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THERMOFROST CRYO PLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003



THERMOFROST CRYO PLC AND SUBSIDIARIES

INDEX

PAGE

COMPANY INFORMATION

1

REPORT OF THE DIRECTORS

2 - 3

REPORT OF THE AUDITORS

4 - 5

CONSOLIDATED PROFIT AND LOSS ACCOUNT

6

CONSOLIDATED AND COMPANY BALANCE SHEETS

7

CONSOLIDATED CASH FLOW STATEMENT

8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 - 24

THERMOFROST CRYO PLC AND SUBSIDIARIES

COMPANY INFORMATION

COMPANY NUMBER: 1036288

DIRECTORS

V A D'CRUZ
A D BARWICK
P J SLOPER
G C BURROWS

SECRETARY

J E COPPING

REGISTERED OFFICE

ERNEST AVENUE
WEST NORWOOD
LONDON
SE27 0DA

AUDITORS

MAZARS
THE ATRIUM
PARK STREET WEST
LUTON
BEDFORDSHIRE
LU1 3BE

BANKERS

NATIONAL WESTMINSTER BANK PLC
BARCLAYS BANK PLC
ALLIANCE & LEICESTER PLC

THERMOFROST CRYO PLC AND SUBSIDIARIES

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 March 2003.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

REVIEW OF THE BUSINESS

The principal activity of the group continued to be dealing in refrigeration and air conditioning components and related equipment. The directors were satisfied with the level of sales in difficult conditions. Both the level of business and the year end financial position were satisfactory and the directors are confident that the present level of activity will be sustained for the foreseeable future.

On 2 December 2002, the company purchased various fixed assets and the trade of Avril Vinter Limited (previously Refrigerator Components Limited).

On 4 December 2002, the company purchased the entire issued share capital of Cobco (510) Limited and then transferred various fixed assets and the purchased trade of Avril Vinter Limited (previously Refrigerator Components Limited).

Cobco (510) Limited changed its name to Refrigerator Components Limited on 6 December 2002.

QUALITY ASSURANCE

The company's continued commitment to a high standard of customer service has resulted in retaining Registered Firm status under BS.EN.ISO9002:1994.

PAYMENT OF CREDITORS

The group does not have a written policy on the payment of trade creditors. However, the group intends to pay all trade creditors promptly within the payment terms agreed with them. The number of creditor days at the year end was 51 (2002: 48) in respect of both the group and company.

THERMOFROST CRYO PLC AND SUBSIDIARIES

REPORT OF THE DIRECTORS (continued)

RESULTS AND DIVIDENDS

The results of the company and group for the year ended 31 March 2003 are set out in the financial statements on pages 6 to 24. In particular, the operating profit has fallen from £379,208 to £253,052. An interim dividend of £nil (2002: £nil) per share on the issued ordinary share capital amounting to £nil (2002: £nil) was paid during the year. The directors do not recommend the payment of a final dividend (2002: nil).

DIRECTORS

The directors set out below have held office during the whole of the period from 1 April 2002 to the date of this report. The interests of the directors holding office on 31 March 2003 in the shares of the company according to the register of directors' interests were:

	Ordinary shares of 25p each At 31 March 2003	Ordinary shares of 25p each At 1 April 2002
V A D'Cruz (Chairman)	-	501,654
A D Barwick	64,680	64,680
P J Sloper	54,000	54,000
G C Burrows	-	-

AUDITORS

The company's auditors, Mazars (formerly Mazars Neville Russell), have signified their willingness to continue in office and a resolution proposing their re-appointment will be put to the forthcoming annual general meeting.

Approved by the board on 28 January 2004
and signed on its behalf by



V A D'Cruz
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THERMOFROST CRYO PLC

We have audited the financial statements for the year ended 31 March 2003 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from non-disclosure

The company has not disclosed the details of a related party which we consider to be material to the financial statements. The transactions with this related party are included in Note 24 to these financial statements. The disclosure has not been given for commercial reasons.

