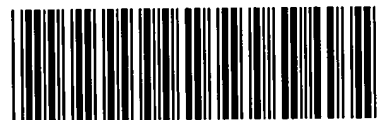


SCOMAC CATERING EQUIPMENT LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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SCOMAC CATERING EQUIPMENT LIMITED
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For The Year Ended 31 December 2018

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SCOMAC CATERING EQUIPMENT LIMITED

COMPANY INFORMATION
For The Year Ended 31 December 2018

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:

Haines Watts South Midlands Audit LLP
1 Rushmills
Northampton
Northamptonshire
NN4 7YB

SCOMAC CATERING EQUIPMENT LIMITED

STRATEGIC REPORT For The Year Ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

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

The profit for the year after tax was £214,040 (2017: £679,573), as set out on page 6.

Trading conditions were difficult, which is shown through decreases in turnover and margins compared with the previous year.

The Balance Sheet on page 7 shows that the company was in a sound financial state at the year end.

The company faces the same risks and uncertainties as its competitors of similar size and complexity. The directors 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>2018</u>	<u>2017</u>
Turnover	£11,699,238	£13,156,689
Turnover (decrease)/increase	-11%	-1%
Gross profit margin	28%	30%
Net assets	£1,208,904	£1,694,864

PRINCIPAL RISKS AND UNCERTAINTIES

The principle 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

Date: 13/6/2019

SCOMAC CATERING EQUIPMENT LIMITED

REPORT OF THE DIRECTORS For The Year Ended 31 December 2018

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

DIVIDENDS

Interim dividends of £700,000 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 2018 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 2018**

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: 13/6/2019

**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 2018 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 2018 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.

Opinion 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 three, 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.

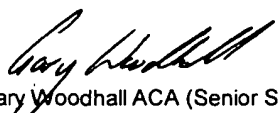
Auditors' responsibilities for the audit of the financial statements

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.


Gary Woodhall ACA (Senior Statutory Auditor)
for and on behalf of Haines Watts South Midlands Audit LLP
1 Rushmills
Northampton
Northamptonshire
NN4 7YB

Date: 12th June 2019

SCOMAC CATERING EQUIPMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For The Year Ended 31 December 2018


	Notes	2018 £	2017 £
TURNOVER	3	11,699,238	13,156,689
Cost of sales		8,387,553	9,162,481
GROSS PROFIT		3,311,685	3,994,208
Administrative expenses		3,062,347	3,331,660
OPERATING PROFIT	5	249,338	662,548
Interest receivable and similar income		287	-
		249,625	662,548
Interest payable and similar expenses	6	10,947	15,659
PROFIT BEFORE TAXATION		238,678	646,889
Tax on profit	7	24,638	(32,684)
PROFIT FOR THE FINANCIAL YEAR		214,040	679,573
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		214,040	679,573

The notes form part of these financial statements

BALANCE SHEET
31 December 2018

		2018	2017
	Notes	£	£
FIXED ASSETS			
Tangible assets	9	597,274	739,290
CURRENT ASSETS			
Stocks	10	328,601	292,028
Debtors	11	3,141,789	3,102,931
Cash at bank and in hand		1,988	106,987
		<u>3,472,378</u>	<u>3,501,946</u>
CREDITORS			
Amounts falling due within one year	12	<u>2,798,160</u>	<u>2,377,690</u>
NET CURRENT ASSETS		<u>674,218</u>	<u>1,124,256</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,271,492</u>	<u>1,863,546</u>
CREDITORS			
Amounts falling due after more than one year	13	<u>62,588</u>	<u>168,682</u>
NET ASSETS		<u>1,208,904</u>	<u>1,694,864</u>
CAPITAL AND RESERVES			
Called up share capital	17	106	106
Retained earnings	18	<u>1,208,798</u>	<u>1,694,758</u>
SHAREHOLDERS' FUNDS		<u>1,208,904</u>	<u>1,694,864</u>

The financial statements were approved by the Board of Directors on 13/16/2019 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 2018**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2017	106	1,315,185	1,315,291
Changes in equity			
Dividends	-	(300,000)	(300,000)
Total comprehensive income	-	679,573	679,573
Balance at 31 December 2017	<u>106</u>	<u>1,694,758</u>	<u>1,694,864</u>
Changes in equity			
Dividends	-	(700,000)	(700,000)
Total comprehensive income	-	214,040	214,040
Balance at 31 December 2018	<u><u>106</u></u>	<u><u>1,208,798</u></u>	<u><u>1,208,904</u></u>

The notes form part of these financial statements

SCOMAC CATERING EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 December 2018

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.

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.

SCOMAC CATERING EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2018

2. ACCOUNTING POLICIES - continued

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.

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.

SCOMAC CATERING EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2018

2. ACCOUNTING POLICIES - continued

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.

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.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2018 £	2017 £
United Kingdom	11,699,238	13,156,689
	<u>11,699,238</u>	<u>13,156,689</u>

SCOMAC CATERING EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2018

4. EMPLOYEES AND DIRECTORS

	2018 £	2017 £
Wages and salaries	2,987,546	3,205,280
Social security costs	260,555	314,613
Other pension costs	64,481	67,500
	<u>3,312,582</u>	<u>3,587,393</u>

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

	2018	2017
Production	74	77
Administration	24	27
	<u>98</u>	<u>104</u>

	2018 £	2017 £
Directors' remuneration	125,771	154,634
Directors' pension contributions to money purchase schemes	2,250	1,837
Compensation to director for loss of office	-	30,000
	<u>-</u>	<u>30,000</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:

