

Company Registration No. 05103812 (England and Wales)

UNITECH SERVICES GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

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UNITECH SERVICES GROUP LIMITED

COMPANY INFORMATION

Directors	R Croatti G Bakevich S Sintros	(appointed 1 December 2011)
Secretary	S Sintros	(appointed 1 December 2011)
Company number	05103812	
Registered office	Ruthlyn House 90 Lincoln Road Peterborough PE1 2SP	
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 2012

The directors present their report and financial statements for the year ended 31 August 2012

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

The Oakdale facility has now been operating for nearly 4 years and the business has seen a steady growth in revenue and profit over that period

The Directors have in place a series of operational and financial controls that will preserve that profitability for future years

Following a very successful year the Directors are pleased to maintain certification of 9001 and 14001 following an audit review. The plant has also put in various initiatives to minimise and further segregate waste streams thus minimising the impact on the environment and reducing costs

In addition to this the plant is at an advanced stage to gain ISO18001 certification in Health and Safety management

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 2012

Key performance indicators

		2012	2011
		£	£
	% change		
Sales per class of business			
Direct sales	-23%	684,380	887,755
Laundry processing and garment leasing and repair	48%	3,937,622	2,659,535
Other sales	-87%	14,700	112,500
		<u>4,636,702</u>	<u>3,659,790</u>
 Operating profit/(loss)			
		30%	19%

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 for providing an efficient and effective laundry processing service in the Nuclear industry, and become the first contingency choice for facilities that are carrying out their own laundry processing. The directors also see the potential for growth of other revenue streams at the Oakdale Facility.

Directors

The following directors have held office since 1 September 2011

R Croatti
G Bakevich
S Sintros

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 2012

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

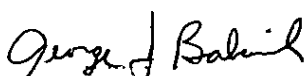
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

27 November 2012

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 2012 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 2012 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

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 FCA, (Senior Statutory Auditor)
for and on behalf of Rawlinsons

4 December 2012

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 2012

	Notes	2012 £	2011 £
Turnover	2	4,636,702	3,659,790
Change in stocks of finished goods and work in progress		289,833	(27,402)
Raw materials and consumables		(744,769)	(593,505)
Other external charges		(186,315)	(90,688)
Staff costs		(907,313)	(840,573)
Depreciation on fixed assets		(599,445)	(601,675)
Other operating charges		(1,090,393)	(831,748)
Amortisation of government grant		7,352	7,352
Operating profit	3	1,405,652	681,551
Interest payable and similar charges	4	(100,154)	(105,692)
Profit on ordinary activities before taxation		1,305,498	575,859
Tax on profit on ordinary activities	5	(366,337)	(198,250)
Profit for the year	16	939,161	377,609

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

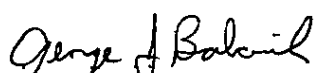
UNITECH SERVICES GROUP LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Intangible assets	6	-		32,135	
Tangible assets	7	4,054,994		4,336,675	
		<u>4,054,994</u>		<u>4,368,810</u>	
Current assets					
Stocks	8	867,062		623,012	
Debtors	9	993,742		1,322,770	
Cash at bank and in hand		1,557,570		757,611	
		<u>3,418,374</u>		<u>2,703,393</u>	
Creditors amounts falling due within one year	10	(5,968,211)		(6,490,716)	
Net current liabilities		<u>(2,549,837)</u>		<u>(3,787,323)</u>	
Total assets less current liabilities		<u>1,505,157</u>		<u>581,487</u>	
Creditors: amounts falling due after more than one year	11	(3,484)		(3,715)	
Provisions for liabilities	12	(62,976)		(70,884)	
Deferred tax liability					
Deferred income	13	(242,807)		(250,159)	
		<u>1,195,890</u>		<u>256,729</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	1,095,890		156,729	
Shareholders' funds	17	<u>1,195,890</u>		<u>256,729</u>	

Approved by the Board and authorised for issue on 27 Nov. 2012


G Bakevich
Director

Company Registration No. 05103812

UNITECH SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

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 2012

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 2012

2 Turnover and profit on ordinary activities before taxation

	Turnover 2012	2011
	£	£
Class of business		
Direct sales	684,380	887,755
Laundry processing and garment leasing and repair	3,937,622	2,659,535
Other sales	14,700	112,500
	<u>4,636,702</u>	<u>3,659,790</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

	2012	2011
	£	£
Operating profit is stated after charging		
Amortisation of intangible assets	32,135	42,847
Depreciation of tangible assets	567,310	558,828
Loss on foreign exchange transactions	-	3,417
Auditors' remuneration (including expenses and benefits in kind)	8,623	7,095
and after crediting		
Government grants	7,352	7,352
Profit on disposal of tangible assets	(37,330)	-
Profit on foreign exchange transactions	(8,699)	-
	<u>7,352</u>	<u>7,352</u>

4 Interest payable

	2012	2011
	£	£
On amounts payable to group companies	26,935	32,739
On bank loans and overdrafts	72,480	72,245
Hire purchase interest	739	708
	<u>100,154</u>	<u>105,692</u>

