Company Number: 06135746

UVENCO UK PLC

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2016

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CONTENTS **PAGE**

Financial Highlights

- Revenues (annualised) decreased by 8.9% (12 month period ended 31 March 2016 – decreased by 5.3%)

- Gross profit has increased from 52.0% to 56.4% due to improve stock control and price increases to customers

- Adjusted EBITDA * of £324,000 for the nine month period ended 31 December 2016 (12 month period ended 31 March 2016 – loss of £473,000)*

- Profit before taxation for the nine month period ended 31 December 2016 of £421,000 (12 month period ended 31 March 2016 – Loss of £3,659,000)

- Net assets of £982,000 (31 March 2016 - £517,000)

- Operating cash inflow for the period was £219,000 (12 month period ended 31 March 2016 - £787,000 outflow).

- Administration expenses, before exceptional items, amortisation but including depreciation, decreased by 7.6% (annualised) to £6,713,000 (12 month period ended 31 March 2016 – £9,684,000)**. Total administration expenses decreased by 21.2% (annualised) to £6,869,000 (12 month period ended 31 March 2016 - £11,630,000).

- Net debt has decreased from £2.5m at the end of 31 March 2016 to £1.5m at 31 December 2016.

**- Adjusted EBITDA is defined as profit before finance income and charges, depreciation, exceptional items, amortisation and loss on disposal of fixed assets and tax*
***- As set out on the Statement of Comprehensive Income*

UVENCO UK PLC
COMPANY INFORMATION
PERIOD ENDED 31 DECEMBER 2016

DIRECTORS:	J. Hamer (Non-Executive Chairman) S. Kornienko (Chief Executive Officer) B. Belotserkovsky (Non-Executive Director) M. Jackson (Non-Executive Director)
SECRETARY:	P. Goodman (appointed 30 June 2016)
REGISTERED OFFICE:	17 Rufus Business Centre Ravensbury Terrace London SW18 4RL
REGISTERED NUMBER:	06135746
AUDITOR:	BDO LLP Kings Wharf 20-30 Kings Road Reading Berkshire RG1 3EX
SOLICITORS:	Herrington and Carmichael 27 Broad Street Wokingham Berkshire RG40 1AU
BANKERS:	Barclays Bank 2nd Floor 1 Park Row Leeds LS1 5WU

I am pleased to present the audited financial statements for the nine month period ended 31 December 2016. It has been a period of considerable progress in reshaping the business. We are reporting a profit at both the adjusted EBITDA and pre-tax levels, as well as further reductions in borrowing levels. Unless otherwise detailed, current period figures are for the 9-month period to 31 December 2016, with comparative figures for the 12-month period to 31 March 2016.

Financials

Turnover was £10,857,000 (2016: £15,892,000) producing an adjusted EBITDA of £324,000 (2016: Loss £473,000). (Adjusted operating profit represents operating profit before depreciation, amortisation, loss on disposal of fixed assets and exceptional items). There was a small reduction in turnover on an annualised basis of 8.9% (2016: 5.3%). This was mainly due to management's focus on contract margin, which has resulted in fewer low margin contracts being entered into or renewed.

The profit before taxation for the period was £421,000 (2016 – Loss £3,659,000). This improvement was driven by improved gross margins and reduced overheads as well as the gain made on refinancing.

Gross margins improved by 4.4% to 56.4% (12 month period ended 31 March 2016 - 52.0%) due to improved stock control, customer price increases and the move away from certain lower margin business mentioned above.

Total administration costs for the period were £6,869,000 (12 month period ended 31 March 2016 - £11,630,000). This significant reduction is driven by the cost reduction focus discussed above.

Normalised operating margin increased to positive 3.0% from negative 3.0%. This was due to the improvements described above, such as improved purchasing and stock control and better control of overheads.

Finance costs increased to £407,000 for the nine month period ended 31 December 2016 (12 month period ended 31 March 2016 - £300,000) and net borrowings at 31 December 2016 had decreased to £1,522,000 (2016: £2,506,000) due an agreement made to pay off a long term loan, overdraft and unpaid finance costs of £2.6 million for a consideration of £1.0 million. A one off exceptional credit of £1,571,000 was created as a result of this agreement.

Net assets increased to £982,000 at 31 December 2016 compared to £517,000 at 31 March 2016.

The increase in EBITDA has driven a strong improvement in cash flow. Operating cash inflow for the period was £219,000 (12 month period ended 31 March 2016 - £787,000 outflow).

No dividend is proposed (12 month period ended 31 March 2016 - nil).

New Share Issue

On 24 November 2016 the company announced that certain Directors and management subscribed for 1,666,667 new shares at 6 pence per share to support the continuing restructuring of the Group. A further 200,000 shares were issued at the same time.

Banking and Borrowings

On 12 August 2016 the Group bought itself out of a long term loan. The company owed £2.6 million in total which it settled in full for £1.0 million borrowed from Reward Corporate Finance Ltd ('Reward'). At that point our core borrowing was based around a maximum limit of £1,365,000 from Reward together with £80,000 of shareholder loans. It is the Group's intention to re-finance as soon as we are able to achieve a lower rate of interest.

On 11 January 2017, post year end, the company announced that it had entered into a loan of £410,000 with Cleitus Investment Limited (CIL) a wholly owned subsidiary of Uvenco Group in Russia. This loan has an interest rate of 8% and is due for repayment in 12 equal instalments starting in January 2018. Prior to the period end, in November and December 2016 the Company received payments totalling £400,000 from CIL in relation to this loan, which are reflected in the Company's borrowings and net debt figures as at 31 December 2016. CIL is a company owned and controlled by Boris Belotserkovsky and therefore the £400,000 received during the period constituted a related party transaction (see Note 24).

On 27 June 2017, the company announced a further loan facility of £1.0 million with CIL again at an interest rate of 8%. The facility has been fully drawn down and the additional funding will be used to support the Group's continued turnaround. This £1.0 million loan is repayable in equal quarterly instalments beginning September 2019.

On 13 February 2017 the Group announced the sale of its Freehold in Corby for a gross sum of £328,000 showing a book profit of £201,000. Of these proceeds £240,000 was used to reduce the Reward facility to a maximum level today of £1,125,000.

On 1 April 2017, post year end, our day to day banking moved to Barclays plc bringing to a close our 6 year relationship with The Cooperative Bank.

Name Change

On 31 May 2016 we announced the name change of Snacktime plc to Uvenco UK plc (AIM ticker: UVEN).

Year End Change

The shortening of our reporting period to nine months will bring about the change in our year end to 31 December going forward. Thus our next full year reporting date will be 31 December 2017.

Operations and Strategy

We aim to provide our customers across all sectors with a market leading, innovative out of home food and drink experience. All aspects of our activities are now concentrating on this vision including our rebranded Uvenco website at www.uvenco.co.uk. Whether it is a freestanding hot drink machine or a snack and cold drink machine, we can provide a bespoke solution to satisfy any business requirements.

We have started moving forward with our two latest innovative products. The 24U application has been launched and is now available at certain of our locations. The 'Move' machine will be a good addition to our portfolio in the Public Sector. The first installations of these machines will take place in the second half of the year. Our investment in new machines has never been on hold. We are in the middle of the installation process for QE NHS in Birmingham.

The testing of our CRM software has started and our intention is to launch the full version at the beginning of January 2018 so that both Sales team and Customer Care managers work from within one system. The headcount of our Sales Team has significantly increased in 2016 while a newly appointed Customer Care team looks after our clients across the country.

Operations and Strategy (continued)

The new branded Uvenco cup will be introduced soon to increase the awareness of the Uvenco brand and with it the loyalty of our customers.

The sale of the Corby depot announced in February 2017 has resulted in a combining of the operational activities of the Midlands and the North, managed from our Blackburn depot.

However alongside this depot amalgamation we are studying the possibility of setting up two new depots to operate in Scotland and Northern Ireland in support of our aim to be a genuine second national operator.

Finally, on 28 June 2017 our route operator Joanne Cunliffe was awarded the Vendies 2017 "Route Operator of the Year" award. The award recognises an outstanding level of Uvenco service, represented by customer testimonies and judged by an independent panel of jury experts. This continues our success since the previous Vendies Awards in 2015, when our employees won the "Route Operator of the Year" and "Service Engineer of the Year" awards.

People

In June 2016 Peter Goodman was appointed Company Secretary and CFO designate and has continued reshaping the new Finance team based in Blackburn

I would like to take this opportunity to thank all of our staff, new and continuing, who have supported us through yet another period of intense change.

Current Trading & prospects

The positive EBITDA has continued into the start of 2017. In the early months of 2017 our sector has seen two important mergers and acquisitions announced and with such changes come opportunities. We have just won a major NHS contract in the Midlands and will see the launch of 24U our proprietary smart phone app imminently. This focus on customer service and innovation gives us a clear focus and increasing enthusiasm for the future.

Jeremy Hamer

Chairman

Date: 29 June 2017

EXECUTIVE DIRECTORS

Sergei Kornienko, *Chief Executive Officer*. Sergey Kornienko, has been the Chief Executive of Uvenco Group, a Russian manufacturer and operator of vending machines and other retail payment equipment, since 2009, having been its Chief Financial Officer since 2007. Prior to this he had been Head of Tax and subsequently CFO of Unicum Group since 2005. Previously, Sergei had been Chief Accountant of the Russian branch of IHS Energy (1999-2005) and of AO Mair (1995-1999) having graduated from the Academy of Finance, Moscow in 1998 with a PhD in Finance.

NON-EXECUTIVE DIRECTORS

Jeremy Hamer, *Chairman*, FCA has a unique professional background, which blends an early successful career in financial services and then the food industry, with a more recent array of mergers, acquisitions, fundraising and turnaround experience, with a prime focus on the AIM market. He currently acts as a non-executive director across a portfolio of publicly quoted companies, as well as being an active Board level executive coach.

Boris Belotserkovsky, is both a Russian and US citizen. He is Chairman and sole owner of Uvenco (www.uvenco.ru), Russia's leading vending company. He also has material shareholdings in Oplata LLC and Transvend CJSC which are both involved in vending. Mr Belotserkovsky is a President of the Russian National Vending Association and a Managing Director and a member of the executive committee of the European Vending Association.

Michael Jackson, MA FCA founded Elderstreet Investments Limited in 1990 and is its executive chairman. For the past 24 years, he has specialised in raising finance and investing in the smaller companies quoted and unquoted sector. From 1983 until 1987 he was a director and from 1987 until 2006 was chairman of FTSE 100 company The Sage Group plc. He was also Chairman of PartyGaming plc, another FTSE 100 company. He is Chairman of Netcall Plc and Advanced Computer Software Plc. He is also a director of Elderstreet portfolio companies, Fords Packaging Systems Limited, Baldwin & Francis Holdings Limited, AngloInfo Limited, and Access Intelligence plc. Michael studied law at Cambridge University, and qualified as a chartered accountant with Coopers & Lybrand before spending five years in marketing for various US multinational technology companies.

