

COMPANY REGISTRATION NUMBER: 09950817

Scotco Central Limited
Financial Statements
31 December 2021



MANEELY Mc CANN CHARTERED ACCOUNTANTS

Chartered Accountants & Statutory Auditors

Aisling House
50 Stranmillis Embankment
Belfast
BT9 5FL

Scotco Central Limited

Financial Statements

Year ended 31 December 2021

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Scotco Central Limited

Officers and Professional Advisers

The board of directors	Mr M Issa Mr Z V Issa
Company secretary	Mr I Patel
Registered office	Waterside Head Office Haslingden Road Guide Blackburn Lancashire England BB1 2FA
Auditor	Maneely Mc Cann Chartered Accountants Chartered Accountants & Statutory Auditors Aisling House 50 Stranmillis Embankment Belfast BT9 5FL
Bankers	Lloyds Bank Plc 32 Oxford Street London W1R 2BS
Solicitors	Freeths Cumberland Court 80 Mount Street Nottingham NG1 6HH Skadden, Arps, Slate, Meagher & Flom LLP 40 Bank Street Canary Wharf London E14 5DS

Scotco Central Limited

Directors' Report

Year ended 31 December 2021

The directors present their report and the financial statements of the company for the year ended 31 December 2021.

Directors

The directors who served the company during the year were as follows:

Mr M Issa
Mr Z V Issa

Directors' responsibilities statement

The directors are responsible for preparing the directors' 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 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 judgments 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Scotco Central Limited

Directors' Report *(continued)*

Year ended 31 December 2021

This report was approved by the board of directors on 11 May 2023 and signed on behalf of the board by:



Mr Z V Issa
Director

Registered office:
Waterside Head Office
Haslingden Road
Guide
Blackburn
Lancashire
England
BB1 2FA

Scotco Central Limited

Independent Auditor's Report to the Members of Scotco Central Limited

Year ended 31 December 2021

Opinion

We have audited the financial statements of Scotco Central Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of income and retained earnings, statement of financial position and the related notes, 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 FRS 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 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 auditor's 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.

Material uncertainty related to going concern

We draw attention to note 3 in the financial statements, which indicates that the accounts have been prepared on a going concern basis, the validity of which depends on the continued support of the parent company and fellow group companies. The financial statements do not include any adjustments which would result if this continued support was not secured. As stated in note 3, these events or conditions, along with the other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Scotco Central Limited

Independent Auditor's Report to the Members of Scotco Central Limited (continued)

Year ended 31 December 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Scotco Central Limited

Independent Auditor's Report to the Members of Scotco Central Limited *(continued)*

Year ended 31 December 2021

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 is 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.

Scotco Central Limited

Independent Auditor's Report to the Members of Scotco Central Limited

(continued)

Year ended 31 December 2021

Auditor's 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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006 and Taxation Legislation.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

Scotco Central Limited

Independent Auditor's Report to the Members of Scotco Central Limited

(continued)

Year ended 31 December 2021

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in new making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Scotco Central Limited

Independent Auditor's Report to the Members of Scotco Central Limited

(continued)

Year ended 31 December 2021

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cathal Maneely (Senior Statutory Auditor)

For and on behalf of
Maneely Mc Cann Chartered Accountants
Chartered Accountants & Statutory Auditors
Aisling House
50 Stranmillis Embankment
Belfast
BT9 5FL

11 May 2023

Scotco Central Limited

Statement of Income and Retained Earnings

Year ended 31 December 2021

		Year to 31 Dec 21 £	Period from 30 Dec 19 to 31 Dec 20 £
	Note		
Administrative expenses		26,148	76,194
Operating loss		(26,148)	(76,194)
Income from shares in group undertakings		–	(15,802,525)
Interest payable and similar expenses		–	484,974
Loss before taxation	5	(26,148)	(16,363,693)
Tax on loss		–	–
Loss for the financial year and total comprehensive income		(26,148)	(16,363,693)
Retained (losses)/earnings at the start of the year		(16,185,173)	178,520
Retained losses at the end of the year		(16,211,321)	(16,185,173)

All the activities of the company are from continuing operations.

The notes on pages 12 to 16 form part of these financial statements.

