

Company Registration No 5103812 (England and Wales)

**UNITECH SERVICES GROUP LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2011**



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# UNITECH SERVICES GROUP LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	R Croatti G Bakevich S Sintros	(appointed 1 December 2011)
<b>Secretary</b>	S Sintros	(appointed 1 December 2011)
<b>Company number</b>	5103812	
<b>Registered office</b>	Ruthlyn House 90 Lincoln Road Peterborough PE1 2SP	
<b>Auditors</b>	Rawlinsons Ruthlyn House 90 Lincoln Road Peterborough PE1 2SP	
<b>Business address</b>	Unit 5 Oakwood Close Pen-Y-Fan Industrial Estate Crumlin South Wales NP11 3HY	

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# UNITECH SERVICES GROUP LIMITED

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# UNITECH SERVICES GROUP LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2011

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The directors present their report and financial statements for the year ended 31 August 2011

#### **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 companies 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 2011**

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### Key performance indicators

		2011 £	2010 £
	% change		
<b>Sales per class of business</b>			
Direct sales	53%	887,755	580,072
Laundry processing and garment leasing and repair	-13%	2,659,535	3,042,278
Other sales	153%	112,500	44,490
		<u>3,659,790</u>	<u>3,666,840</u>
<b>Operating profit/(loss)</b>			
		19%	10%

### 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 2010

R Croatti

G Bakevich

J Bartlett

(Resigned 1 December 2011)

### Auditors

In accordance with the company's articles, a resolution proposing that Rawlinsons be reappointed as auditors of the company will be put at a General Meeting

# UNITECH SERVICES GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2011**

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### **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

9 December 2011

# **UNITECH SERVICES GROUP LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF UNITECH SERVICES GROUP LIMITED**

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We have audited the financial statements of Unitech Services Group Limited for the year ended 31 August 2011 set out on pages 6 to 17. 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 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 the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' 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:

- give a true and fair view of the state of the company's affairs as at 31 August 2011 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 matter 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.

# **UNITECH SERVICES GROUP LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF UNITECH SERVICES GROUP LIMITED**

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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

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

*12 December 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 2011**

	Notes	2011 £	2010 £
Turnover	2	3,659,790	3,666,840
Change in stocks of finished goods and work in progress		(27,402)	(154,414)
Raw materials and consumables		(593,505)	(372,423)
Other external charges		(90,688)	(159,508)
Staff costs		(840,573)	(833,373)
Depreciation on fixed assets		(601,675)	(608,093)
Other operating charges		(831,748)	(1,176,095)
Amortisation of government grant		7,352	2,857
<b>Operating profit</b>	<b>3</b>	<b>681,551</b>	<b>365,791</b>
Interest payable and similar charges	4	(105,692)	(76,769)
<b>Profit on ordinary activities before taxation</b>		<b>575,859</b>	<b>289,022</b>
Tax on profit on ordinary activities	5	(198,250)	(118,883)
<b>Profit for the year</b>	<b>16</b>	<b>377,609</b>	<b>170,139</b>

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 2011

	Notes	2011 £	£	2010 £	£
<b>Fixed assets</b>					
Intangible assets	6	32,135		74,982	
Tangible assets	7	4,336,675		4,723,628	
		<u>4,368,810</u>		<u>4,798,610</u>	
<b>Current assets</b>					
Stocks	8	623,012		512,913	
Debtors	9	1,322,770		948,417	
Deferred tax asset	9	-		65,696	
Cash at bank and in hand		757,611		658,873	
		<u>2,703,393</u>		<u>2,185,899</u>	
<b>Creditors: amounts falling due within one year</b>	10	(6,490,716)		(6,841,141)	
<b>Net current liabilities</b>		<u>(3,787,323)</u>		<u>(4,655,242)</u>	
<b>Total assets less current liabilities</b>		<u>581,487</u>		<u>143,368</u>	
<b>Creditors: amounts falling due after more than one year</b>	11	(3,715)		(6,737)	
<b>Provisions for liabilities</b>	12				
Deferred tax liability		(70,884)		-	
<b>Deferred income</b>	13	(250,159)		(257,511)	
		<u>256,729</u>		<u>(120,880)</u>	
<b>Capital and reserves</b>					
Called up share capital	15	1,000		1,000	
Share premium account	16	99,000		99,000	
Profit and loss account	16	156,729		(220,880)	
<b>Shareholders' funds</b>	17	<u>256,729</u>		<u>(120,880)</u>	

Approved by the Board and authorised for issue on *9 December 2011*

*George Bakevich*  
G Bakevich  
Director

Company Registration No. 5103812

# UNITECH SERVICES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2011

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### 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 2011**

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### **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.