PRINCIPAL ACTIVITIES

The principal activities of the Group are the sale and operation of hot drink and snack vending machines, the operation of free on loan vending machines via a franchise division and the production and supply of “in-cup” drinks and associated equipment.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Chairman’s statement sets out the review of the business in the year and future developments.

RISKS AND UNCERTAINTIES

The operation of a public listed company involves a series of inherent risks and uncertainties across a range of strategic, commercial, operational and financial areas. The Board has outlined their perception of particular risks and uncertainties facing the Group below. These risks and uncertainties could cause the actual results to vary from those experienced previously or described in forward looking statements within the annual report:

- **Changing consumer trends**

  The emphasis of the Group’s sales has shifted towards hot drinks. This has reduced our exposure to the snack market which could be subject to future regulation relating to healthier eating. It is in the interests of the brands whose products we stock to develop either healthier snacks or to amend the recipe of their existing items to, for example, reduce fat and salt content as consumer tastes and trends change towards healthier products. The Group’s offering will evolve to meet that demand.

- **Liquidity Risk**

  Whilst the Group’s borrowing has reduced considerably during the period, day to day cash management still remains our priority while the operating cash generation of the Group is rebuilt. Details of equity raised and the renegotiation of the group’s debt is included in the Chairman’s statement.

- **Litigation and dispute risk**

  From time to time, the Group may be involved in litigation. This litigation may include, but is not limited to, contractual claims, personal injury claims, employee claims and environmental claims. If a successful claim is pursued against the Group, the litigation may adversely impact the sales, profits or financial performance of the Group. Any claim, whether successful or not, may adversely impact on the Company’s share price. The Group manages contracts through proactive relationship management and sensible dispute resolution and compromise. Furthermore the Group always aims to have a spread of contracts such the impact of a significant dispute on any individual contract would have a manageable overall impact on the business.

- **General economic conditions**

  Changes in the general economic climate in which the Group operates may adversely affect the financial performance of the Group. Factors which may contribute to that general economic climate include the level of direct and indirect competition against the Group, industrial disruption, the rate of growth of the Group’s sectors, interest rates and the rate of inflation. The directors do not believe that Britain’s decision to leave the EU has had a noticeable impact on the trading of the Group.

- **Key customer loss**
  The loss of a large contract or a significant customer may have a significant impact on revenue and margin. The Group manages this risk by avoiding key customer reliance. No customer provides more than 10% of overall Group revenue. Furthermore a constant pipeline of new contracts ensures that losses are replaced and the impact of the loss is minimised.

- **Covenants compliance**

  Since 12 August 2016 the covenants in place under the Reward agreement include the settlement of interest charges monthly as they fall due and the need to ensure there is not a material deterioration of trade. If the Group defaults on this these commitments Reward are empowered to foreclose on their loan with immediate effect. The Group monitors its interest cover on a monthly basis to ensure it is adequate. If the interest cover fell below an acceptable level the Group would have pro-active discussions Reward. The Group has a letter of support from Partner Invest LLC for up to £500,000 should a default occur.

- **Product price changes**

  The purchase price of products distributed by the Group can fluctuate from time to time, thereby potentially affecting the results of operations. Adverse economic conditions and rising input prices may impact the Group's revenue and, as a result, its profitability. During the year there were significant price rises in confectionary due to the impact of Brexit. These have been passed on to customers through price increases of approximately 7%.

  The Group mitigates risks over stock by managing stock levels efficiently and ensuring they are kept to a minimum.

KEY PERFORMANCE INDICATORS

Key performance indicators are used to measure and control both financial and operational performance. Revenue growth and normalised operating margin are tracked to ensure plans are on track and corrective actions taken where necessary.

	9 months ended 31 December 2016	12 months ended 31 March 2016 (Restated)
Revenue growth[1]	(8.9%)	(5.3%)
Normalised operating margin[2]	3.0%	(3.0%)

1 Revenue growth = Revenue increase as a percentage of the previous year per the consolidated statement of comprehensive income, adjusted for length of period.

2 Normalised operating margin is calculated by dividing adjusted operating profit/(Loss) by Revenue. Adjusted operating profit represents operating profit before depreciation, amortisation, loss on disposal of fixed assets and exceptional items.

FINANCIAL INSTRUMENTS

At the period end the Group's financial instruments comprise redeemable and convertible loan notes, and an invoice discounting facility, hire purchase and finance leases, cash and liquid resources, and various items arising directly from its operations, such as trade receivables and trade payables. The main purpose of these financial instruments is to finance the Group's operations

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk.

Full details of the Group's financial assets and liabilities are set out in Notes 16 - 18 and Note 22 to the financial statements.

Liquidity risk

Short term flexibility is available through existing bank facilities and the netting off of surplus funds.

Interest rate risk

The Group's hire purchase contracts and convertible loan are at a fixed rate of interest and so cash flow is not affected by interest rate or cash flow risk. The Group is not exposed to interest rate fluctuations as its invoice discounting facility is at a fixed interest rate.

Credit risk

The Group's principal financial assets are cash and trade receivables. The credit risk in relation to trade receivables is minimised by ensuring that customer relationships are nurtured and monies are collected as they fall due.

On-going management services fees due from the franchisees are in many cases secured over franchisees' properties in the event of non-payment. At the end of the period a provision of £309,000 was made against trade receivables which relate to historic debts that were not deemed recoverable.

EXCEPTIONAL ITEMS

Included within the financial statements are exceptional costs of £105,000 (year ended 31 March 2016 – £1,787,000).

Full details of exceptional items are included in Note 5 of the financial statements.

Exceptional items in the year ended 31 March 2016 and the period ended 31 December 2016 denoted as redundancy costs are a part of the continued restructuring of the Group.

Within the finance income in the nine month period ended 31 December 2016 there is an exceptional one off credit of £1,571,000. This was due to the settlement of a £2.6 million term loan, overdraft and finance costs unpaid for a consideration of £1.0 million.

GOING CONCERN

The Directors have drawn up these financial statements on a going concern basis. The reasons supporting this position are outlined in the accounting policy Note 1.

ACCOUNTING PERIOD

The financial period represents the nine months to 31 December 2016 (prior financial period is 12 months to 31 March 2016).

This report was approved by the Board on 29 June 2017 and is signed on its behalf by

Sergei Kornienko

Chief Executive Officer

The Directors present their report and the audited financial statements for the period ended 31 December 2016.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the strategic report, the director's 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 group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the company 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 Group and company and of the profit or loss of the Group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

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 they have been prepared in accordance with IFRSs as adopted by the European Union, 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 requirements of 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.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

DIVIDENDS

The Directors do not recommend payment of a dividend in respect of the period ended 31 December 2016 (12 months ended 31 March 2016: £Nil).

The Directors who served during the period and their direct beneficial interest in the issued share capital were:

Ordinary shares of £0.02 each	**Ordinary Shares 31 December 2016**	Ordinary Shares 31 March 2016
B. Belotserkovsky	**2,533,067**	1,616,400
M. Jackson	**2,031,971**	1,781,971
J. Hamer	**1,969,967**	1,719,967
S. Kornienko	**600,000**	600,000

Of the above holdings the following were held via their individual SIPP's – J. Hamer 1,969,967 and M. Jackson 1,523,971.

At 31 December 2016, the Belotserkovsky concert party held 41,126,683 ordinary shares in the company representing 53.7%.

M. Jackson indirectly held a beneficial interest in 4,963,150 and 1,796,296 ordinary shares in the company via his Directorship and shareholding in Elderstreet Investments Ltd, and Elderstreet VCT plc respectively M.Jackson also had a beneficial interest in 1,141,588 ordinary shares held by the Trustees of the WE Jackson Trust of which his 'minor' daughter is a beneficiary. In total these holdings represent 10.1%.

J. Hamer had a de minimis interest via his shareholding in both Elderstreet VCT plc (approximately 0.35%) and Unicorn AIM VCT plc (approximately 0.1%).

As at the end of the period the Directors had no interest in share options.

The Directors' remuneration is shown in Note 7 to the financial statements.

CAPITAL

The capital structure of the Group consists of debt, which includes the borrowings, finance leases and redeemable and convertible loan notes disclosed in Note 17, cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, warrant reserve, merger reserve, capital redemption reserve and retained earnings as disclosed in Note 20.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

SUBSTANTIAL INTERESTS

There were the following substantial interests (3% or more) in the Company's issued ordinary share capital as at 2 May 2017.

Versatel Company Limited*	31.1%
Mrs V. Belotserkovskaya	15.5%
Vidacos Nominees Limited	14.2%
Unicorn Asset Management Limited	12.4%
Elderstreet Investments Limited	6.8%
Uvenco Holdings Limited	3.0%

*The Belotserkovsky Concert Party of which Versatel Company Limited is a part, holds an interest in 53.7% of the Company's issued ordinary share capital. Versatel Company Limited is deemed to be a part of the Concert Party as a result of the business relationship between its owner and Boris Belotserkovsky.

DIRECTORS' INDEMNITIES

The Company has paid £3,250 for the nine month period ended 31 December 2016 (12 month period ended 31 March 2016 - £5,250) in respect of Directors' and Officers' indemnity insurance.

REPORT ON CORPORATE GOVERNANCE

The Group is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good corporate governance. Although the Group is not required to comply with the UK Corporate Governance Code, this statement describes how the principles of corporate governance are applied to the Group.

Directors

The Board of Uvenco UK plc comprises one Executive Director and three Non-executive Directors. The Board is chaired by J.J.Hamer, who has the primary responsibility for running the Board, and he is assisted by the Senior Independent Non-executive Director M.E.W.Jackson,.

S.Kornienko has executive responsibilities for the remaining operations, results and strategic development of the Group. Peter Goodman is acting as Head of Finance and Company Secretary. The Board structure ensures that no individual or group dominates the decision making process and this is further controlled through a Relationship Agreement signed in November 2014, a copy of which is available in the Takeover Code section Rule 9 waiver.

B.Belotserkovsky is not deemed an independent Director due to his Concert Party controlling 53.7% of the shares currently in issue. S.Kornienko is deemed to be a member of the Belotserkovsky Concert Party. J.J.Hamer and M.E.W.Jackson are considered to be independent of both the management and the Concert Party and from any business relationship, which could materially interfere with their independent judgment.

The Board meets regularly with no less than ten such meetings held in each calendar year. There is a formal schedule of matters specifically reserved for the Board however its decisions enable it to manage overall control of the Group's affairs. All Directors have access to the services of the Company Secretary and may take independent professional advice at the Group's expense in the furtherance of their duties. Management has an obligation to provide the Board with appropriate and timely information to enable it to discharge its duties. The Chairman ensures that all Directors are properly briefed on issues arising at Board meetings.

At the present time the Group does not have a separate Nominations Committee preferring to deal with any Board appointments at our regular Board meetings. This would include the decision to recommend the appointment, or re-appointment, of a Director.

