

**SUPPLY TECHNOLOGIES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

**Company Registration Number SC201587**



**SUPPLY TECHNOLOGIES LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2010**

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**SUPPLY TECHNOLOGIES LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 31 DECEMBER 2010**

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**The board of directors**

Mr A A Arena  
Mrs L Kold

**Company secretary**

Mr R D Vilsack

**Business address**

West Brookfield House  
2 Burnbrae Drive  
Linwood  
Paisley  
Renfrewshire  
Scotland  
PA3 3BU

**Registered office**

24 Great King Street  
Edinburgh  
Scotland  
EH3 6QN

**Auditor**

RSM Tenon Audit Limited  
Charterhouse  
Legge Street  
Birmingham  
B4 7EU

**SUPPLY TECHNOLOGIES LIMITED**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 2010**

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The directors present their report and the financial statements of the company for the year ended 31 December 2010.

**Principal activities and business review**

The principal activity of the company is as a service centre for a group specialising in the distribution of industrial hardware and components to world-wide high technology companies in the computer, electronics and consumer product industries.

**Results and dividends**

The profit for the year amounted to \$210,000. The directors have not recommended a dividend.

**Directors**

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

Mr A A Arena  
Mrs L Kold

Mr J L Rutherford was appointed as a director on 24 January 2011.  
Mr M L Justice was appointed as a director on 1 June 2011.

**Directors' responsibilities**

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 of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**SUPPLY TECHNOLOGIES LIMITED**

**THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2010**

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In so far as the directors are, individually, aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

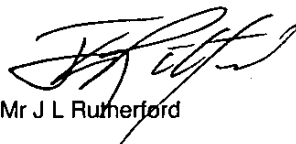
**Auditor**

RSM Tenon Audit Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the directors



Mr J L Rutherford

Director

Approved by the directors on ..... 28-9-2011

**SUPPLY TECHNOLOGIES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPPLY**  
**TECHNOLOGIES LIMITED**  
**YEAR ENDED 31 DECEMBER 2010**

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We have audited the financial statements of Supply Technologies Limited for the year ended 31 December 2010 on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

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

**SUPPLY TECHNOLOGIES LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPPLY  
TECHNOLOGIES LIMITED *(continued)***

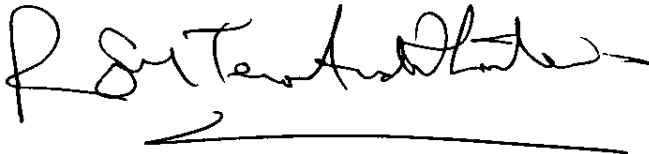
**YEAR ENDED 31 DECEMBER 2010**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime.



Stephen Newman ACA, Senior Statutory Auditor  
For and on behalf of

RSM Tenon Audit Limited  
Statutory Auditor  
Charterhouse  
Legge Street  
Birmingham  
B4 7EU

Date:- 29/9/11

**SUPPLY TECHNOLOGIES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2010**

	Note	2010 \$000	2009 \$000
Turnover	2	2,448	2,022
Cost of sales		(2,380)	(1,920)
<b>Gross profit</b>		<u>68</u>	<u>102</u>
Administrative expenses		(49)	(523)
<b>Operating profit/(loss)</b>	3	<u>19</u>	<u>(421)</u>
Interest receivable		126	56
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>145</u>	<u>(365)</u>
Tax on profit/(loss) on ordinary activities	6	65	230
<b>Profit/(loss) for the financial year</b>		<u>210</u>	<u>(135)</u>

All of the activities of the company are classed as continuing.

The notes on pages 9 to 15 form part of these financial statements.



**SUPPLY TECHNOLOGIES LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**YEAR ENDED 31 DECEMBER 2010**

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	<b>2010</b> <b>\$000</b>	<i>2009</i> <i>\$000</i>
Profit/(loss) for the financial year		
Attributable to the shareholders	210	(135)
Currency translation differences on foreign currency net investments	<u>(80)</u>	<u>321</u>
Total gains and losses recognised since the last annual report	<u>130</u>	<u>186</u>

The notes on pages 9 to 15 form part of these financial statements.