Except for the absence of this disclosure, in our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group as at 31 March 2003 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MAZARS
CHARTERED ACCOUNTANTS
and Registered Auditors
The Atrium
Park Street West
Luton
Bedfordshire LU1 3BE

Date: 29 January 2004

THERMOFROST CRYO PLC AND SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Turnover	2	9,245,398	8,954,764
Cost of sales		(6,323,417)	(6,035,617)
Gross profit		2,921,981	2,919,147
Distribution and selling expenses		(567,780)	(549,790)
Administrative expenses		(2,152,494)	(2,019,413)
Other operating income		51,345	29,264
Operating profit		253,052	379,208
Interest receivable and similar income		5,070	8,724
Interest payable and similar charges		(100,738)	(116,393)
Profit on ordinary activities before taxation	3	157,384	271,539
Taxation on profit on ordinary activities	6	(41,932)	(89,358)
Profit for the financial year after taxation		115,452	182,181
Dividends paid		-	-
Retained profit for the year	18	115,452	182,181

The group's turnover and expenses all relate to continuing operations.

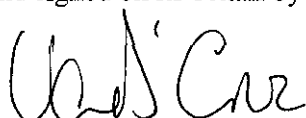
The group has no recognised gains and losses during the years other than as set out above.

THERMOFROST CRYO PLC AND SUBSIDIARIES

BALANCE SHEETS AT 31 MARCH 2003

		GROUP		COMPANY	
	Notes	2003 £	2002 £	2003 £	2002 £
Fixed assets					
Tangible assets	8	1,354,555	1,203,561	1,298,989	1,203,561
Investments:					
group companies	9	-	-	106	105
trade investment	10	650	650	650	650
		<u>1,355,205</u>	<u>1,204,211</u>	<u>1,299,745</u>	<u>1,204,316</u>
Current assets					
Stocks	11	1,946,837	1,890,787	1,877,509	1,890,787
Debtors	12	2,046,475	1,983,736	2,119,458	1,983,732
Cash at bank and in hand		27,755	24,967	27,574	24,947
		<u>4,021,067</u>	<u>3,899,490</u>	<u>4,024,541</u>	<u>3,899,466</u>
Creditors: amounts falling due within one year	13	(3,460,662)	(3,305,641)	(3,695,243)	(3,619,577)
Net current assets		<u>560,405</u>	<u>593,849</u>	<u>329,298</u>	<u>279,889</u>
Total assets less current liabilities		<u>1,915,610</u>	<u>1,798,060</u>	<u>1,629,043</u>	<u>1,484,205</u>
Creditors: amounts falling due in more than one year	14	(7,625)	-	(7,625)	-
Provisions for liabilities and charges	16	(12,223)	(17,750)	(12,550)	(17,750)
Net assets		<u><u>1,895,762</u></u>	<u><u>1,780,310</u></u>	<u><u>1,608,868</u></u>	<u><u>1,466,455</u></u>
Capital and reserves					
Called up share capital	17	157,709	157,709	157,709	157,709
Profit & loss reserve	18	1,613,826	1,498,374	1,326,932	1,184,519
Capital redemption reserve	18	100,529	100,529	100,529	100,529
Share premium account	18	23,698	23,698	23,698	23,698
Shareholders' funds	19	<u><u>1,895,762</u></u>	<u><u>1,780,310</u></u>	<u><u>1,608,868</u></u>	<u><u>1,466,455</u></u>

Approved by the board on 28 January 2004
and signed on its behalf by



V A D'Cruz
Director

THERMOFROST CRYO PLC AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Cash flow from operating activities	20a	353,729	703,733
Returns on investments and servicing of finance	20b	(95,668)	(107,669)
Taxation		(89,329)	(58,883)
Capital expenditure and financial investment	20b	(308,741)	(145,378)
Cash (outflow)/inflow before use of financing		<u>(140,009)</u>	<u>391,803</u>
Financing	20b	<u>11,163</u>	<u>-</u>
(Decrease)/increase in cash in the year		<u><u>(128,846)</u></u>	<u><u>391,803</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

(Decrease)/increase in cash in the year		(128,846)	391,803
Cash flow from increase in lease financing		<u>(11,163)</u>	<u>-</u>
Change in net debt resulting from cash flows	20c	<u>(140,009)</u>	<u>391,803</u>
Movement in net debt in the year		(140,009)	391,803
Net debt at 1 April 2002	20c	<u>(1,781,886)</u>	<u>(2,173,689)</u>
Net debt at 31 March 2003	20c	<u><u>(1,921,895)</u></u>	<u><u>(1,781,886)</u></u>

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

1 ACCOUNTING POLICIES

- a) The financial statements have been prepared in accordance with applicable accounting standards.