The Company's Articles of Association ensure Directors retire at the third Annual General Meeting after the Annual General Meeting at which they were elected and may, if eligible, offer themselves for re-election.

M.E.W.Jackson chairs the Audit Committee and J.J.Hamer chairs the Remuneration Committee. The Non-executive Directors and the Chairman are members of all the above committees.

Directors' remuneration

The remuneration packages for Executive Directors are structured to attract, motivate and retain Directors with the experience, capabilities and ambition required to achieve the Group's strategic aims. The Remuneration Committee is responsible for determining and reviewing the annual remuneration packages of Executive Directors.

The salaries of the Executive Directors are set by the committee and reviewed annually, taking into account the performance of the Group, and the individual, and salary increases given to other Group employees.

Relations with shareholders

The Board attaches a high importance to maintaining good relationships with shareholders, whether institutional or private ones. The Board encourages all Directors to attend shareholder meetings enabling the Board to develop an understanding of the views of shareholders.

The Company counts all proxy votes and except where a poll is called, it indicates the level of proxies lodged on each resolution and the balance for and against the resolution, after it has been dealt with on a show of hands.

A separate resolution on each substantially separate issue is proposed at the Annual General Meeting. The Chairman of the Board and each of the Chairmen of the Audit and Remuneration Committees, are available to answer questions at the Annual General Meeting.

Accountability and Audit

The respective responsibilities of Directors and Auditors are set out in the Annual Report. The Board has established an Audit Committee. The Audit Committee's primary responsibilities include monitoring of internal control, approving accounting policies, agreeing the treatment of major accounting issues, appointment and remuneration of the external auditors and reviewing the interim and financial statements before submission to the Board. It meets at least once a year with the external auditors to review their findings. At these meetings the Non-executive Directors have the opportunity to discuss findings with the auditors in the absence of the Executive Directors.

To follow best practice and in accordance with Ethical Standard 1 issued by the Financial Reporting Council, the external auditors have discussions with the audit committee on the subject of auditor independence and have confirmed their independence in writing.

Internal control

The Directors acknowledge that they are responsible for ensuring that the Group has in place a system of internal controls, which is both effective and appropriate to the nature and size of the business.

The Board, through the Audit Committee, has reviewed the operation and effectiveness of the systems of internal control throughout the accounting year and the period to the date of approval of the financial statements, although it should be understood that such systems are designed to provide reasonable but not absolute assurance against material misstatement or loss. The Group's system of controls include:

- A comprehensive budgeting system with annual budgets approved by the Directors;
- Monthly monitoring of actual results against budget and a review of variances;
- Close involvement of Directors who approve all significant transactions;
- Internal management rules which include financial and operating control procedures for all management of the Group;
- Identification and appraisal by the Board of the major risks affecting the business and the financial controls;
- Bank facilities and other treasury functions are monitored and policy changes approved by the Board.

The Board has considered the need for an internal audit function and concluded that this would not be appropriate at present due to the size of the Group.

FINANCIAL INSTRUMENTS

Details of the Group's financial instruments are included within the Strategic Report on Page 11 and Note 22 of the Financial Statements.

EMPLOYEE INVOLVEMENT

The Group aims to improve the performance of the organisation through the development of its employees. Their involvement is encouraged by means of team working and improving communications throughout the Group.

The Group could be adversely impacted if it failed to manage health and safety effectively. The Board of the Group believes the safety of its employees, contractors and suppliers is fundamentally important. A Group compliance programme is in place which ensures that all legal obligations are adhered to. Health and safety is discussed at the monthly Board meetings.

DISABLED EMPLOYEES

The Group is committed to equality of employment and its policies reflect a disregard of factors such as disability in the selection and development of employees. The Group is involved in various initiatives which promote a positive understanding of disability and the integration of the disabled into the workforce.

POST BALANCE SHEET EVENTS AND FUTURE DEVELOMENTS

On 7 January 2017 the Group exchanged contracts on the sale of its property in Corby, with completion on 27 January. This is as a result of a development in our stock management, as stock is now being delivered directly to operators rather than held in a warehouse, which will result in significant savings.

The property sale was in excess of the book value and resulted in a profit on disposal of £201,000 which will be reported in the 2017 financial statements.

AUDITORS

BDO LLP have expressed their willingness to continue in office as auditor and a resolution proposing their reappointment will be submitted at the forthcoming Annual General Meeting.

This report was approved by the Board on 29 June 2017 and is signed on its behalf by

Jeremy Hamer

Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UVENCO UK PLC

We have audited the financial statements of Uvenco UK plc for the 9 month period ended 31 December 2016 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Financial Position and Company Balance Sheet, the Consolidated Statement of Cash Flows, and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2016 and of the group's profit for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent company 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.

Christopher Pooles (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Reading
29 June 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC30512

UVENCO UK PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

PERIOD ENDED 31 DECEMBER 2016

	Notes	9 month period ended 31 December 2016	12 month period ended 31 March 2016 (Restated)
		£000	£000
REVENUE	3	**10,857**	15,892
Cost of sales		**(4,731)**	(7,621)
GROSS PROFIT		**6,126**	8,271
Administration expenses		**(6,869)**	(11,630)
Adjusted EBITDA		**324**	(473)
Depreciation	12	**(566)**	(914)
Amortisation	13	**(51)**	(159)
Loss on disposal of property, plant and equipment	5	**(345)**	(26)
Exceptional items	5	**(105)**	(1,787)
OPERATING LOSS	5	**(743)**	(3,359)
Finance Income - Exceptional profit on refinancing	6	**1,571**	-
Finance costs	6	**(407)**	(300)
PROFIT/(LOSS) BEFORE TAXATION		**421**	(3,659)
Income tax (charge)/credit	10	**(67)**	136
PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE OWNERS OF THE PARENT		**354**	**(3,523)**
Profit/(loss) per share attributable to the owners of the parent			
Basic profit/(loss) per share	11	0.5p	(8.1)p
Diluted profit/(loss) per share	11	0.5p	(8.1)p

All operations are continuing. The Notes on pages 25 to 61 form part of these financial statements.

UVENCO UK PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

PERIOD ENDED 31 DECEMBER 2016

GROUP	Issued share capital	Share premium account	Capital redemption reserve	Share option reserve	Convertible debt option reserve	Warrant reserve	Retained deficit	Total
	£	£	£	£	£	£	£	£
Balance at 27 March 2015	643	10,401	1,274	375	147	2,236	(14,059)	1,017
Issue of shares in the year (net of proceeds)	440	684	-	-	-	-	-	1,124
Loan notes converted	409	1,636	-	-	-	-	-	2,045
Retained loss for the year	-	-	-	-	(147)	-	(3,523)	(3,670)
Balance at 31 March 2016	1,492	12,721	1,274	375	-	2,236	(17,582)	516
Issue of shares in the period	37	75	-	-	-	-	-	112
Retained profit for the period	-	-	-	-	-	-	354	354
Balance at 31 December 2016	1,529	12,796	1,274	375	-	2,236	(17,228)	982

The Notes on pages 25 to 61 form part of these financial statements

UVENCO UK PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
PERIOD ENDED 31 DECEMBER 2016

COMPANY NUMBER - 06135746

	Notes	**31 December 2016**	31 March 2016
		£000	£000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	12	**2,914**	3,532
Intangible assets	13	**719**	771
		3,633	4,303
CURRENT ASSETS			
Inventories	15	**897**	888
Trade and other receivables	16	**1,802**	1,866
Cash and cash equivalents		**289**	292
		2,988	3,046
TOTAL ASSETS		**6,621**	7,349
LIABILITIES			
CURRENT LIABILITIES			
Borrowings	17	**(1,312)**	(1,422)
Trade and other payables	18	**(3,604)**	(3,796)
		(4,916)	(5,218)
NON CURRENT LIABILITIES			
Borrowings	17	**(499)**	(1,376)
Deferred tax liability	14	**(224)**	(238)
		(723)	(1,614)
TOTAL LIABILITIES		**(5,639)**	(6,832)
NET CURRENT LIABILITIES		**(1,928)**	(2,172)
NET ASSETS		**982**	517
EQUITY – ISSUED SHARE CAPITAL ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY			
Share capital	19	**1,529**	1,492
Share premium account	20	**12,796**	12,722
Capital redemption reserve	20	**1,274**	1,274
Share option reserve	20	**375**	375
Warrant reserve	20	**2,236**	2,236
Retained deficit	20	**(17,228)**	(17,582)
TOTAL EQUITY		**982**	517

These financial statements were approved by the Board of Directors and authorised for issue on 29 June 2017.They were signed on its behalf by:

Sergei Kornienko

The Notes on pages 25 to 61 form part of these financial statements.

UVENCO UK PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

PERIOD ENDED 31 DECEMBER 2016

	9 month period ended 31 December 2016	12 month period ended 31 March 2016
	£000	£000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Tax	**421**	(3,659)
Finance costs	**407**	300
Exceptional finance income	**(1,571)**	-
Loss on disposal of fixed assets	**345**	26
Depreciation of property, plant and equipment	**566**	914
Amortisation of intangible assets	**51**	159
Impairment of Intangible and tangible assets	**-**	1,473
Operating cash inflow/(outflow)	**219**	(787)
(Increase)/Decrease in inventories	**(9)**	234
Decrease in receivables	**64**	71
(Decrease)/Increase in payables	**(274)**	4
Increase/(Decrease) in provisions	**-**	(64)
Cash generated from operations	**-**	(542)
Interest paid	**(407)**	(209)
Net cash expenditure from operating activities	**(407)**	(751)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds on disposal of property, plant and equipment	**18**	-
Purchase of property, plant and equipment	**(135)**	(596)
Net cash used in investing activities	**(117)**	(596)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings net of costs	**1,373**	-
Repayment of borrowings	**(269)**	(219)
Net finance lease payments	**(60)**	(86)
Proceeds from issue of shares	**112**	1,124
Net cash generated from financing activities	**1,156**	819
NET INCREASE/(DECREASE)		
IN CASH AND CASH EQUIVALENTS	**632**	(528)
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of year	**(343)**	185
Cash and cash equivalents at the end of the year	**289**	(343)
Cash and cash equivalents comprise:		
Cash	**289**	292
Overdrafts	**-**	(635)
	289	(343)

1 PRESENTATION OF FINANCIAL STATEMENTS

General information

Uvenco UK plc is a public limited company incorporated in England and Wales under the Companies Act (registered number 06135746). The Company is domiciled in the United Kingdom and its registered address is 17 Rufus Business Centre, Ravensbury Terrace, London, SW18 4RL. The Company's shares are traded on the AIM market of the London Stock Exchange.

Basis of preparation

These consolidated financial statements are presented on the basis of International Financial Reporting Standards (IFRS) as adopted by the European Union and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and have been prepared in accordance with AIM rules and the Companies Act 2006, as applicable to companies reporting under IFRS.

These consolidated financial statements have been prepared in accordance with the accounting policies set out in Note 2.

