

Company Registration No. 5103812 (England and Wales)

UNITECH SERVICES GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2010



UNITECH SERVICES GROUP LIMITED

COMPANY INFORMATION

Directors	R Croatti G Bakevich J Bartlett
Secretary	J Bartlett
Company number	5103812
Registered office	21 St Thomas Street Bristol BS1 6JS
Auditors	Rawlinsons Ruthlyn House 90 Lincoln Road Peterborough PE1 2SP
Business address	Unit 5 Oakwood Close Pen-Y-Fan Industrial Estate Crumlin South Wales NP11 3HY

UNITECH SERVICES GROUP LIMITED

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UNITECH SERVICES GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2010

The directors present their report and financial statements for the year ended 31 August 2010

Principal activities and review of the business

The principal activity of the company continues to be the radiological decontamination and laundry of garments and other items associated with the nuclear industry

Following the successful commissioning and licensing of the Oakdale facility, the business has seen steady and profitable growth in revenue. The Directors have in place a series of operational and financial controls that will preserve that profitability for future years

The Directors are pleased to report the continued registration of the business to ISO9001 and ISO14001, evidence of the commitment to our environmental obligations and quality assurance. Various initiatives are in place to minimise waste in recognition of both the environmental and financial costs of waste in the radiological industry

Risks

The Directors recognise the inherent risks of operating within the nuclear industry and have in place strategies to minimise exposure in all areas where risk exists. Principal amongst those risks facing the business are

- Political commitment to the future growth of the nuclear energy sector in the UK
- Government funding for the accelerated decommissioning of nuclear installations
- Customer willingness to consume non-launderable garments
- Environmental issues that may restrict the capacity of the Oakdale facility

Operational risks are mitigated by the availability of capacity within our sister plant in Holland

The company continues to monitor and control its principal assets of stock, trade debtors and loans in such a manner as to maximise the company's operations in a volatile market

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

Position of the company at the year end

The Balance Sheet and the Profit and Loss account show considerable improvement in the company's financial position over the past year, although the business continues to rely on the support of the parent company as disclosed in note 1 to the accounts

Details of debtors are shown in note 9 and details of creditors are shown in note 10

UNITECH SERVICES GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

Key performance indicators

		2010 £	2009 £
	% change		
Sales per class of business			
Direct sales	0.4%	580,072	577,745
Laundry processing and garment leasing and repair	24%	3,042,278	2,452,440
Freight recharges and other sales	-50%	44,490	88,747
		<u>3,666,840</u>	<u>3,118,932</u>
Operating profit/(loss)		10%	-17%

Results and dividends

The results for the year are set out on page 6

Future developments

The directors will hope to consolidate Unitech Services Group Limited position in the Nuclear industry and become the first contingency choice for facilities that are carrying out their own laundry processing

Directors

The following directors have held office since 1 September 2009

R Croatti
G Bakevich
J Bartlett

Auditors

The auditors, Rawlinsons, are deemed to be reappointed under section 487(2) of the Companies Act 2006

UNITECH SERVICES GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

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 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



G Bakevich

Director

11-2-2011

UNITECH SERVICES GROUP LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF UNITECH SERVICES GROUP LIMITED

We have audited the financial statements of Unitech Services Group Limited for the year ended 31 August 2010 set out on pages 6 to 18. 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 sections 495 and 496 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

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

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the going concern basis. The financial statements have been prepared on a going concern basis, the validity of which depends upon the continuing support of the Parent Company. The financial statements do not include any adjustment that would result from the failure of this support. Details of the circumstances relating to this fundamental uncertainty are described in the accounting policies. Our opinion is not qualified in this respect.

Opinion on other matter prescribed by the Companies Act 2006

The information given in the directors' report is consistent with the financial statements.

UNITECH SERVICES GROUP LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF UNITECH SERVICES GROUP LIMITED

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

Graham Jones BA (Hons), FCA, (Senior Statutory Auditor)
for and on behalf of Rawlinsons

15 February 2011

Chartered Accountants
Statutory Auditors

Ruthlyn House
90 Lincoln Road
Peterborough
PE1 2SP

UNITECH SERVICES GROUP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2010

	Notes	2010 £	2009 £
Turnover	2	3,666,840	3,118,932
Change in stocks of finished goods and work in progress		(154,414)	267,991
Raw materials and consumables		(372,423)	(625,171)
Other external charges		(159,508)	(1,635,789)
Staff costs		(833,373)	(491,925)
Depreciation on fixed assets		(608,093)	(328,931)
Other operating charges		(1,176,095)	(842,065)
Amortisation of government grant		2,857	-
Operating profit/(loss)	3	365,791	(536,958)
Interest payable and similar charges	4	(76,769)	(84,331)
Profit/(loss) on ordinary activities before taxation		289,022	(621,289)
Tax on profit/(loss) on ordinary activities	5	(118,883)	181,609
Profit/(loss) for the year	16	170,139	(439,680)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