UNITECH SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2012

5	Taxation	2012 £	2011 £
	Domestic current year tax		
	U K corporation tax	374,245	61,670
	Total current tax	<u>374,245</u>	<u>61,670</u>
	Deferred tax		
	Origination and reversal of timing differences	(7,908)	131,963
	Deferred tax adjustments arising in previous periods	-	4,617
		<u>(7,908)</u>	<u>136,580</u>
		<u>366,337</u>	<u>198,250</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,305,498</u>	<u>575,859</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2011 - 26.00%)	<u>313,320</u>	<u>149,723</u>
	Effects of		
	Non deductible expenses	1,071	539
	Depreciation add back	125,337	145,295
	Capital allowances	(82,785)	(108,804)
	Tax losses utilised	-	(125,810)
	Changes in tax rates	17,302	-
	Other tax adjustments	-	727
		<u>60,925</u>	<u>(88,053)</u>
	Current tax charge for the year	<u>374,245</u>	<u>61,670</u>

UNITECH SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2012

6 Intangible fixed assets

	Purchased goodwill £
Cost	
At 1 September 2011 & at 31 August 2012	399,907
Amortisation	
At 1 September 2011	367,772
Charge for the year	32,135
At 31 August 2012	399,907
Net book value	
At 31 August 2012	-
At 31 August 2011	32,135

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 2012

7 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 September 2011	3,876,735	1,837,155	60,088	5,773,978
Additions	1,337	306,320	16,175	323,832
Disposals	-	(201,597)	(2,161)	(203,758)
At 31 August 2012	3,878,072	1,941,878	74,102	5,894,052
Depreciation				
At 1 September 2011	747,669	647,127	42,507	1,437,303
On disposals	-	(163,394)	(2,161)	(165,555)
Charge for the year	300,755	253,816	12,739	567,310
At 31 August 2012	1,048,424	737,549	53,085	1,839,058
Net book value				
At 31 August 2012	2,829,648	1,204,329	21,017	4,054,994
At 31 August 2011	3,129,066	1,190,028	17,581	4,336,675

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

	Plant and machinery £
Net book values	
At 31 August 2012	10,501
At 31 August 2011	7,429
Depreciation charge for the year	
At 31 August 2012	2,923
At 31 August 2011	2,923

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

8 Stocks	2012 £	2011 £
Finished goods and goods for resale	867,062	623,012

UNITECH SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2012

9 Debtors	2012 £	2011 £
Trade debtors	886,025	1,065,388
Amounts owed by parent and fellow subsidiary undertakings	37,872	229,134
Other debtors	1,623	1,698
Prepayments and accrued income	68,222	26,550
	<u>993,742</u>	<u>1,322,770</u>

10 Creditors: amounts falling due within one year	2012 £	2011 £
Bank loans and overdrafts	2,850,000	3,050,000
Net obligations under hire purchase contracts	5,947	3,730
Trade creditors	122,447	299,995
Amounts owed to parent and fellow subsidiary undertakings	2,623,627	2,844,582
Corporation tax	174,245	61,670
Other taxes and social security costs	103,916	105,327
Accruals and deferred income	88,029	125,412
	<u>5,968,211</u>	<u>6,490,716</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

11 Creditors: amounts falling due after more than one year	2012 £	2011 £
Net obligations under hire purchase contracts	<u>3,484</u>	<u>3,715</u>
Net obligations under hire purchase contracts		
Repayable within one year	5,947	3,730
Repayable between one and five years	3,484	3,715
	<u>9,431</u>	<u>7,445</u>
Included in liabilities falling due within one year	<u>(5,947)</u>	<u>(3,730)</u>
	<u>3,484</u>	<u>3,715</u>

UNITECH SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2012

12 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 September 2011	70,884
Profit and loss account	(7,908)
	<hr/>
Balance at 31 August 2012	62,976
	<hr/> <hr/>

Deferred taxation provided in the financial statements is as follows

	Fully provided 2012 £	2011 £
Accelerated capital allowances	121,250	135,926
Other timing differences	(58,274)	(65,042)
	<hr/>	<hr/>
	62,976	70,884
	<hr/> <hr/>	<hr/> <hr/>

13 Accruals and deferred income

	Government grants £
Balance at 1 September 2011	250,159
Amortisation in the year	(7,352)
	<hr/>
Balance at 31 August 2012	242,807
	<hr/> <hr/>

14 Pension and other post-retirement benefit commitments Defined contribution

	2012 £	2011 £
Contributions payable by the group for the year	4,868	3,844
	<hr/> <hr/>	<hr/> <hr/>

UNITECH SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2012

15 Share capital	2012 £	2011 £
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 2011	99,000	156,729
Profit for the year	-	939,161
Balance at 31 August 2012	99,000	1,095,890

17 Reconciliation of movements in shareholders' funds	2012 £	2011 £
Profit for the financial year	939,161	377,609
Opening shareholders' funds	256,729	(120,880)
Closing shareholders' funds	1,195,890	256,729

18 Financial commitments

At 31 August 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 August 2013

	Other 2012 £	2011 £
Operating leases which expire		
Within one year	2,668	-
Between two and five years	4,160	-
	6,828	-

UNITECH SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2012

19 Employees

Number of employees

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

	2012 Number	2011 Number
Office and management	8	7
Sales staff	2	2
Production	31	26
	<u>41</u>	<u>35</u>

Employment costs

	2012 £	2011 £
Wages and salaries	820,205	769,309
Social security costs	82,240	67,420
Other pension costs	4,868	3,844
	<u>907,313</u>	<u>840,573</u>

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