All companies in the Group use sterling as presentational and functional currency. The financial period represents the nine months to 31 December 2016 (prior financial period is the year ended 31 March 2016).

Going concern

Accounting standards require the Directors to consider the appropriateness of the going concern basis when preparing the financial statements and if necessary to explain how they have reached their conclusion. The Directors have taken notice of the Financial Reporting Council guidance on the going concern basis of accounting and reporting on solvency and liquidity risks

The Group made a profit after tax of £0.4 million for the period ended 31 December 2016 and had net current liabilities of £1.9 million and net assets of £1.0 million as at that date. During the period the Group re-financed with Reward Invoice Finance Limited ("Reward") and was able to write off £1.6 million of bank borrowings, overdrafts and unpaid finance costs through negotiation with its predecessor lenders. The total Group net debt has therefore reduced significantly to approximately £1.5 million. Provided the terms of the agreement are complied with the current Reward facility of £1.1 million will remain in place until an extended date of 31 August 2018, after which it can be called in at one month's notice. The agreement may be terminated by the Company by giving one month's notice should alternative finance be found.

Management have prepared a cash flow forecast for the period to 31 December 2018. Whilst the Directors have continued to reduce the operating costs of the Group and improve the performance of the vending estate there was limited cash headroom in the forecast based on the above extension to the Group's existing facility.

As a result of the above, on 27 June 2017, an additional three year loan facility of £1.0m was agreed with Cleitus Investments Limited (CIL), a wholly owned subsidiary of Uvenco Russia LLC and member of the Belotserkovsky concert party. The facility has been fully drawn down in order to provide support for the Group's working capital position.

In order to satisfy themselves that the going concern basis remains appropriate the Directors have taken into account the above facility from Cleitus Investments Limited and the personal guarantee given by the Group's majority shareholder Mr Belotserkovsky to Reward, in respect of the financing facility, should a breach in the terms of that facility occur.

1 PRESENTATION OF FINANCIAL STATEMENTS *(continued)*

Mr Belotserkovsky has undertaken not to call in any amounts due to him, or any entity controlled by him, by the Group should that guarantee, in respect of the Reward facility, be called upon, for a period up to at least 31 August 2018. Furthermore, the new loan from Cleitus Investments Limited is repayable in equal quarterly instalments beginning September 2019.

Finally, Mr Belotserkovsky has provided a letter of intent that Partner Invest LLC, a company owned and controlled by his family will provide up to a maximum of £500,000 to provide additional funds to the Company should such funds be required. The letter of intent and the undertaking not to recall any amounts advanced under the guarantee are not legally binding. The board are also considering further options to realise cash from the Group's asset base should it be required to fund further working capital requirements.

Based on the above the directors have concluded that there are no material uncertainties that lead to significant doubt upon the group and company's ability to continue as a going concern meeting their liabilities as they fall due. The financial statements have therefore been prepared on a going concern basis.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not effective for the period ended 31 December 2016 and therefore have not been applied in preparing these accounts. The effective dates shown are for periods commencing on the date quoted.

IFRS 9 Financial Instruments and subsequent amendments

On 24 July 2014, the IASB published the complete version of IFRS 9, Financial instruments, which replaces most of the guidance in IAS 39. This includes amended guidance for the classification and measurement of financial assets by introducing a fair value through other comprehensive income category for certain debt instruments. It also contains a new impairment model which will result in earlier recognition of losses. No changes were introduced for the classification and measurement of financial liabilities, except for the recognition of changes in own credit risk in other comprehensive income for liabilities designated at fair value through profit or loss. IFRS 9 also includes a new hedging guidance. It will be effective for annual periods beginning on or after 1 January 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies how and when a company will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles-based five-step model to be applied to all contracts with customers as follows:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 was issued in May 2014 and will be effective 1 January 2018, This replaces IAS 11—Construction Contracts, IAS 18—Revenue, IFRIC 13—Customer Loyalty Programmes, IFRIC 15—Agreements for the Construction of Real Estate, IFRIC 18—Transfers of Assets from Customers and SIC 31—Revenue—Barter Transactions involving Advertising Services.

1 PRESENTATION OF FINANCIAL STATEMENTS *(continued)*

IFRS 16, Leases

On January 13, 2016, the IASB issued IFRS 16, Leases, which provides lease accounting guidance. Under the new guidance, lessees will be required to present right-of-use assets and lease liabilities on the statement of financial position. At the lease commencement date, a lessee is required to recognise a lease liability, which is the lessee's discounted obligation to make lease payments arising from a lease, as well as a right of use asset, representing the lessee's right to use, or control the use of, a specified asset for the lease term. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019, subject to endorsement by the European Union.

Earlier application is permitted for entities that apply IFRS 15, Revenue from Contracts with Customers, at or before the initial application of IFRS 16.

The directors are currently reviewing the impact of the above-mentioned Standards and Interpretations. The review of the IFRS 15 impact is in progress and a conclusion has yet to be drawn. The directors consider that IFRS 16 will have a material impact on the financial statements due to the number of off balance sheet lease arrangements open at the effective date.

The other standards, interpretations and amendments issued by the IASB (of which some still subject to endorsement by the European Union), but not yet effective are not expected to have a material impact on the Group’s future consolidated financial statements.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The principal areas where judgement was exercised are as follows:

- An impairment of intangible and tangible fixed assets has the potential to significantly impact upon the Group’s statement of comprehensive income for the year. In order to determine whether impairments are required the Directors estimate the recoverable amount of the intangibles. This calculation is based on the cash flow forecasts applicable to the Group of cash-generating units for the following financial year extrapolated over a five year period assuming no growth. A discount factor, based upon the Group’s weighted average cost of capital is applied to obtain a current value (‘value in use’). The fair value less costs to sell of the cash generating unit is used if this results in an amount in excess of value in use. Any potential impairment is allocated first against intangible fixed assets and then against tangible fixed assets.

- Estimated future cash flows for impairment calculations are based on management’s expectations of future volumes and margins based on plans and best estimates of the productivity of the income generating unit in their current condition. Future cash flows therefore exclude benefits from major expansion projects requiring future capital expenditure. These cashflows and discount rates have been sensitised to assess the impact of a variety of scenarios

- Future cash flows are discounted using a discount rate based on the Group’s weighted average cost of capital. The weighted average cost of capital is impacted by estimates of interest rates, equity returns and market related risks. The Group’s weighted average cost of capital is reviewed on an annual basis. The net book value of tangible and intangible assets are shown in Note 12 and Note 13 respectively.

- Property, plant and equipment includes the value of the vending machine estate. The Directors annually assess both the residual value of these assets and the expected useful life of such assets. The net book value of property, plant and equipment is shown in Note 12).

- The Directors have estimated the useful economic lives of intangible assets. The economic lives and the amortisation rates are reviewed annually by the Directors.

- The Group receives branding fees to contribute to the installation and refurbishment of vending machines. The Directors are required to assess the amounts receivable at each reporting date and whether all the conditions have been met. Where conditions have been met these are recognised within income.

- The sales from vending machines disclosed are recognised at the point of sale to the customer. At each year end, the Directors are required to make an estimate of sales where the vending machine has not been emptied or inspected at the period end date.

- The convertible loan notes disclosed in Note 17 has not been split between the debt and equity element on the basis that it is not material to the Company or the Group.

2 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

a) Basis of consolidation
The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings. The merger method of accounting was adopted in respect of the Group reconstruction involving Uvenco UK Plc and SnackTime UK Limited. The acquisitions of Snack in a Box Limited and Vendia UK Limited were accounted for using acquisition accounting in accordance with IFRS 3 "Business Combinations (Revised)".

Intra-group revenues and profits are eliminated on consolidation and all revenue and profit figures relate to external transactions only.

b) Cost of sales
Cost of sales represents amounts payable for supplies of products for resale.

Certain site and location owners are paid rebates based on the revenue generated from those vending machines in lieu of site rentals. The amounts due are recognised as a cost of sale in the period in which the revenue has been generated as a turnover based rental.

Prior year adjustment
In previous periods turnover based rent was accounted for as a deduction from revenue. During the year the directors reassessed this accounting treatment and concluded that turnover based rent should be presented as an expense within cost of sales.

As a result the prior year revenue and cost of sales figures have been restated resulting in an increase in both by £575,000. This adjustment is a presentational reclassification only, there is no impact on the gross profit, net profit, cash flows or net assets of the group in either the current or prior year.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

c) Revenue recognition

Revenue is measured by reference to the fair value of consideration received or receivable by the Group for goods and services supplied, excluding VAT and trade discounts. Revenue for goods sold from vending machines is recognised at the date of sale. Revenue in respect of installation and refurbishment of branded vending machines (brand fees) is recognised at the date of installation or refurbishment provided all of the stipulated conditions have been met. If the conditions have not been met at the date of installation or refurbishment the revenue will be recognised only when the Directors assess that the conditions have been met. Franchising fees are recognised when the franchisee starts trading.

d) Income tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

Deferred tax is recognised on all temporary differences. This involves comparison of the carrying amount of assets and liabilities in the consolidated financial statements with their respective tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax liabilities are provided for in full. Deferred tax assets and liabilities are calculated without discounting, at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (tax laws) that have been enacted or substantively enacted by the balance sheet date. All changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be recognised and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

e) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment provisions.

Depreciation is provided to write off the cost, less the estimated residual value of property, plant and equipment by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	-	over the term of the lease
Plant & machinery	-	10 - 25% straight line basis
Fixtures, fittings & equipment	-	25% straight line basis
Motor vehicles	-	25% straight line basis
Buildings	-	2 - 4% straight line basis

Impairment reviews of property, plant and equipment are undertaken if there are indications that the carrying values may not be recoverable or that the recoverable amounts may be less than the asset's carrying value.

f) Intangible assets

In accordance with 'IFRS 3 Business Combinations (Revised)', an intangible asset acquired in a business combination is deemed to have a cost to the Group of its fair value at the acquisition date.

After initial recognition, intangible assets are carried at deemed cost less any accumulated amortisation and any accumulated impairment losses. Impairment reviews are conducted annually from the first anniversary following acquisition, where indicators of impairment arise.

Brands are amortised to the income statement over their estimated economic life on a reducing balance basis. The average useful economic life of brands has been estimated at 15 years.

f) Invoice discounting

The invoice discounting facility has been provided with a right of recourse whereby the obligation following non-performance of the secured debtor balance remains with Uvenco. As such, the trade receivables impacted have not been de-recognised.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

g) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment indicators annually and when events or circumstances suggest that the carrying amount may not be recoverable, an impairment test is performed. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Impairment losses on goodwill are not reversed.

The gain or loss arising on the disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the income statement.

h) Leases

Where a lease is entered into which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a Finance lease. The asset is recorded in the balance sheet as an item of property, plant and equipment and is depreciated over the shorter of its estimated useful life or the term of the lease.

Future instalments under such leases, net of finance charges, are included within payables. Rentals payable are apportioned between the finance element, which is charged to the income statement, and the capital element, which reduces the outstanding obligation for future instalments. Land and building elements of lease agreements are separately assessed in accordance with IAS 17.