- b) Basis of preparation of group financial statements

The consolidated financial statements, which are prepared under the historical cost convention, include the financial statements of the company and its subsidiaries, made up to 31 March 2003. No profit and loss account is presented for Thermofrost Cryo Plc as provided by S230 of the Companies Act 1985.

The profits and losses of the subsidiary companies are consolidated from the date of acquisition. The difference between the cost of acquisition of shares in the subsidiaries and the amount attributed to their net tangible assets at the effective date of purchase is included as goodwill arising on consolidation.

- c) Turnover

Turnover represents the amounts receivable, excluding value added tax, in respect of the sale of goods and services to customers outside the group.

- d) Depreciation

Depreciation is calculated to write off the cost of fixed assets other than leasehold properties and certain fixtures and fittings on a reducing balance basis over their effective useful lives. Leasehold property is written off on a straight line basis over 50 years. Certain fixtures and fittings are written off on a straight line basis over their estimated useful lives.

- e) Stocks

Stocks are stated at the lower of cost and estimated net realisable value. Cost is determined on an average cost basis. Provision is made for slow moving, defective and obsolete stocks.

- f) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences at the rates of tax expected to apply when the timing differences reverse

- g) Foreign currencies

Assets, liabilities, revenue and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which the transaction occurs, except for monetary assets and liabilities which are translated at the rate ruling at the balance sheet date.

In the case of forward contracts in respect of trading transactions, the rates of exchange specified in those contracts are used.

- h) Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

1 ACCOUNTING POLICIES (continued)

i) Warranty liability

An accrual is made for the estimated liability on all products which are still the subject of warranty and service agreements.

j) Leases

Assets held under finance leases, and similar hire purchase contracts, are included at the fair value of the leased assets at the inception of the lease. Depreciation on leased assets is calculated to write off this amount over the shorter of the lease term and the useful life of the asset.

Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable. Hire purchase interest is charged to the profit and loss account on a straight line basis.

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

k) Pension

Contributions payable to the group's defined contribution pension scheme are charged to the profit and loss account in the year to which they relate.

l) Research and development expenditure

Research and development expenditure is written off in the profit and loss account in the year in which it is incurred.

2 TURNOVER

The turnover and pre-tax profit is attributable to the principal activity, the sale of refrigeration and air conditioning components and related equipment.

The geographical analysis of turnover is given below:	2003	2002
	£	£
United Kingdom	9,198,175	8,873,723
Overseas	47,223	81,041
	<u>9,245,398</u>	<u>8,954,764</u>

The group has only common costs and all the turnover is supported by all the net assets of the group irrespective of sales destination.

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated:

	2003 £	2002 £
After crediting:		
Interest receivable	5,070	8,724

	2003 £	2002 £
After charging:		
Loss on sale of fixed assets	657	7,381
Depreciation of tangible assets	157,747	159,559
Audit fee - group (including company)	15,600	13,000
- other services	3,398	3,750
Staff costs (note 5)	1,632,948	1,541,320
Operating lease rentals - land and buildings	13,970	53,207
Interest payable:		
Bank overdrafts and other loans	100,458	116,393
Finance lease interest	280	-

4 DIRECTORS

	2003 £	2002 £
EMOLUMENTS		
Management services	226,938	256,799
Pension scheme contributions	33,620	36,779
Total emoluments	260,558	293,578

The emoluments of directors disclosed above include the following amounts paid to the highest paid director:

	Highest paid director 2003 £	2002 £
Emoluments	82,854	96,752
Contributions to money purchase schemes	16,733	20,016

During the period the following number of other directors:

	Number	Number
Accrued benefits under money purchase pension schemes	3	3

TRANSACTIONS WITH DIRECTORS

The group trades with Madics Systems Limited under normal trade terms and conditions. Mr A D Barwick is a director in both companies.

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

5	STAFF COSTS	2003 £	2002 £
	Wages and salaries	1,315,339	1,225,774
	Social security costs	125,757	123,624
	Other pension costs (see note 21)	191,852	191,922
		<u>1,632,948</u>	<u>1,541,320</u>

The average number of persons employed by the group (including directors) during the year was as follows:

	Number 2003	Number 2002
Management	7	5
Administration	20	19
Sales	22	19
	<u>49</u>	<u>43</u>
TOTAL EMPLOYEES		

6	TAXATION ON PROFIT ON ORDINARY ACTIVITIES	2003 £	2002 £
	Current taxation		
	UK Corporation tax charge for the year	54,571	89,666
	Adjustments in respect of prior years	(7,112)	(337)
	Total current tax	<u>47,459</u>	<u>89,329</u>
	Deferred tax		
	Origination and reversal of timing difference	(5,527)	29
	Tax on profit on ordinary activities	<u>41,932</u>	<u>89,358</u>

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES (continued)

The rate of tax for the year, based on the UK standard rate of corporation tax, is 30% (2002: 30%). The actual tax charge for the current and the previous year varies from the standard rate for the reasons set out in the following reconciliation.