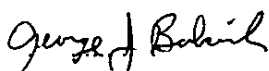
UNITECH SERVICES GROUP LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Intangible assets	6	74,982		132,826	
Tangible assets	7	4,723,628		5,176,370	
		<u>4,798,610</u>		<u>5,309,196</u>	
Current assets					
Stocks	8	512,913		733,701	
Debtors	9	948,417		979,722	
Deferred tax asset	9	65,696		184,579	
Cash at bank and in hand		658,873		58,088	
		<u>2,185,899</u>		<u>1,956,090</u>	
Creditors: amounts falling due within one year	10	<u>(6,841,141)</u>		<u>(7,546,808)</u>	
Net current liabilities		<u>(4,655,242)</u>		<u>(5,590,718)</u>	
Total assets less current liabilities		<u>143,368</u>		<u>(281,522)</u>	
Creditors: amounts falling due after more than one year	11	(6,737)		(9,497)	
Accruals and deferred income	13	(257,511)		-	
		<u>(120,880)</u>		<u>(291,019)</u>	
Capital and reserves					
Called up share capital	15	1,000		1,000	
Share premium account	16	99,000		99,000	
Profit and loss account	16	(220,880)		(391,019)	
Shareholders' funds	17	<u>(120,880)</u>		<u>(291,019)</u>	

Approved by the Board and authorised for issue on 11-2-2011


G Bakevich
Director

Company Registration No. 5103812

UNITECH SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company is dependent on the continued support of the company's parent company. Continuing finance is required both to enable the company to meet its liabilities as they fall due and to continue operating without immediate realisation of all its assets.

The directors believe that continuing finance will be available and that it is therefore appropriate to prepare accounts on a going concern basis. However, should continuing finance not be available, the going concern basis would be invalid and adjustment would have to be made to reduce the value of the assets to their realisable amounts, to provide for any further liabilities which might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Purchased goodwill

The goodwill was acquired on the purchase of the assets and trading activity of Overwear Limited.

Acquired goodwill is amortised through the profit and loss account in annual instalments over its estimated useful economic life of 7 years.

1.5 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	2.8%, 6.6% and 10% straight line
Plant and machinery	6.6%, 10% and 20% Straight line
Fixtures, fittings and equipment	33.3% and 12.5% Straight line

UNITECH SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

1 Accounting policies

(continued)

1.7 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Stock

Stock is valued at the lower of cost and net realisable value. Circulating inventory is being amortised over 15, 24 or 36 months.

1.9 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.10 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.12 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.13 Group accounts

The company has taken advantage of the exemption in the Financial Reporting Standard No 8 - Related Party Disclosures from the requirement to disclose transactions with other group companies because the consolidated financial statements of Unifirst Corporation, in which Unitech Services Group Limited is included, are publicly available.

UNITECH SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

2 Turnover and profit/(loss) on ordinary activities before taxation

	Turnover 2010	2009
	£	£
Class of business		
Direct sales	580,072	577,745
Laundry processing and garment leasing and repair	3,042,278	2,452,440
Freight recharges and other sales	44,490	88,747
	<u>3,666,840</u>	<u>3,118,932</u>

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

3 Operating profit/(loss)

	2010	2009
	£	£
Operating profit/(loss) is stated after charging		
Amortisation of intangible assets	57,844	62,843
Depreciation of tangible assets	550,249	266,088
Loss on disposal of tangible assets	-	284
Loss on foreign exchange transactions	3,592	23,808
Operating lease rentals	-	4,583
Fees payable to the company's auditor for the audit of the company's annual accounts	7,350	6,231
Remuneration of auditor's non-audit work	9,915	10,045
and after crediting		
Government grants	<u>2,857</u>	<u>-</u>

4 Interest payable

	2010	2009
	£	£
On amounts payable to group companies	23,680	58,827
On bank loans and overdrafts	52,119	24,346
Hire purchase interest	970	1,158
	<u>76,769</u>	<u>84,331</u>

UNITECH SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2010

5	Taxation	2010 £	2009 £
	Current tax charge	-	-
	Deferred tax		
	Origination and reversal of timing differences	118,883	(178,271)
	Deferred tax adjustments arising in previous periods	-	(3,338)
		<u>118,883</u>	<u>(181,609)</u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	<u>289,022</u>	<u>(621,289)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	<u>80,926</u>	<u>(173,961)</u>
	Effects of		
	Non deductible expenses	2,414	1,835
	Depreciation add back	153,269	74,584
	Capital allowances	(126,731)	(176,779)
	Tax losses utilised	(182,782)	295,426
	Other tax adjustments	72,904	(21,105)
		<u>(80,926)</u>	<u>173,961</u>
	Current tax charge	<u>-</u>	<u>-</u>