All other leases are treated as operating leases and the rentals payable are charged on a straight line basis to the income statement over the lease term.

i) Inventories

Inventories are stated at the lower of purchase cost from third parties and net realisable value on a first in first out basis. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

k) Share-based payments

The Group has applied the requirements of IFRS 2 'Share-based payment'.

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. Where services are from employees fair value is determined indirectly by reference to the fair value of the instrument granted. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital and share premium.

Fair value is measured based upon a Black-Scholes pricing model.

l) Financial instruments

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are recorded initially at fair value, net of direct issue costs.

Financial liabilities are subsequently recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the income statement. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to the income statement on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual terms of the instrument.

Bank borrowings

Bank loans and overdrafts are initially recorded at fair value. Finance charges including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis to the income statement using the effective interest method and are added to the carrying value of the instrument to the extent that they are not settled in the period in which they arise.

Convertible Loan

The convertible loan notes disclosed in Note 17 have not been split between the debt and equity element on the basis that it is not material to the Company or the Group.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Trade payables
Trade payables are not interest bearing and are stated at their fair value on initial recognition. They are then accounted for using the effective interest rate method.

The Group classifies all its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary asset.

Trade receivables are initially recognised by the Group and carried at original invoice amount less an allowance for any uncollectible or impaired amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when they are identified as being bad. Other receivables are recognised at fair value.

Cash and cash equivalents in the statement of financial position comprise cash at bank, cash in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the consolidated cash flow statement.

Impairment is recognised if there is objective evidence that the balance will not be recovered.

The Group’s loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

m) Equity instruments
Equity instruments, which are detailed below, issued by the Group are recorded at the proceeds received, net of direct costs except for warrants, share options and convertible loans which are recorded at fair value at the time of issue.

Equity comprises the following:

- “Share capital” represents the nominal value of equity shares.
- “Share premium” represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- “Capital redemption reserve” which arose on the redemption of shares.
- “Retained earnings” represents retained profits.
- “Share option reserve” relates to the Company’s share option scheme detailed in Note 21.
- “Warrants reserve” represents the fair value at the time the warrants were issued.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

n) Pensions

The Group did not contribute to personal pension plans for the Directors. Contributions were made to defined contribution pension schemes for certain employees. The amount charged to the Income Statement in the year represents the amount payable in respect of that year.

o) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Chief Executive Officer.

p) Exceptional Items

It is the Group's policy to show items that it considers are non-recurring and of a significant nature separately on the face of the Consolidated Statement of Comprehensive Income in order to assist the reader to understand the financial statements. The Group defines exceptional items as those that are material in respect of their size and nature, for example, a major restructuring of the activities of the Group.

Summary details of exceptional costs and income are shown in Note 5 and Note 6.

q) Invoice discounting facility

The invoice discounting facility has been provided with a right of recourse whereby the obligation following non-performance of the secured debtor balance remains with Uvenco. As such, the trade receivables impacted have not been de-recognised.

3 REVENUE

The total turnover of the Group for the period/year has been derived from the principal activities. The geographical analysis of the Group's turnover is as follows:

	9 months ended 31 December 2016 £000	12 months ended 31 March 2016 (Restated) £000
United Kingdom	**10,512**	15,728
European Union excluding United Kingdom	**169**	107
Other export	**176**	57
	10,857	15,892

4 AUDITOR'S REMUNERATION

The analysis of auditor's remuneration is as follows:

	9 months ended 31 December 2016 £000	12 months ended 31 March 2016 £000
Fees payable to the Company's auditors for the audit of the Company's financial statements		
Total audit fees	**45**	55
Fees payable to the Group's auditors for other services to the Group		
The audit of the Company's subsidiaries pursuant to legislation	**38**	55
Other services in relation to taxation	**-**	15
All other services	**6**	20
	44	90
	89	145

5 LOSS FROM OPERATIONS

	9 months ended 31 December 2016	12 months ended 31 March 2016
	£000	£000
This is stated after charging/(crediting):		
Depreciation of property, plant and equipment		
- owned by the Group	**522**	855
- held under finance leases	**44**	59
Loss on disposal of property, plant and equipment	**345**	26
Exceptional costs	**105**	1,787
Amortisation of intangible assets	**51**	159
Rentals under operating leases:		
- Land and building	**108**	115
- Plant and machinery	**281**	545

Exceptional costs comprise of:

	9 months ended 31 December 2016	12 months ended 31 March 2016
	£000	£000
Restructuring and redundancy costs	**97**	169
Property costs relating to relocation	**-**	22
Professional fees on restructuring	**8**	91
Impairment of fixed assets	**-**	1,156
Impairment of intangible assets	**-**	317
Refinancing costs	**-**	32
Exceptional costs included in administration costs and operating loss	**105**	1,787

Exceptional costs in 2016 denoted as restructuring and redundancy costs are connected with the continued restructuring of the Group.

The impairment of intangible assets for the year ended 31 March 2016 relates to the brand and customer list intangibles as well as an impairment to the specialist drinks division. The impairments arose following difficult trading conditions and the loss of a key customer.

6 FINANCE INCOME AND EXPENSES

	9 months ended 31 December 2016	*12 months ended 31 March 2016*
	£	*£*
Interest on bank loans and overdrafts	**316**	172
Interest on other loans	**40**	96
Interest on obligations under finance leases	**51**	32
	407	300

During the period the Group made an exceptional gain of £1.6 million after agreeing to settle a loan, overdraft and unpaid finance costs of £2.6 million for a consideration of £1.0 million.

7 DIRECTORS' REMUNERATION

The emoluments of the Directors for the period were as follows:

	Salary	**Fees**	**Total**	Total
	9 months ended 31 December 2016	**9 months ended 31 December 2016**	**9 months ended 31 December 2016**	12 months ended 31 March 2016
	£	**£**	**£**	£
Non-Executive Directors				
J Hamer	**23**	-	**23**	30
M Jackson	-	**15**	**15**	20
G White (resigned 24 July 2015)	-	-	-	5
Executive Directors				
S Kornienko	**45**	-	**45**	-
T James	-	-	-	95
M Stone (resigned 31 March 2016)	-	-	-	124
Directors' remuneration	**68**	**15**	**83**	274
NIC			2	25
Total			**85**	299

Boris Belotserkovsky took no salary in the nine month period ended 31 December 2016 (12 month period ended 31 March 2016 - Nil)

7 DIRECTORS' REMUNERATION *(continued)*

Key management personnel in this regard are considered to be only the Company's Directors.

During the nine month period ended 31 December 2016 pension contributions of £Nil *(*12 month period ended 31 March 2016 - £Nil*)* were paid in respect of the highest paid Director.

Directors' interests in share options

The mid-market price of the ordinary shares on 31 December 2016 was 4.0 pence and the range during the period was 4.0 pence to 9.0 pence.

No Directors exercised any options during the period and no Directors held any share options at the period end.

8 STAFF NUMBERS AND COSTS

The average monthly number of people employed by the Group (including Executive Directors) during the year, analysed by category, were as follows:

	9 months ended 31 December 2016	12 months ended 31 March 2016
Operational staff	**139**	144
Administrative staff	**49**	45
	188	189

The aggregate payroll costs were as follows:

	9 months ended 31 December 2016	12 months ended 31 March 2016
	£000	£000
Wages, salaries and fees	**3,242**	4,336
Social security costs	**287**	402
Pension costs	**78**	126
	3,607	4,864

9 SEGMENT INFORMATION

The Group has three main reportable segments:

- Vending – Vending activities which includes the aggregation of the Group's three Vending depots
- Franchising – The marketing and franchising of operations in the provision of snack solutions
- Specialist drinks – The manufacture and sale of single portion beverages called 'Drinkpacs' together with the sale of associated food and drink products.

Factors that management used to identify the Group's reportable segments

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Measurement of operating segment profit or loss, assets and liabilities

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations but excluding non-recurring profits/losses, such as goodwill impairment, and the effects of share-based payments.

Inter-segment sales are priced on the same basis as sales to external customers, with an appropriate discount being applied to encourage use of group resources at a rate acceptable to local tax authorities. This policy was applied consistently throughout the period.

Segment assets exclude tax assets and assets used primarily for corporate purposes. Segment liabilities exclude tax liabilities. Details are provided in the reconciliation from segment assets and liabilities to the Group position.

9 SEGMENT INFORMATION *(continued)*

Segmental Profit and Loss - 9 months ended 31 December 2016	Specialist drinks	Franchising	Vending	Total
	9 months ended 31 December 2016	9 months ended 31 December 2016	9 months ended 31 December 2016	9 months ended 31 December 2016
	£	£	£	£
Revenue				
Total revenue	1,872	907	8,556	11,335
Inter-segmental revenue	-	-	(478)	(478)
Group's revenue per consolidated statement of comprehensive income	1,872	907	8,078	10,857
Depreciation	(153)	(22)	(391)	(566)
Amortisation	-	(51)	-	(51)
Segmental operating profit/(loss) before exceptional items but after impairment charges	(42)	390	(330)	18
Exceptional costs included within administration expenses (Note 5)				(105)
Head office costs				(656)
Finance expense (Note 6)				(407)
Finance income (Note 5)				1,571
Group profit before tax				421

9 SEGMENT INFORMATION *(continued)*

Segmental Profit and Loss 12 months ended 31 March 2016	Specialist drinks	Franchising	Vending	Total
	12 months ended 31 March 2016	12 months ended 31 March 2016	12 months ended 31 March 2016	12 months ended 31 March 2016
	£	£	£	£
Revenue				
Total revenue	2,355	1,400	12,509	16,264
Inter-segmental revenue	-	-	(371)	(371)
Group's revenue per consolidated statement of comprehensive income	2,355	1,400	12,138	15,893
Depreciation	(193)	(55)	(666)	(914)
Amortisation	-	210	(368)	(158)
Impairment	-	-	(1,473)	(1,473)
Segmental operating loss/(profit) before exceptional items	(48)	428	35	415
Segmental operating (loss)/profit before exceptional items but after impairment charges	(48)	428	(1,438)	(1,058)
Exceptional costs included within administration expenses and finance expense (Note 5)				(314)
Head office costs				(1,987)
Finance expense				(300)
Group loss before tax				(3,659)

9 SEGMENT INFORMATION *(continued)*

SEGMENTAL ASSETS AND LIABILITIES 31 DECEMBER 2016	Specialist drinks 31 December 2016 £000	Franchising 31 December 2016 £000	Vending 31 December 2016 £000	Head office 31 December 2016 £000	Total 31 December 2016 £000
Additions to non-current assets	100	5	196	9	310
Reportable segment assets	1,015	246	4,751	609	6,621
Total Group assets	1,015	246	4,751	609	6,621
Reportable segment liabilities	(601)	(109)	(2,961)	(1,264)	(4,935)
Loans and borrowings (excluding leases, loan notes and overdrafts)					(480)
Deferred tax liabilities					(224)
Total Group liabilities					(5,639)

9 **SEGMENT INFORMATION** *(continued)*

SEGMENTAL ASSETS AND LIABILITIES 31 MARCH 2016	Specialist drinks	Franchising	Vending	Head office	Total
	12 months ended 31 March 2016	12 months ended 31 March 2016	12 months ended 31 March 2016	12 months ended 31 March 2016	12 months ended 31 March 2016
	£000	£000	£000	£000	£000
Additions to non-current assets	63	-	763	-	826
Reportable segment assets	887	147	5,360	956	7,350
Total Group assets	887	147	5,360	956	7,350
Reportable segment liabilities	(474)	(198)	(4,521)	(1,100)	(6,293)
Loans and borrowings (excluding leases, loan notes and overdrafts)					(1,832)
Deferred tax liabilities					(239)
Total Group liabilities					(5,852)

As at 31 December 2016 there were £nil non-current assets held outside of the United Kingdom (31 March 2016: £Nil).