#### **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 2011

### 2 Turnover and profit on ordinary activities before taxation

	Turnover 2011	2010
	£	£
<b>Class of business</b>		
Direct sales	887,755	580,072
Laundry processing and garment leasing and repair	2,659,535	3,042,278
Other sales	112,500	44,490
	<u>3,659,790</u>	<u>3,666,840</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

	2011	2010
	£	£
Operating profit is stated after charging		
Amortisation of intangible assets	42,847	57,844
Depreciation of tangible assets	558,828	550,249
Loss on foreign exchange transactions	3,417	3,592
Fees payable to the company's auditor for the audit of the company's annual accounts	7,095	7,350
Remuneration of auditor's non-audit work	9,128	7,215
and after crediting		
Government grants	<u>7,352</u>	<u>2,857</u>

### 4 Interest payable

	2011	2010
	£	£
On amounts payable to group companies	32,739	23,680
On bank loans and overdrafts	72,245	52,119
Hire purchase interest	708	970
	<u>105,692</u>	<u>76,769</u>

# UNITECH SERVICES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

5	Taxation	2011 £	2010 £
	<b>Domestic current year tax</b>		
	U K corporation tax	61,670	-
	<b>Total current tax</b>	61,670	-
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	131,963	118,883
	Deferred tax adjustments arising in previous periods	4,617	-
		136,580	118,883
		198,250	118,883
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	575,859	289,022
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2010 - 28.00%)	149,723	80,926
	Effects of		
	Non deductible expenses	539	2,414
	Depreciation add back	145,295	153,269
	Capital allowances	(108,804)	(126,731)
	Tax losses utilised	(125,810)	(182,782)
	Other tax adjustments	727	72,904
		(88,053)	(80,926)
	<b>Current tax charge for the year</b>	61,670	-

# UNITECH SERVICES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2011

#### 6 Intangible fixed assets

	Purchased goodwill £
<b>Cost</b>	
At 1 September 2010 & at 31 August 2011	399,907
<b>Amortisation</b>	
At 1 September 2010	324,925
Charge for the year	42,847
At 31 August 2011	367,772
<b>Net book value</b>	
At 31 August 2011	32,135
At 31 August 2010	74,982

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 2011

### 7 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 September 2010	3,876,735	1,669,263	56,105	5,602,103
Additions	-	167,892	3,983	171,875
At 31 August 2011	3,876,735	1,837,155	60,088	5,773,978
<b>Depreciation</b>				
At 1 September 2010	446,958	403,671	27,846	878,475
Charge for the year	300,711	243,456	14,661	558,828
At 31 August 2011	747,669	647,127	42,507	1,437,303
<b>Net book value</b>				
At 31 August 2011	3,129,066	1,190,028	17,581	4,336,675
At 31 August 2010	3,429,777	1,265,592	28,259	4,723,628

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

	Plant and machinery £
<b>Net book values</b>	
At 31 August 2011	7,429
At 31 August 2010	10,352
<b>Depreciation charge for the year</b>	
At 31 August 2011	2,923
At 31 August 2010	3,253

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

### 8 Stocks

	2011 £	2010 £
Finished goods and goods for resale	623,012	512,913



# UNITECH SERVICES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

9 Debtors	2011 £	2010 £
Trade debtors	1,065,388	881,076
Amounts owed by parent and fellow subsidiary undertakings	229,134	45,854
Other debtors	1,698	950
Prepayments and accrued income	26,550	20,537
	<u>1,322,770</u>	<u>948,417</u>
Deferred tax asset (see note 12)	-	65,696
	<u>1,322,770</u>	<u>1,014,113</u>
10 Creditors' amounts falling due within one year	2011 £	2010 £
Bank loans and overdrafts	3,050,000	3,800,000
Net obligations under hire purchase contracts	3,730	3,730
Trade creditors	299,995	97,818
Amounts owed to parent and fellow subsidiary undertakings	2,844,582	2,649,804
Corporation tax	61,670	-
Other taxes and social security costs	105,327	129,532
Accruals and deferred income	125,412	160,257
	<u>6,490,716</u>	<u>6,841,141</u>

The security on the loan has been provided by Unifirst Corporation and UniTech Services Group Inc

The loan is repayable on demand The interest rate per annum is 1.5 per cent above LIBOR

# UNITECH SERVICES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2011

11 Creditors' amounts falling due after more than one year	2011 £	2010 £
Net obligations under hire purchase contracts	3,715	6,737
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	3,730	3,730
Repayable between one and five years	3,715	6,737
	7,445	10,467
Included in liabilities falling due within one year	(3,730)	(3,730)
	3,715	6,737

## 12 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 September 2010	(65,696)
Profit and loss account	136,580
Balance at 31 August 2011	70,884

Deferred taxation provided in the financial statements is as follows

	Fully provided 2011 £	2010 £
Accelerated capital allowances	135,926	141,905
Other timing differences	(65,042)	(72,103)
Tax losses available	-	(135,498)
	70,884	(65,696)

# UNITECH SERVICES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

### 13 Accruals and deferred income

	Government grants £
Balance at 1 September 2010	257,511
Amortisation in the year	(7,352)
Balance at 31 August 2011	<u>250,159</u>

### 14 Pension and other post-retirement benefit commitments Defined contribution

	2011 £	2010 £
Contributions payable by the group for the year	<u>3,844</u>	<u>7,119</u>

### 15 Share capital

	2011 £	2010 £
Allotted, called up and fully paid 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

### 16 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 September 2010	99,000	(220,880)
Profit for the year	-	377,609
Balance at 31 August 2011	<u>99,000</u>	<u>156,729</u>

# UNITECH SERVICES GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

17 Reconciliation of movements in shareholders' funds	2011 £	2010 £
Profit for the financial year	377,609	170,139
Opening shareholders' funds	(120,880)	(291,019)
Closing shareholders' funds	256,729	(120,880)

## 18 Employees

### Number of employees

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

	2011 Number	2010 Number
Office and management	7	8
Sales staff	2	2
Production	26	31
	35	41

### Employment costs

	2011 £	2010 £
Wages and salaries	769,309	754,057
Social security costs	67,420	72,197
Other pension costs	3,844	7,119
	840,573	833,373

## 19 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