Scotco Central Limited

Statement of Financial Position

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	6	5,515,774	5,515,774
Current assets			
Debtors	7	22,369,413	22,392,541
Cash at bank and in hand		1,645	1,761
		<u>22,371,058</u>	<u>22,394,302</u>
Creditors: amounts falling due within one year	8	<u>44,082,382</u>	<u>44,079,478</u>
Net current liabilities		<u>21,711,324</u>	<u>21,685,176</u>
Total assets less current liabilities		<u>(16,195,550)</u>	<u>(16,169,402)</u>
Net liabilities		<u>(16,195,550)</u>	<u>(16,169,402)</u>
Capital and reserves			
Called up share capital		15,771	15,771
Profit and loss account		<u>(16,211,321)</u>	<u>(16,185,173)</u>
Shareholders deficit		<u>(16,195,550)</u>	<u>(16,169,402)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 11 May 2023, and are signed on behalf of the board by:



Mr Z V Issa
Director

Company registration number: 09950817

The notes on pages 12 to 16 form part of these financial statements.

Scotco Central Limited

Notes to the Financial Statements

Year ended 31 December 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Waterside Head Office, Haslingden Road, Guide, Blackburn, Lancashire, BB1 2FA, England.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding the fact that the company had a net shareholders deficit of £16,195,550 at the period end.

The company has the necessary cash cover and support from its parent company, Euro Garages Limited, and its fellow group companies to enable it to meet its total on-going creditor obligations and liabilities for the medium to long term. In light of the above, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts 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.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Scotco Central Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Scotco Central Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Auditor's remuneration

	Year to 31 Dec 21	Period from 30 Dec 19 to 31 Dec 20
	£	£
Fees payable for the audit of the financial statements	<u>2,905</u>	<u>2,641</u>

5. Profit before taxation

Profit before taxation is stated after charging:

	Year to 31 Dec 21	Period from 30 Dec 19 to 31 Dec 20
	£	£
Fair value adjustments to shares in group undertakings	<u>—</u>	<u>15,802,525</u>

6. Investments

	Shares in group undertakings £
Cost	
At 1 January 2021 and 31 December 2021	<u>21,318,299</u>
Impairment	
At 1 January 2021 and 31 December 2021	<u>15,802,525</u>

Scotco Central Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

6. Investments *(continued)*

	Shares in group undertakings £
Carrying amount	
At 31 December 2021	5,515,774
At 31 December 2020	<u>5,515,774</u>

Subsidiaries, associates and other investments

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
Scotco NI Limited	Northern Ireland	Ordinary	100
Scotco Restaurants (Jersey) Limited	Jersey	Ordinary	100
Scotco ROI Limited	Republic of Ireland	Ordinary	100
JRC Holdings Limited	England	Ordinary	100
Scotco Midlands Limited	England	Ordinary	100
Scotco One Four Five Limited	England	Ordinary	100
Scotco Trowbridge Limited		Ordinary	100

Scotco NI Limited, Scotco Restaurants (Jersey) Limited and Scotco ROI Limited are involved in fast food retail. JRC Holdings Limited is a holding company. Scotco Midlands Limited, Scotco One Four Five Limited and Scotco Trowbridge Limited transferred their fast food retail trades to a fellow subsidiary during the previous period and were dormant at the period end.

7. Debtors

	2021 £	2020 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	22,356,135	22,379,545
Other debtors	<u>13,278</u>	<u>12,996</u>
	<u>22,369,413</u>	<u>22,392,541</u>

8. Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings and undertakings in which the company has a participating interest	44,076,836	44,076,837
Other creditors	<u>5,546</u>	<u>2,641</u>
	<u>44,082,382</u>	<u>44,079,478</u>

Scotco Central Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

9. Related party transactions

Transactions

The company has taken advantage of the exemption from disclosing related party transactions with group companies, in accordance with Financial Reporting Standard No 102 The Financial Reporting Standards applicable in the UK and Republic of Ireland, Section 1A Appendix C, Related Party Disclosures.

10. Controlling party

In the opinion of the Directors, the Company's ultimate parent Company and ultimate controlling party is Optima Bidco (Jersey) Limited, a company registered in Jersey, Channel Islands. The Company's immediate controlling party is Euro Garages Limited.

The parent undertaking of the largest group, which includes the Company and for which group accounts are prepared, is EG Group Holdings Limited, a company incorporated in Great Britain, registered at Waterside Head Office, Haslingden Road, Guide, Blackburn, Lancashire, BB1 2FA, United Kingdom.

The parent undertaking of the smallest such group is EG Group Limited, a Company incorporated in Great Britain, registered at Waterside Head Office, Haslingden Road, Guide, Blackburn, BB1 2FA, United Kingdom. Copies of the group financial statements of EG Group Holdings Limited and EG Group Limited are available from Companies House, Crown Way, Maundy, Cardiff, CF14 3UZ.