10 TAXATION

	9 months ended 31 December 2016	12 months ended 31 March 2016
	£000	£000
Current Tax		
Current tax on profit for the year	**81**	-
Total current tax	**81**	-
Deferred tax (see note 14)		
Origination and reversal of timing differences	**(1)**	(94)
Change in tax rate	**(13)**	(42)
Total deferred tax	**(14)**	(136)
Taxation charge/(credit) on profit on ordinary activities	**67**	(136)

Factors affecting tax (credit)/charge for the year:

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% *(2015:* 20%*)*. The differences are explained below:

	9 months ended 31 December 2016	12 months ended 31 March 2016
	£000	£000
TAX RECONCILIATION		
Profit/(Loss) per accounts before taxation	**421**	(3,659)
Tax on profit/(loss) on ordinary activities at standard rate of 20% (12 months ended 31 March 2016 - 20%)	**84**	(732)
Expenses not deductible for tax purposes	**15**	97
Ineligible depreciation	**(14)**	(27)
Unrecognised deferred tax	**(46)**	484
Change in rate	**13**	42
Other permanent differences	**15**	-
Total tax charge/(credit) for the year	**67**	(136)

There were no factors that may affect future tax charges.

11 EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is calculated on the basis of the result for the year after tax, divided by the weighted average number of shares in issue for the period ended 31 December 2016 of 75,530,786 (12 month period ended 31 March 2016 - 43,332,623*)*.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary. Potential dilutive ordinary shares arise from share options and convertible loans. For these, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the exercise price attached to outstanding share options. Thus the dilutive weighted average number of shares considers the number of shares that would have been issued assuming the exercise of the share options. If these are proved to be anti-dilutive (increase the potential earnings per share) they are omitted from the calculation. As the Group made a loss in the year ended 31 March 2016 the options, warrants and convertible loan notes are therefore anti-dilutive and diluted earnings per share is therefore not provided for the prior year.

	Period ended 31 December 2016			Period ended 31 March 2016		
	Profit (£)	**Weighted average no. of shares**	**Amount per share (pence)**	(Loss) (£)	Weighted average no. of shares	Amount per share (pence)
Profit/(Loss) attributable to ordinary shareholders	**354,000**	**75,530,786**	**0.5**	(3,522,608)	43,332,623	(8.1)
Diluted EPS						
Warrants		1,239,872				
Share options		92,857				
Diluted EPS		76,863,515	**0.5**			

12 PROPERTY PLANT AND EQUIPMENT

	Land and Buildings	Leasehold improve-ments	Plant and machinery	Motor vehicles	Fixtures, Fittings and equipment	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 27 March 2015	**529**	**83**	**8,538**	**30**	**290**	**9,470**
Additions	-	-	663	62	101	**826**
Disposals	-	-	(1,184)	-	-	**(1,184)**
At 31 March 2016	**529**	**83**	**8,017**	**92**	**391**	**9,112**
Additions	-	-	249	35	26	**310**
Disposals	(69)	(83)	(711)	(4)	(78)	**(945)**
At 31 December 2016	**460**	**-**	**7,555**	**123**	**339**	**8,477**
Depreciation						
At 27 March 2015	**67**	**37**	**4,310**	**25**	**229**	**4,668**
Charge for the year	15	12	828	20	39	**914**
Impairment charge	-	-	1,156	-	-	**1,156**
Disposals	-	-	(1,158)	-	-	**(1,158)**
At 31 March 2016	**82**	**49**	**5,136**	**45**	**268**	**5,580**
Charge for the year	14	-	475	15	62	**566**
Disposals	(95)	(49)	(363)	-	(76)	**(583)**
At 31 December 2016	**1**	**-**	**5,248**	**60**	**254**	**5,563**
Net Book Value						
At 31 December 2016	**459**	**-**	**2,307**	**63**	**85**	**2,914**
At 31 March 2016	447	34	2,881	47	123	**3,532**
At 27 March 2015	462	46	4,228	5	61	**4,802**

12 PROPERTY PLANT AND EQUIPMENT *(continued)*

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	31 December 2016 £000	31 March 2016 £000
Plant and machinery	**272**	313
Motor vehicles	**72**	49
	344	362

13 INTANGIBLE ASSETS

	Goodwill	Customer Relationships	Brands	Total
	£000	£000	£000	£000
Cost				
At 28 March 2015, 31 March 2016 and 31 December 2016	**9,546**	**1,116**	**4,958**	**15,620**
Amortisation and impairment				
At 28 March 2015	9,546	988	3,839	14,373
Amortisation charge for the year	-	74	85	159
Impairment charge for the year	-	54	264	318
At 31 March 2016	9,546	1,116	4,188	14,850
Amortisation charge for the year	-	-	51	51
At 31 December 2016	**9,546**	**1,116**	**4,239**	**14,901**
Net book value				
At 31 December 2016	**-**	**-**	**719**	**719**
At 31 March 2016	-	-	770	770
At 27 March 2015	-	128	1,119	1,247

Current estimates of useful economic lives of intangible assets are as follows:

Goodwill	Indefinite (now fully impaired)
Customer relationships	Amortised over 15 years (now fully impaired)
Snack in the Box brands	Amortised over 15 years
Vendia brands	Amortised over 10 years (now fully impaired)

14 DEFERRED TAX

The gross movements on the deferred tax account are as follows:

	2016	2015
	£000	£000
At the start of the year	**(238)**	(377)
Income statement credit	**1**	96
Change in tax rate	**13**	42
Prior year adjustment	**-**	1
At the end of the year	**(224)**	(238)

Deferred tax provisions

	Intangible assets	Tangible assets	Total
	£000	£000	£000
At 1 April 2016	138	100	238
Charged to income - current year	(1)	-	(1)
Change in tax rate	(7)	(6)	(13)
At 31 December 2016	130	94	224

See Note 10 for details of the applicable tax rates applied.

Within the Group as at 31 December 2016 there were trading losses of approximately £8,661,063 (31 March 2016 – approximately £9,049,746) which have not been recognised as the Directors do not foresee the utilisation of these losses in the foreseeable future. These losses give rise to an unrecognised deferred tax asset of £1,472,473 (31 March 2016: £1,628,054).

15 INVENTORIES

	31 December 2016 £000	31 March 2016 £000
Raw materials	**149**	153
Finished goods and goods for resale	**748**	735
	897	888

£19,000 of inventory was written down in the current nine month period ended 31 December 2016 (12 month period ended 31 March 2016- £179,000). The value of inventory consumed and recognised as an expense in the nine month period ended 31 December 2016 was £4,018,000 (12 month period ended 31 March 2016 - £6,690,000).

16 TRADE AND OTHER RECEIVABLES

	31 December 2016 £000	31 March 2016 £000
Trade receivables	**1,526**	1,528
Other receivables, prepayments and accrued income	**276**	338
	1,802	1,866

The recoverability of receivables is not considered to be a significant issue to the Group. Many of the Group's customers have a long standing relationship with the Group and debtors are reviewed on a regular basis, with appropriate credit checks being carried out on new customers entering into contracts with the Group.

Some of the trade receivables are past due but not impaired as at 31 December 2016. The ageing analysis of these trade receivables is as follows:

	31 December 2016 £000	31 March 2016 £000
Current	**530**	682
One month overdue	**615**	621
Two to six months overdue	**324**	225
Over six months overdue	**57**	-
	1,526	1,528

16 TRADE AND OTHER RECEIVABLES *(continued)*

As at 31 December 2016 trade receivables of £309,000 (31 March 2016 - £300,000) were past due and impaired. The receivables due at the end of the financial year relate to trading customers, brands and franchisees.

	31 December 2016	31 March 2016
	£000	£000
Bad debt provision brought forward	**300**	156
Additional provision	**9**	144
Provision released against debt written off	-	-
Bad debt provision carried forward	**309**	300

17 BORROWINGS

	31 December 2016	31 March 2016
	£000	£000
Borrowings at amortised cost		
Bank overdrafts	-	635
Bank loans	-	1,832
Invoice discount facility	1,134	-
Convertible loan notes	40	40
Redeemable loan notes	40	40
Other loans	400	-
Finance leases	197	251
	1,811	2,798
Amounts due for settlement within 12 months		
Bank overdrafts	-	635
Bank loans	-	560
Invoice discount facility	1,134	-
Finance leases	178	227
	1,312	1,422
Amounts due for settlement after 12 months		
Bank loans	-	1,272
Convertible loan notes	40	40
Redeemable loan notes	40	40
Finance leases	19	24
Other loans	400	-
	499	1,376
	1,811	2,798

Terms and conditions of outstanding loans at the period end were as follows:

	Interest rate	Year of maturity	31 December 2016	31 March 2016
	%		£000	£000
Redeemable loan notes	12% Fixed	2018	40	40
Convertible loan notes	7% Fixed	2018	40	40
Bank overdraft	2.75% over base rate	2016	-	635
Bank loan	6% over LIBOR	2018	-	1,832
Invoice discount facility	21% fixed	2017	1,213	-

Cleitus loan	**8% fixed**	**2018**	**400**	-

17 BORROWINGS *(continued)*

The fair value in each case equates to the carrying book value with the exception of the convertible loan note. All loans are denominated in sterling. The main loan from Reward Invoice Finance Limited is secured against the debtors and fixed assets of the Group. All other loans are unsecured.

The analysis below shows the gross cash flows for the bank loan and loan notes, which may differ to the carrying values of the liabilities at the balance sheet date.

	31 December 2016	31 March 2016
	£000	£000
Amounts payable under bank loans & loan notes		
Within one year	**1,468**	645
1-2 years	**536**	-
2-5 years	**-**	1,306
	2,004	1,951

Obligation under finance leases

	31 December 2016	31 March 2016
	£000	£000
Amounts payable under finance leases		
Within one year	**121**	134
Two to five years	**87**	137
Less future finance charges	**(11)**	(20)
Present value of lease obligations	**197**	**251**
Amounts due for settlement within 12 months	**115**	119
Amounts due for settlement after 2 – 5 years	**82**	132

Hire purchase and finance lease liabilities are secured upon the underlying assets.