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# SUPPLY TECHNOLOGIES LIMITED


Registered Number SC201587

## BALANCE SHEET

31 DECEMBER 2010

	Note	\$000	2010 \$000	\$000	2009 \$000
<b>Fixed assets</b>					
Tangible assets	7		12		19
<b>Current assets</b>					
Stocks	9	655		35	
Debtors	10	5,017		5,214	
Cash at bank and in hand		571		225	
		<u>6,243</u>		<u>5,474</u>	
<b>Creditors: Amounts falling due within one year</b>	12	<u>(458)</u>		<u>(212)</u>	
<b>Net current assets</b>			5,785		5,262
<b>Total assets less current liabilities</b>			<u>5,797</u>		<u>5,281</u>
<b>Creditors: Amounts falling due after more than one year</b>	13		(2,370)		(1,976)
<b>Provisions for liabilities</b>					
Deferred taxation	11		<u>-</u>		<u>(8)</u>
			<u>3,427</u>		<u>3,297</u>
<b>Capital and reserves</b>					
Share capital	17		<u>-</u>		<u>-</u>
Profit and loss account	18		3,427		3,297
<b>Shareholders' funds</b>	19		<u>3,427</u>		<u>3,297</u>

Z 8 - 9 - 2011 These financial statements were approved by the directors and authorised for issue on 9 - 2011, and are signed on their behalf by:

  
 Mr J L Rutherford  
 Director

The notes on pages 9 to 15 form part of these financial statements.

**SUPPLY TECHNOLOGIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2010**

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**1. Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

**Turnover**

The turnover shown in the profit and loss account represents the value of all goods and services sold during the period, less returns received, at selling price exclusive of Value Added Tax.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 20% straight line basis
Equipment	- 50% straight line basis

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

**Leasing and hire purchase commitments**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet at their fair value and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

**Pension costs**

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

**SUPPLY TECHNOLOGIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2010**

**1. Accounting policies (continued)**

**Deferred taxation**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

**Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities are translated at year end exchange rates. The resulting exchange rate differences are charged to the profit and loss account.

The financial statements are expressed in US dollars, the main operating currency of the group. Balance sheet items are translated at the rate of exchange ruling at the balance sheet date. Profit and loss account items are translated at the average rate of exchange for the year. All exchange differences are taken to the profit and loss reserve. The average and year end rates of exchange used are \$1.56/£1 and \$1.55/£1 respectively (2009: \$1.57/£1 and \$1.59/£1).

Foreign currency differences on the opening profit and loss reserve are transferred to the Statement of Total Recognised Gains and Losses.

**2. Turnover**

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

An analysis of turnover is given below:

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
United Kingdom	559	224
Europe	750	845
Rest of world	1,139	953
	<u>2,448</u>	<u>2,022</u>

**3. Operating profit/(loss)**

Operating profit/(loss) is stated after charging:

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
Depreciation of owned fixed assets	7	12
Loss on disposal of fixed assets	2	-
Operating lease costs:		
-Other	137	115
Net loss on foreign currency translation	47	477
Auditor's remuneration - audit of the financial statements	10	10
Auditor's remuneration - other fees	<u>13</u>	<u>-</u>

**SUPPLY TECHNOLOGIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2010**

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**4. Particulars of employees**

The average number of staff employed by the company during the financial year amounted to:

	<b>2010</b>	<i>2009</i>
	<b>No</b>	<i>No</i>
Number of administrative staff	17	18
Number of selling and distribution staff	4	4
	<u>21</u>	<u>22</u>

The aggregate payroll costs of the above were:

	<b>2010</b>	<i>2009</i>
	<b>\$000</b>	<i>\$000</i>
Wages and salaries	1,208	1,101
Social security costs	146	145
	<u>1,354</u>	<u>1,246</u>

**5. Directors' emoluments**

No emoluments were paid to the directors during the year (2009 - \$nil).

**6. Taxation on ordinary activities**

**(a) Analysis of charge in the year**

	<b>2010</b>	<i>2009</i>
	<b>\$000</b>	<i>\$000</i>
UK Corporation tax	-	7
Over/under provision in prior year	-	(196)
	<u>-</u>	<u>(189)</u>
Group relief payable / (receivable)	-	(61)
	<u>-</u>	<u>(250)</u>
Deferred tax:		
Origination and reversal of timing differences	65	20
Tax on profit/(loss) on ordinary activities	<u>65</u>	<u>(230)</u>

**SUPPLY TECHNOLOGIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2010**

**6. Taxation on ordinary activities (continued)**

**(b) Factors affecting current tax charge**

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 - 28%).