	2003 £	2002 £
Profit on ordinary activities before tax	157,384	271,539
Tax on profit on ordinary activities at standard rate	47,215	81,462
Factors affecting charge for the year:		
Group relief not paid for	(22,983)	-
Capital allowances less than depreciation	5,258	-
Expenses not deductible for tax purposes	26,526	12,844
Other short term timing differences	270	-
Marginal relief	(1,715)	(4,640)
Adjustments in respect of prior years	(7,112)	(337)
Total actual amount of current tax	47,459	89,329

7 PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's retained profit for the financial year was £142,413 (2002: £182,181).

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES (continued)

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Group relief not paid for	(22,983)	-
Capital allowances less than depreciation	5,258	-
Expenses not deductible for tax purposes	26,526	12,844
Other short term timing differences	270	-
Marginal relief	(1,715)	(4,640)
Adjustments in respect of prior years	(7,112)	(337)
Total actual amount of current tax	47,459	89,329

7 PROFIT OF PARENT COMPANY

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THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

8 TANGIBLE FIXED ASSETS

THE GROUP

	Freehold properties £	Long-term leasehold properties £	Fixtures fittings & equipment £	Motor vehicles £	Plant & machinery £	Total £
Cost						
At 1 April 2002	781,038	419,673	370,226	328,964	78,401	1,978,302
Additions	-	183,754	69,504	54,701	13,249	321,208
Disposals	-	-	(41,623)	(26,541)	(8,625)	(76,789)
At 31 March 2003	<u>781,038</u>	<u>603,427</u>	<u>398,107</u>	<u>357,124</u>	<u>83,025</u>	<u>2,222,721</u>
Accumulated depreciation						
At 1 April 2002	210,731	128,224	266,893	101,811	67,082	774,741
Charge for the year	23,594	20,040	36,095	72,506	5,512	157,747
Eliminated on disposals	-	-	(41,623)	(14,449)	(8,250)	(64,322)
At 31 March 2003	<u>234,325</u>	<u>148,264</u>	<u>261,365</u>	<u>159,868</u>	<u>64,344</u>	<u>868,166</u>
Net book amount						
At 31 March 2003	<u>546,713</u>	<u>455,163</u>	<u>136,742</u>	<u>197,256</u>	<u>18,681</u>	<u>1,354,555</u>
At 31 March 2002	<u>570,307</u>	<u>291,449</u>	<u>103,333</u>	<u>227,153</u>	<u>11,319</u>	<u>1,203,561</u>
Depreciation rates	2% & 10%	2% & 10%	20%, 25% & 33%	30%	20% & 25%	

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

8 TANGIBLE FIXED ASSETS (CONTINUED)

THE COMPANY

	Freehold properties £	Long-term leasehold properties £	Fixtures fittings & equipment £	Motor vehicles £	Plant & machinery £	Total £
Cost						
At 1 April 2002	781,038	419,673	370,226	328,964	78,401	1,978,302
Additions	-	183,754	63,495	39,319	13,249	299,817
Disposals	-	-	(41,623)	(26,541)	(8,625)	(76,789)
Transfer to subsidiary undertaking (note 9)	-	-	(25,000)	(15,000)	-	(40,000)
At 31 March 2003	<u>781,038</u>	<u>603,427</u>	<u>367,098</u>	<u>326,742</u>	<u>83,025</u>	<u>2,161,330</u>
Accumulated depreciation						
At 1 April 2002	210,731	128,224	266,893	101,811	67,082	774,741
Charge for the year	23,594	20,040	34,029	68,756	5,512	151,931
Eliminated on disposals	-	-	(41,623)	(14,449)	(8,259)	(64,331)
At 31 March 2003	<u>234,325</u>	<u>148,264</u>	<u>259,299</u>	<u>156,118</u>	<u>64,335</u>	<u>862,341</u>
Net book amount						
At 31 March 2003	<u>546,713</u>	<u>455,163</u>	<u>107,799</u>	<u>170,624</u>	<u>18,690</u>	<u>1,298,989</u>
At 31 March 2002	<u>570,307</u>	<u>291,449</u>	<u>103,333</u>	<u>227,153</u>	<u>11,319</u>	<u>1,203,561</u>
Depreciation rates	2% & 10%	2% & 10%	20%, 25% & 33%	30%	20% & 25%	