It is the Group's policy to lease certain parts of its property, plant and equipment under finance leases. For the period ended 31 December 2016 the average effective borrowing rate was 7% (12 month period ended 31 March 2016 – 7%). Interest rates are fixed at the contract dates. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. All lease obligations are denominated in sterling.

18 TRADE AND OTHER PAYABLES

	31 December 2016 £000	31 March 2016 £000
Due within one year		
Trade payables	**1,847**	2,079
Social security and other taxes	**909**	890
Other payables	**317**	62
Accruals and deferred income	**531**	765
	3,604	3,796

Trade payables and accruals principally comprise amounts outstanding for trade purchases and on-going costs. The Directors consider that the carrying amount of trade payables approximates to their fair value.

19 SHARE CAPITAL

	31 December 2016 £000	31 March 2016 £000
Allotted, called up and fully paid equity share capital		
At 31 December 2016 (ordinary shares of £0.02 each)	**1,529**	1,492

19 SHARE CAPITAL *(continued)*

Date of Issue	Type of Share Issue	Ordinary Shares Number	Share Price	Total consideration in period
			£	£
At 27 March 2015		32,149,014		
May-15	Share issue	1,000,000	0.10	100,000
Dec-15	Share issue	21,000,000	0.05	1,050,000
Dec-15	Loan note conversion	16,446,451	0.10	-
Dec-15	Share issue	3,300,000	0.10	-
Feb-16	Loan note conversion	701,987	0.10	-
At 31 March 2016		74,597,452		
Nov-16	Share issue	1,866,667	0.06	112,000
At 31 December 2016		76,464,119		

20 SHARE PREMIUM AND RESERVES

Reserves
The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Capital redemption reserve	Amounts transferred from share capital on redemption of issued shares which arose following a share reorganisation.
Share option reserve	Cumulative share option expense recognised.
Warrant	Cumulative fair value of warrants in issue.
Retained deficit	Cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

21 EQUITY-SETTLED SHARE OPTION SCHEME

Options are exercisable at a price equal to the average quoted market price of the Company's shares at the date of grant or as agreed by the Directors on the date of the grant. The vesting period is up to three years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the option holder leaves the Group before the options vest.

Details of the share options outstanding during the period/year are as follows:

	9 months ended 31 December 2016	**9 months ended 31 December 2016**	12 months ended 31 March 2016	12 months ended 31 March 2016
	Number of share options	**Weighted average exercise price (£)**	Number of share options	Weighted average exercise price (£)
Outstanding at the beginning of the period/year	600,000	0.05	1,000,000	0.73
Granted during the period/year	-	-	600,000	0.05
Forfeited during the period/year	(150,000)	-	-	-
Lapsed during the period/year	-	-	(1,000,000)	-
Outstanding at the end of the period/year	**450,000**	**0.05**	600,000	0.05
Exercisable at the end of the period/year	-	-	-	-

21 EQUITY-SETTLED SHARE OPTION SCHEME *(continued)*

The weighted average remaining contractual life of the options outstanding at the period/year end, for the options with a weighted average exercise price of £0.05, is 2.7 years. The weighted average fair value of the options when issued was 2.5p.

	31 December 2016	31 March 2016
Average share price	**6.3p**	8.1p

The inputs into the Black-Scholes option pricing model for the share options issued were as follows:

Issue Date	24-Dec-15
Expected volatility	75%
Expected life	3 years
Risk-free rate	4%
Dividend yield	-
Weighted average share price on the grant date	£0.08

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous three years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Mrs Veronika Belotserkovsky, wife of Boris Belotserkovsky, a non-executive Director of the Company, holds 1,816,557 8p Warrants which are exercisable at 2p per share in ordinary equity.

22 FINANCIAL INSTRUMENTS

The accounting policies for financial instruments have been applied to the line items below:

Financial assets by category at amortised cost

	31 December 2016	31 March 2016
	£000	£000
Loans and receivables		
Trade receivables	**1,526**	1,528
Cash and cash equivalents	**289**	292
	1,815	1,820

The maximum credit risk exposure is £1,526,000. (31 March 2016 - £1,528,000).

Financial liabilities at amortised costs by category

	31 December 2016	31 March 2016
	£000	£000
Current liabilities		
Other financial liabilities	**3,642**	4,329
Non current liabilities		
Other financial liabilities	**629**	1,376
	4,271	5,705

Interest rate sensitivity

The Group's policy is to minimise interest rate cash flow risk exposures on their hire purchase and finance lease arrangements by fixing the interest rate on the agreements. The Group does not have any variable interest rate loans.

Information on the Group's risk and capital structure is included within the Directors' Report.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposure in relation to outstanding receivables. The Group policy is to spread deposits over at least two institutions with investment grade A1 or better (Standard & Poor's credit rating) and deposits are made in sterling only. The Group does not expect any losses from non-performance by these institutions

22 FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. It is the Group's aim to settle balances as they become due.

The Group's current financial position is such that the Board does not consider there to be a short-term liquidity risk however the Board will continue to monitor long term cash projections.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

31 December 2016	**Up to 3 months**	**Between 3 and 12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
	£000	**£000**	**£000**	**£000**	**£000**
Trade and other payables	1,848	-	-	-	-
Accruals	207	-	-	-	-
Invoice discounting facility	-	1,468	-	-	-
Convertible loans	-	-	88	-	-
Finance leases	39	80	83	10	-
Other loans	-	-	448	-	-
Total	2,094	1,548	619	10	-

31 March 2016					
	£000	£000	£000	£000	£000
Trade and other payables	2,079	-	-	-	-
Accruals	936	-	-	-	-
Bank loans	-	602	1,367	-	-
Overdrafts	683	-	-	-	-
Convertible loans	-	-	-	88	-
Finance leases	24	102	96	43	-
Total	3,722	704	1,463	131	-

23 OPERATING LEASE ARRANGEMENTS

At the balance sheet date the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	31 December 2016	31 March 2016
	£000	£000
Within one year	**386**	564
2 to 5 years	**371**	454
Over 5 years	**-**	28
	757	1,046

Operating lease payments represent rentals payable by the Group in respect of its properties and for plant and machinery.

24 RELATED PARTY TRANSACTIONS

Related party transactions describe transactions with Directors, and companies in which Directors have an interest.

During the nine month period ended 31 December 2016 there were the following related party transactions involving a Director or a Company related to a Director:

The following Directors purchased ordinary new shares of 2 pence per share

Mrs B. Belotserkovsky	916,667 at a price of 6 pence per share
Mr J Hamer	250,000 at a price of 6 pence per share
Mr M Jackson	250,000 at a price of 6 pence per share
Mr P Goodman (Co Sec)	250,000 at a price of 6 pence per share
Mr M Maltby (outgoing Co Sec)	200,000 at a price of 6 pence per share

Unicum Holdings Limited, a company controlled by Boris Belotserkovsky, a non-executive director of the Company, supplied vending machines for use in the business and for resale. A total of £89,238 was invoiced during the period.

On 11 January 2017, post year end, the company announced that it had entered into a loan of £410,000 with Cleitus Investment Limited (CIL) a wholly owned subsidiary of Uvenco Group in Russia. Cleitus Investment Limited is a company owned and controlled by Boris Belotserkovsky and therefore this constituted a related party transaction. Prior to the period end, in November and December 2016 the Company received payments totalling £400,000 from CIL in relation to this loan, which are reflected in the Company's borrowings and net debt figures as at 31 December 2016

Key management costs are disclosed in Note 7 of these financial statements.

25 CAPITAL COMMITMENTS

There were no capital expenditure commitments as at the year end.

26 ULTIMATE CONTROLLING PARTY

By virtue of his shareholding and relationships with certain other shareholders in the "Concert Party" Boris Belotserkovsky is the controlling party of the Group.

27 POST BALANCE SHEET EVENTS

On 27 January 2017 the Group sold the warehouse and depot in Corby. Consideration of £328,000 was received and a profit on disposal of £201,000 will be recognised in the year ended 31 December 2017.

On 27 June 2017 an additional three year loan facility of £1.0m at an interest rate of 8% per annum was agreed with the Cleitus Investments Limited. The facility has been fully drawn down and is repayable in four equal quarterly instalments from 30 September 2019.

UVENCO UK PLC

COMPANY FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2016

UVENCO UK PLC

COMPANY BALANCE SHEET

31 DECEMBER 2016

Company number: 06135746

	Notes	**31 December 2016**	31 March 2016
		£000	£000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	3	**30**	44
Investments	4	**3,629**	6,867
		3,659	6,911
CURRENT ASSETS			
Trade and other receivables	5	**229**	1,605
TOTAL ASSETS		**3,888**	**8,516**
LIABILITIES			
CURRENT LIABILITIES	6	**(9,673)**	(9,912)
NET CURRENT LIABILITIES		**(9,444)**	(8,307)
NON CURRENT LIABILITIES			
Borrowings	7	**(480)**	(1,352)
TOTAL LIABILITIES		**(10,153)**	(11,264)
NET LIABILITIES		**(6,265)**	(2,748)
EQUITY – ISSUED SHARE CAPITAL ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY			
Share capital	8	**1,529**	1,492
Share premium account	9	**12,796**	12,722
Capital redemption reserve	9	**1,274**	1,274
Share option reserve	9	**375**	375
Warrant reserve	9	**2,236**	2,236
Retained deficit	9	**(24,475)**	(20,847)
TOTAL EQUITY		**(6,265)**	(2,748)

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account. The loss for the financial period, of the holding Company, as approved by the Board, was £3,628,000 (12 month period ended 31 March 2016 - loss £3,780,000). These financial statements were approved by the Board of Directors and authorised for issue on 29 June 2017. They were signed on its behalf by:

Sergei Kornienko
Director

The Notes on pages 65 to 75 form part of these financial statements.

UVENCO UK PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

31 DECEMBER 2016

Company number: 06135746

COMPANY	Issued share capital	Share premium account	Capital redemption reserve	Share option reserve	Convertible debt option reserve	Warrant reserve	Retained deficit	Total
	£	£	£	£	£	£	£	£
Balance at 27 March 2015	643	10,401	1,274	375	147	2,236	(17,067)	(1,991)
Issue of shares in the year	440	684	-	-	-	-	-	1,124
Loan notes converted	409	1,636	-	-	-	-	-	2,045
Retained loss for the year	-	-	-	-	(147)	-	(3,780)	(3,927)
Balance at 31 March 2016	1,492	12,721	1,274	375	-	2,236	(20,847)	(2,749)
Issue of shares in the year	37	75	-	-	-	-	-	112
Retained loss for the year	-	-	-	-	-	-	(3,628)	(3,628)
Balance at 31 December 2016	1,529	12,796	1,274	375	-	2,236	(24,475)	(6,265)

The notes on pages 65 to 75 form part of these financial statements

1 ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and with Financial Reporting Standard 100 *Application of Financial Reporting Requirements* (“FRS 100”) and Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”)
In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU-endorsed IFRS;
- certain disclosures regarding the Company’s capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosures of related party transactions with other wholly-owned members of Uvenco UK plc group of companies.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the Company’s consolidated financial statements. These financial statements do not include certain disclosures in respect of:

- share-based payments; or
- financial instruments

The Company has chosen not to prepare a note to the financial statements relating to financial instruments as the information is available in the published financial statements of the Group.