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
Profit/(loss) on ordinary activities before taxation	145	(365)
Profit/(loss) on ordinary activities by rate of tax	41	(102)
Effects of:		
Expenses not deductible for tax purposes	5	-
Capital allowances for period in excess of depreciation	(3)	-
Utilisation of tax losses	(43)	(10)
Adjustments to tax charge in respect of previous periods	-	(199)
Other short term timing differences	-	(61)
Accelerated capital allowances	-	122
Total current tax (note 6(a))	-	(250)

**7. Tangible fixed assets**

	<b>Fixtures &amp; Fittings \$000</b>	<b>Equipment \$000</b>	<b>Total \$000</b>
<b>Cost</b>			
At 1 January 2010	17	57	74
Additions	-	9	9
Disposals	(4)	(20)	(24)
At 31 December 2010	13	46	59
<b>Depreciation</b>			
At 1 January 2010	14	41	55
Charge for the year	1	6	7
On disposals	(4)	(11)	(15)
At 31 December 2010	11	36	47
<b>Net book value</b>			
At 31 December 2010	2	10	12
At 31 December 2009	3	16	19

**8. Fixed asset investment**

In 2007 the company acquired 100% of the issued share capital of NABS Europe Limited (formerly Supply Technologies Limited) for \$2. This company is incorporated in Scotland and has been dormant since incorporation. At 31 December 2010, it had capital and reserves totalling \$2 (2009: \$2).

**SUPPLY TECHNOLOGIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2010**

**9. Stocks**

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
Stock	655	35

**10. Debtors**

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
Trade debtors	333	77
Amounts owed by group undertakings	4,487	5,012
VAT recoverable	23	-
Other debtors	15	56
Prepayments and accrued income	102	69
Deferred taxation (note 11)	57	-
	<u>5,017</u>	<u>5,214</u>

**11. Deferred taxation**

The deferred tax included in the Balance sheet is as follows:

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
Included in debtors (note 10)	57	-
Included in provisions	-	(8)
	<u>57</u>	<u>(8)</u>

The movement in the deferred taxation account during the year was:

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
At 1 January 2010	(8)	(12)
Profit and loss account movement arising during the year	65	4
At 31 December 2010	<u>57</u>	<u>(8)</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
Excess of depreciation over taxation allowances	4	(8)
Other timing differences	53	-
	<u>57</u>	<u>(8)</u>

**SUPPLY TECHNOLOGIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2010**

**12. Creditors: Amounts falling due within one year**

	2010 \$000	2009 \$000
Trade creditors	289	131
PAYE and social security	42	33
Accruals and deferred income	127	48
	<u>458</u>	<u>212</u>

**13. Creditors: Amounts falling due after more than one year**

	2010 \$000	2009 \$000
Amounts owed to group undertakings	<u>2,370</u>	<u>1,976</u>

**14. Commitments under operating leases**

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as set out below.

	2010 Land and buildings \$000	Other Items \$000	2009 Land and buildings \$000	Other Items \$000
Operating leases which expire:				
Within 1 year	-	14	-	7
Within 2 to 5 years	21	47	59	43
After more than 5 years	60	-	-	-
	<u>81</u>	<u>61</u>	<u>59</u>	<u>50</u>

**15. Pension scheme**

**Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to \$44,000 (2009: \$47,000).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

**16. Related party transactions**

The company has taken advantage of the exemptions in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.



**SUPPLY TECHNOLOGIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2010**

**17. Share capital**

**Authorised share capital:**

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
1,000 Ordinary shares of \$2 each	<u>2</u>	<u>2</u>

**Allotted, called up and fully paid:**

	<b>2010</b>		<b>2009</b>	
	<b>No</b>	<b>\$000</b>	<b>No</b>	<b>\$000</b>
100 Ordinary shares of \$2 each	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>

**18. Profit and loss account**

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
Balance brought forward	3,297	3,111
Profit/(loss) for the financial year	210	(135)
Foreign currency retranslation	(80)	321
Balance carried forward	<u>3,427</u>	<u>3,297</u>

**19. Reconciliation of movements in shareholders' funds**

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
Profit/(loss) for the financial year	210	(135)
Other recognised gains/(losses) for the year	(80)	321
Net addition to shareholders' funds	130	186
Opening shareholders' funds	<u>3,297</u>	<u>3,111</u>
Closing shareholders' funds	<u>3,427</u>	<u>3,297</u>

**20. Ultimate parent company**

The ultimate parent undertaking is Park-Ohio Holdings Corp., a company incorporated in Ohio, USA. The largest and smallest group in which the results of the company are consolidated is headed by Park-Ohio Holdings Corp. and consolidated accounts can be obtained from 23000 Euclid Avenue, Cleveland OH44117.

The immediate parent undertaking is Supply Technologies (NY) Inc., a company incorporated in New York, USA.