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

9 FIXED ASSET INVESTMENTS - GROUP COMPANIES

COMPANY	£
Cost	
At 1 April 2002	3,036
Additions	1
	<hr/>
At 31 March 2003	3,037
	<hr/>
Provision for diminution in value	
At 1 April 2002 and 31 March 2003	2,931
	<hr/>
Net book amounts	
At 31 March 2003	106
	<hr/>
At 31 March 2002	105
	<hr/>

Details of the company's subsidiaries at 31 March 2003 are:

Name	Class of shares held	Percentage held by the company	Nature of business
Cryo Limited	Ordinary	100%	Dormant
RSM Products Limited	Ordinary	100%	Dormant
The Specialists Limited	Ordinary	100%	Dormant
Unitec Limited	Ordinary	100%	Dormant
United Termofrost Limited	Ordinary	100%	Dormant
Refrigerator Components Limited	Ordinary	100%	Refrigeration equipment wholesalers & engineers

All of the companies shown above were incorporated in the United Kingdom and have ceased to trade except as noted.

On 4 December 2002, the company acquired 100% of the issued ordinary share capital of Cobco (510) Limited. On 6 December 2002, Cocbo (510) Limited changed its name to Refrigerator Components Limited.

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

9 FIXED ASSET INVESTMENTS - GROUP COMPANIES (continued)

On 2 December 2002 the company acquired the trade and certain assets of Avril Vinter Limited (previously Refrigerator Components Limited) for consideration of £238,592 as follows:

	£
Long leasehold property	177,506
Motor vehicles	15,000
Fixtures, fittings and equipment	25,000
	<hr/> 217,506
Transaction costs	21,086
	<hr/> <hr/> 238,592

The assets have been included in the company's balance sheet at the cost at date of acquisition, and it is the opinion of the directors that these are equal to their fair value.

On 4 December 2002, the company transferred some of the acquired assets and trade to Cobco (510) Limited. On 6 December 2002, Cobco (510) Limited changed its name to Refrigerator Components Limited.

The consideration was satisfied through inter-company account as follows:

Net assets	Cost and fair value £
Motor vehicles	15,000
Fixtures, fittings and equipment	25,000
	<hr/> 40,000
Discharged by:	
Inter-company balance	<hr/> 40,000

Refrigerator Components Limited had aggregate capital and reserves at 31 March 2003 of £(26,960) and earned a loss after tax of £26,961 for the period ended 31 March 2003.

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

10 FIXED ASSET INVESTMENTS - TRADE INVESTMENTS

	GROUP		COMPANY	
	2003 £	2002 £	2003 £	2002 £
Interest in trade investments at cost	650	650	650	650

Details of the company's trade investments at 31 March 2003 were:

Name	Country of incorporation	Class of shares held	Percentage held by the company	
			2003	2002
Madics Systems Limited	England	Ordinary	30%	30%

Madics Systems Limited has been excluded from consolidation because the interest is held exclusively for trade investment and the group does not have any influence over the management of that company. The nature of business of the company is software consultancy and supply.

11 STOCKS

	GROUP		COMPANY	
	2003 £	2002 £	2003 £	2002 £
Finished goods and goods for resale	1,946,837	1,832,000	1,877,509	1,832,000
Goods in transit	-	58,787	-	58,787
	1,946,837	1,890,787	1,877,509	1,890,787

12 DEBTORS

	GROUP		COMPANY	
	2003 £	2002 £	2003 £	2002 £
Trade debtors	1,969,282	1,905,568	1,781,754	1,905,568
Other debtors	61,139	50,686	56,164	50,682
Prepayments and accrued income	16,054	27,482	15,041	27,482
Amounts owed by group companies	-	-	266,499	-
	2,046,475	1,983,736	2,119,458	1,983,732

Trade debtors and bank overdraft and loans (included within note 13 below) as at 31 March 2003 include £1,064,421 (2002: £1,154,373) of debts factored with recourse.