The financial statements have been prepared on a going concern basis. The Company had net liabilities of £6,265,000 at the balance sheet date (31 March 2016: £2,748,000).

Accounting standards require the Directors to consider the appropriateness of the going concern basis when preparing the financial statements and if necessary to explain how they have reached their conclusion. The Directors have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies.

The Group made a profit after tax of £0.5 million for the period ended 31 December 2016 and had net current liabilities of £1.9 million and net assets of £1.0 million as at that date. During the period the Group re-financed with Reward Invoice Finance Limited (“Reward”) and was able to write off £1.6 million of bank borrowings, overdrafts and unpaid finance costs through negotiation with its predecessor lenders. The total Group net debt has therefore reduced significantly to approximately £1.5 million. Provided the terms of the agreement are complied with the current Reward facility of £1.1 million will remain in place until August 2018, after which it can be called in at one month’s notice. The agreement may be terminated by the Company by giving one month’s notice should alternative finance be found.

Management has prepared a cash flow forecast for the period to December 2018. Whilst the Directors have continued to reduce the operating costs of the Group and improve the performance of the vending estate was limited cash headroom in the forecast.

As a result of the above, on 27 June 2017 an additional three year loan facility of £1.0m was agreed with the Cleitus Investments Limited (CIL), a wholly owned subsidiary of Uvenco Russia LLC and member of the Belotserkovsky concert party. The facility has been fully drawn down in order to provide support for the Group’s working capital position.

1 ACCOUNTING POLICIES *(continued)*

In order to satisfy themselves that the going concern basis remains appropriate the Directors have taken into account the above facility from Cleitus Investments Limited and the personal guarantee given by the Group's majority shareholder Mr Belotserkovsky to Reward, in respect of the financing facility, should a breach in the terms of that facility occur. Mr Belotserkovsky has undertaken not to call in any amounts due to him, or any entity controlled by him, by the Group should that guarantee, in respect of the Reward facility, be called upon, for a period up to at least 31 August 2018. Furthermore, the new loan from Cleitus Investments Limited is repayable in equal quarterly instalments beginning September 2019.

Finally, Mr Belotserkovsky has provided a letter of intent that Partner Invest LLC, a company owned and controlled by his family will provide up to a maximum of £500,000 to provide additional funds to the Company should such funds be required. The letter of intent and the undertaking not to recall any amounts advanced under the guarantee are not legally binding. The board are also considering further options to realise cash from the Group's asset base should it be required to fund further working capital requirements.

Based on the above the directors have concluded that there are no material uncertainties that lead to significant doubt upon the group and company's ability to continue as a going concern meeting their liabilities as they fall due. The financial statements have therefore been prepared on a going concern basis.

b) Investments

Investments including the shares in subsidiary companies held as fixed assets are stated at cost less any provision for impairment in value. In relation to acquisitions, where advantage can be taken of the merger relief rules, shares issued as consideration for acquisitions are accounted for a nominal value

c) Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and impairment provisions.

Depreciation is provided to write off the cost, less the estimated residual value, of property, plant and equipment by equal instalments over their estimated useful economic lives as follows:

Fixtures, fittings & equipment - 25% straight line basis

d) Convertible loan

The convertible loan notes disclosed in Note 7 has not been split between the debt and equity element on the basis that it is not material to the Company or the Group.

e) Provisions

The Group recognises a provision where a legal or constructive obligation exists at the balance sheet date and a reliable estimate can be made of the likely outcome.

1 ACCOUNTING POLICIES *(continued)*

f) Share-based payments

The company has applied the requirements of IFRS 2 'Share-based payment'. The Company issues equity-settled share-based payments to certain employees of its subsidiary. Equity-

settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. Where services are from employees, fair value is determined indirectly by reference to the fair value of the instrument granted. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital and share premium.

Fair value is measured based upon a Black-Scholes pricing model.

The Company recognises the cost of the share options granted to the employees of its subsidiaries as an increase in the cost of investment with a corresponding increase in equity.

Details of the share option valuation are set out in Note 21 of the Group account.

g) Income tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

Deferred tax is recognised on all temporary differences. This involves comparison of the carrying amount of assets and liabilities in the consolidated financial statements with their respective tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

h) Income tax (continued)

Deferred tax liabilities are provided for in full. Deferred tax assets and liabilities are calculated without discounting, at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (tax laws) that have been enacted or substantively enacted by the balance sheet date. All changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be recognised and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2 STAFF NUMBERS AND COSTS

The average monthly number of people employed by the Company (including Executive Directors) during the year, analysed by category, were as follows:

	9 months ended 31 December 2016	12 months ended 31 March 2016
	No	No
Administrative staff	**8**	8

The aggregate payroll costs were as follows:

	9 months ended 31 December 2016	12 months ended 31 March 2016
	£000	£000
Wages, salaries and fees	**203**	543
Social security costs	**17**	48
Pension costs	**2**	33
	222	624

Details of the Directors' remuneration can be found in the Group Financial statements in Note 7.

3 TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £000
Cost	
At 31 March 2016	103
Additions	9
At 31 December 2016	**112**
Depreciation	
At 31 March 2016	59
Charge for the year	23
At 31 December 2016	**82**
Net Book Value at 31 December 2016	**30**
Net Book Value at 31 March 2016	44

4 INVESTMENTS

Investments in shares of subsidiary undertakings:

	£000
At 31 March 2016	**6,867**
Impairment charge for the year	(3,238)
At 31 December 2016	**3,629**

The Company tests for impairment where there are indications that investment may be impaired. The recoverable amounts of the above investments which relate to trading entities have been determined from value in use calculations based on cash flow projections from formally approved budgets for 2017/18, which are then extrapolated over 5 years and a terminal value applied to the year 5 cash flow.

The major assumptions are as follows:

	%
9 months to 31 December 2016	
Pre-tax discount rate	**14.5**
Growth rates in periods 2-5	0
Terminal value	2.0
12 months to 31 March 2016	
Pre-tax discount rate	14.6
Growth rates in periods 2-5	0
Terminal value	2.0

Operating margins have been based on past experience and future expectations in the light of anticipated economic and market conditions. Discount rates are based on the Group's weighted average cost of capital, this is then adjusted to reflect management's assessment of specific risks related to the cash generating unit. Growth rates beyond the first five years are based on economic data pertaining to the region concerned

An impairment charge of £3,238,491 (31 March 2016: £667,401) was recognised against the investment in the trading subsidiaries.

All subsidiaries are registered in England and Wales.

Subsidiary	Principal Activity	Registered office address	Share ownership	Relationship type
SnackTime UK Limited	The installation and operation of snack vending machines, vending machine holding company for the Group.	27 Broad Street Wokingham Berkshire RG40 1AU	100%	Direct
Snack in The Box Limited ("SITB")	Install and offers compact vending machines and honesty boxes to business customers on a Free-on-loan basis through a franchise network.	27 Broad Street Wokingham Berkshire RG40 1AU	100%	Direct
Drinkmaster Limited	The manufacture and sale of single portion beverages called 'Drinkpacs' together with the sale of associated food and drink products.	27 Broad Street Wokingham Berkshire RG40 1AU	100%	Direct
Uvenco Limited (formerly VMI (Blackburn) Limited)	The supply and operation of vending machines and sale of associated food and drink products.	17 Rufus Business Centre Ravensbury Terrace London SW18 4RL	100%	Direct
Simply Drinks Limited	The supply and operation of vending machines and sale of associated food and drink products.	27 Broad Street Wokingham Berkshire RG40 1AU	100%	Direct
Vendia UK Limited	A holding company.	27 Broad Street Wokingham Berkshire RG40 1AU	100%	Direct
Drinkmaster Holdings Limited	A holding company.	27 Broad Street Wokingham Berkshire RG40 1AU	100%	Indirect

5 DEBTORS

	31 December 2016	31 March 2016
	£000	£000
Amounts due within 1 year		
Trade debtors	**64**	93
Amounts owed by subsidiary undertaking	**-**	1,372
Prepayments	**134**	134
Other debtors	**31**	6
	229	1,605

6 CURRENT LIABILITIES

	31 December 2016	31 March 2016
	£000	£000
Amounts due within 1 year		
Bank overdraft (secured)	**-**	63
Bank loan (secured)	**595**	560
Trade creditors	**148**	283
Amounts owed to subsidiary undertakings	**8,515**	8,269
Social security and other taxes	**227**	528
Accruals & deferred income	**164**	182
Other creditors	**24**	27
	9,673	9,912

7 BORROWINGS

Terms and conditions of outstanding loans at the period end were as follows:

	Interest rate	Year of maturity	31 December 2016	31 March 2016
	%		£000	£000
Redeemable loan notes	12% Fixed	2018	40	40
Convertible loan notes	7% Fixed	2018	40	40
Bank overdraft	2.75% over base rate	2016	-	635
Bank loan	6% over LIBOR	2018	-	1,832
Invoice discount facility	21% fixed	2017	674	-
Cleitus loan	8% fixed	2018	400	-

The fair value in each case equates to the carrying book value with the exception of the convertible loan note. All loans are denominated in sterling. Additional disclosures in respect of the company's borrowings have been provided in Note 17 of the Group financial statements. The invoice discounting facility is secured against the trade debtors, properties, and vending machines held by the Group. All other loans are unsecured.

	31 December 2016	31 March 2016
	£000	£000
Amounts payable under bank loans & loan notes		
Within one year	595	560
1-2 years	480	-
2-5 years	-	1,352
	1,075	1,912

8 SHARE CAPITAL

	31 December 2016	31 March 2016
	£000	£000
Allotted, called up and fully paid equity share capital		
At 31 December 2016 (ordinary shares of £0.02 each)	**1,529**	1,492

See Note 19 of the group accounts for details of the share issues in the current and prior period.

9 SHARE PREMIUM AND RESERVES

Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Share option reserve	Cumulative share option expense recognised.
Capital redemption reserve	Amounts transferred from share capital on redemption of issued shares which arose following a share reorganisation
Warrant reserve	Cumulative fair value of warrants in issue.
Retained deficit	Cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

10 EQUITY-SETTLED SHARE OPTION SCHEME

Details of the company's share option scheme are set out in Note 21 of the consolidated financial statements.

11 RELATED PARTY TRANSACTIONS

Details of the company's related parties are set out in Note 24 of the consolidated financial statements.

12 POST BALANCE SHEET EVENTS

Details of post balance sheet events have been disclosed in Note 27 to the Group financial statements.