	2018 £	2017 £
Depreciation - owned assets	47,495	53,103
Depreciation - assets on hire purchase contracts	97,239	120,525
Loss on disposal of fixed assets	6,403	10,764
Auditors' remuneration	10,000	10,000
Auditors' remuneration for non audit work	9,000	6,924
	<u>170,137</u>	<u>190,316</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Bank interest	74	13
Other interest	37	300
Hire purchase	10,836	15,346
	<u>10,947</u>	<u>15,659</u>

SCOMAC CATERING EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2018

7. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2018 £	2017 £
Current tax		
Group relief	30,413	77,000
Prior year adjustment	-	(87,652)
	<u>30,413</u>	<u>(10,652)</u>
Total current tax	30,413	(10,652)
Deferred tax	(5,775)	(22,032)
Tax on profit	<u>24,638</u>	<u>(32,684)</u>

Reconciliation of total tax charge/(credit) 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:

	2018 £	2017 £
Profit before tax	<u>238,678</u>	<u>646,889</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.750%)	45,349	127,761
Effects of:		
Expenses not deductible for tax purposes	1,358	10,988
Depreciation in excess of capital allowances	9,843	12,562
Adjustments to tax charge in respect of previous periods	-	(87,652)
Research & development	(22,475)	(71,041)
Deferred tax	(5,775)	(22,032)
Other adjustments	(3,662)	(3,270)
Total tax charge/(credit)	<u>24,638</u>	<u>(32,684)</u>

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) was substantively enacted on 26 October 2015. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2018 has been calculated based on these rates.

8. DIVIDENDS

	2018 £	2017 £
Ordinary shares of £0.10 each		
Interim	<u>700,000</u>	<u>300,000</u>

SCOMAC CATERING EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2018

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2018	155,195	409,722	1,028,056	93,665	1,686,638
Additions	-	7,622	-	3,000	10,622
Disposals	-	-	(72,069)	-	(72,069)
At 31 December 2018	155,195	417,344	955,987	96,665	1,625,191
DEPRECIATION					
At 1 January 2018	-	311,589	554,196	81,563	947,348
Charge for year	-	20,694	116,489	7,551	144,734
Eliminated on disposal	-	-	(64,165)	-	(64,165)
At 31 December 2018	-	332,283	606,520	89,114	1,027,917
NET BOOK VALUE					
At 31 December 2018	155,195	85,061	349,467	7,551	597,274
At 31 December 2017	155,195	98,133	473,860	12,102	739,290

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

	Motor vehicles £
COST	
At 1 January 2018	602,853
Transfer to ownership	(170,449)
At 31 December 2018	432,404
DEPRECIATION	
At 1 January 2018	203,666
Charge for year	97,239
Transfer to ownership	(118,495)
At 31 December 2018	182,410
NET BOOK VALUE	
At 31 December 2018	249,994
At 31 December 2017	399,187

10. STOCKS

	2018 £	2017 £
Raw materials	144,939	122,515
Work-in-progress	183,662	169,513
	328,601	292,028

SCOMAC CATERING EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2018

11. DEBTORS

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	2,344,904	2,407,127
Amounts owed by group undertakings	364,606	144,986
Other debtors	13	787
Tax	-	34,971
Deferred tax asset	11,807	6,032
Prepayments	187,126	175,695
	<u>2,908,456</u>	<u>2,769,598</u>
 Amounts falling due after more than one year:		
Prepayments and accrued income	<u>233,333</u>	<u>333,333</u>
 Aggregate amounts	<u>3,141,789</u>	<u>3,102,931</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank loans and overdrafts (see note 14)	906,467	-
Hire purchase contracts (see note 15)	105,031	125,143
Trade creditors	1,152,621	1,575,396
Amounts owed to group undertakings	66,218	93,178
Social security and other taxes	51,398	61,560
VAT	210,702	221,079
Other creditors	170,688	162,821
Accruals and deferred income	135,035	138,513
	<u>2,798,160</u>	<u>2,377,690</u>

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

	2018 £	2017 £
Hire purchase contracts (see note 15)	<u>62,588</u>	<u>168,682</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>906,467</u>	<u>-</u>

SCOMAC CATERING EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2018

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2018	2017
	£	£
Gross obligations repayable:		
Within one year	110,329	135,939
Between one and five years	65,948	177,339
	<u>176,277</u>	<u>313,278</u>
Finance charges repayable:		
Within one year	5,298	10,796
Between one and five years	3,360	8,657
	<u>8,658</u>	<u>19,453</u>
Net obligations repayable:		
Within one year	105,031	125,143
Between one and five years	62,588	168,682
	<u>167,619</u>	<u>293,825</u>
	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	-	34,040
	<u>-</u>	<u>34,040</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Hire purchase contracts	167,619	293,825
	<u>167,619</u>	<u>293,825</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
1,059	Ordinary	£0.10	106	106
			<u>106</u>	<u>106</u>

SCOMAC CATERING EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2018

18. RESERVES

	Retained earnings £
At 1 January 2018	1,694,758
Profit for the year	214,040
Dividends	(700,000)
At 31 December 2018	<u>1,208,798</u>

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 £64,481 (2017: £67,500) for the year.

20. RELATED PARTY DISCLOSURES

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

	2018 £	2017 £
Management and asset rental charges incurred	121,440	214,000
Purchases	84,800	191,800
Amount due from related parties	<u>343,778</u>	<u>153,704</u>

Key management personnel of the entity or its parent

	2018 £	2017 £
Remuneration	<u>111,750</u>	<u>159,388</u>

Fellow subsidiary companies

	2018 £	2017 £
Sales	7,716	4,494
Purchases	150,567	447,957
Amount due to related parties	35,803	22,449
Amount due from related parties	<u>20,828</u>	<u>3,513</u>

21. ULTIMATE CONTROLLING PARTY

The controlling party is Unitech Industries Limited.

The ultimate controlling party is A M Imlah.