UNITECH SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

6 Intangible fixed assets

	Purchased goodwill £
Cost	
At 1 September 2009 & at 31 August 2010	399,907
Amortisation	
At 1 September 2009	267,081
Charge for the year	57,844
At 31 August 2010	324,925
Net book value	
At 31 August 2010	74,982
At 31 August 2009	132,826

The goodwill was acquired on the purchase of the assets and trading activity of Overwear Limited

UNITECH SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

7 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 September 2009	3,846,852	1,604,033	53,711	5,504,596
Additions	29,883	65,230	2,394	97,507
At 31 August 2010	3,876,735	1,669,263	56,105	5,602,103
Depreciation				
At 1 September 2009	150,204	164,845	13,177	328,226
Exchange differences	-	-	-	-
Revaluation	-	-	-	-
On disposals	-	-	-	-
Charge for the year	296,754	238,826	14,669	550,249
At 31 August 2010	446,958	403,671	27,846	878,475
Net book value				
At 31 August 2010	3,429,777	1,265,592	28,259	4,723,628
At 31 August 2009	3,687,609	1,462,484	26,277	5,176,370

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £
Net book values	
At 31 August 2010	10,352
At 31 August 2009	13,597
Depreciation charge for the year	
At 31 August 2010	3,253
At 31 August 2009	1,723

Freehold land and buildings includes capitalised finance costs of £131,039

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2010

The loan is repayable on demand. The interest rate per annum is 0.60 per cent above LIBOR.

UNITECH SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

11 Creditors: amounts falling due after more than one year	2010 £	2009 £
Net obligations under hire purchase contracts	6,737	9,497
Net obligations under hire purchase contracts		
Repayable within one year	3,730	3,730
Repayable between one and five years	6,737	9,497
	10,467	13,227
Included in liabilities falling due within one year	(3,730)	(3,730)
	6,737	9,497

12 Provisions for liabilities and charges

Deferred taxation provided in the financial statements is as follows

	2010 £	Fully provided 2009 £
Accelerated capital allowances	141,905	133,696
Other timing differences	(72,103)	-
Tax losses available	(135,498)	(318,275)
	(65,696)	(184,579)

13 Accruals and deferred income

	Government grants £
Grants received during the year	260,368
Amortisation in the year	(2,857)
Balance at 31 August 2010	257,511

UNITECH SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

14 Pension and other post-retirement benefit commitments

Defined contribution

	2010 £	2009 £
Contributions payable by the group for the year	7,119	7,226

15 Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

16 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 September 2009	99,000	(391,019)
Profit for the year	-	170,139
Balance at 31 August 2010	99,000	(220,880)

17 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit/(Loss) for the financial year	170,139	(439,680)
Opening shareholders' funds	(291,019)	148,661
Closing shareholders' funds	(120,880)	(291,019)

UNITECH SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

18 Contingent assets

The company is eligible to receive a grant of £1,000,000 plus a new deal premium of £534,000 from the Welsh Assembly in 2010 as a contribution towards the cost of constructing the laundry facility in Wales. The Welsh Assembly are however not obliged to make any payments after 31 August 2013.

-The first instalment of £300,000 was received during the year ended 31 August 2010.

-The second instalment of £400,000 is contingent upon creating at least 66 permanent full time jobs and defraying £4,300,000 on fixed assets for the project.

-The third instalment of £150,000 is contingent upon creating at least 79 permanent full time jobs and defraying £5,300,000 on fixed assets for the project.

-The final instalment of £150,000 is contingent upon defraying £6,185,000 in total on fixed assets for the project.

A new deal premium can be claimed in respect of eligible individuals that have been employed continuously in one of the jobs created under this offer by Unitech Services Group Limited. The premium in respect of each individual will be paid in 2 instalments of £3,000, the first after 12 months continuous employment and the second after 24 months. The premium payments will be available for up to 2 years following completion of the project.

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2010 Number	2009 Number
Office and management	8	8
Sales staff	2	2
Production	31	15
	<u>41</u>	<u>25</u>

Employment costs

	2010 £	2009 £
Wages and salaries	754,057	447,084
Social security costs	72,197	37,615
Other pension costs	7,119	7,226
	<u>833,373</u>	<u>491,925</u>

UNITECH SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

20 Control

The immediate parent company is Unitech Services Group Inc , which is registered in the United States

The ultimate parent company is Unifirst Corporation, which is also registered in the United States

No one individual has a controlling interest in the company

As a wholly-owned subsidiary undertaking, the company has taken advantage of the exemption contained in FRS 8 'Related Party Disclosures' and has not disclosed transactions or balances with entities which form part of the group

There were no other related party transactions during the year