Included within amounts owed by group companies is an amount of £61,086 which is due in more than one year (2002: £nil)

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

13 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	GROUP		COMPANY	
	2003	2002	2003	2002
	£	£	£	£
Bank overdraft and loans	1,938,487	1,806,853	1,934,300	1,806,853
Trade creditors	928,577	1,015,309	861,444	1,015,309
Amounts owed to group companies	-	-	313,936	313,936
Corporation tax	47,459	89,329	47,459	89,329
Other taxation and social security	248,183	226,603	243,885	226,603
Other creditors	76,762	35,783	76,762	35,783
Accruals and deferred income	217,656	131,764	213,919	131,764
Obligations under finance lease (note 15)	3,538	-	3,538	-
	<u>3,460,662</u>	<u>3,305,641</u>	<u>3,695,243</u>	<u>3,619,577</u>

The bank overdraft and loans are secured by fixed charges on the freehold and leasehold properties and trade debtors by a floating charge on the assets of the company.

Bank overdraft and other loans and trade debtors (within note 12 above) as at 31 March 2003 include £1,064,421 (2002: £1,154,373) of debt factored with recourse.

14 CREDITORS (AMOUNTS FALLING DUE IN MORE THAN ONE YEAR)

	GROUP		COMPANY	
	2003	2002	2003	2002
	£	£	£	£
Obligations under finance lease (note 15)	<u>7,625</u>	<u>-</u>	<u>7,625</u>	<u>-</u>

15 ANALYSIS OF DEBT

	GROUP		COMPANY	
	2003	2002	2003	2002
	£	£	£	£
Debt can be analysed as falling due:				
Obligations under finance lease				
In one year or less	3,538	-	3,538	-
Between one and two years	7,625	-	7,625	-
	<u>11,163</u>	<u>-</u>	<u>11,163</u>	<u>-</u>

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

16 PROVISIONS FOR LIABILITIES AND CHARGES

DEFERRED TAXATION

The Group	2003		2002	
	Amount provided £	Amount not provided £	Amount provided £	Amount not provided £
Tax effect of timing differences arising on:				
Excess of tax allowances over depreciation	12,223	-	17,750	-
The Company				
Tax effect of timing differences arising on:				
Excess of tax allowances over depreciation	12,550	-	17,750	-

DEFERRED TAXATION MOVEMENTS

The group	2003 £	2002 £
Balance at 1 April 2002	17,750	17,721
Transfer from profit and loss account	(5,527)	29
Balance at 31 March 2003	12,223	17,750
The company	2003 £	2002 £
Balance at 1 April 2002	17,750	17,721
Transfer from profit and loss account	(5,200)	29
Balance at 31 March 2003	12,550	17,750

17 SHARE CAPITAL

Share capital at 31 March 2003 and 31 March 2002 was as follows:

	Authorised		Allotted, issued and fully paid	
	2003 £	2002 £	2003 £	2002 £
Ordinary shares of 25p each	500,000	500,000	157,709	157,709

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

18 RESERVES

The Group	Share premium account £	Capital redemption reserve £	Profit and loss reserve £
At 1 April 2002	23,698	100,529	1,498,374
Retained profit for the year	-	-	115,452
At 31 March 2003	<u>23,698</u>	<u>100,529</u>	<u>1,613,826</u>
The Company	Share premium account £	Capital redemption reserve £	Profit and loss reserve £
At 1 April 2002	23,698	100,529	1,184,519
Retained profit for the year	-	-	142,413
At 31 March 2003	<u>23,698</u>	<u>100,529</u>	<u>1,326,932</u>

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	GROUP		COMPANY	
	2003 £	2002 £	2003 £	2002 £
Profit for the financial year	<u>115,452</u>	<u>182,181</u>	<u>142,413</u>	<u>182,181</u>
Net increase to shareholders' funds	<u>115,452</u>	<u>182,181</u>	<u>142,413</u>	<u>182,181</u>
Opening shareholders' funds	<u>1,780,310</u>	<u>1,598,129</u>	<u>1,466,455</u>	<u>1,284,274</u>
Closing shareholders' funds	<u>1,895,762</u>	<u>1,780,310</u>	<u>1,608,868</u>	<u>1,466,455</u>

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

20a RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOW

	2003	2002
	£	£
Operating profit	253,052	379,208
Depreciation charges	157,747	159,559
Loss on sale of tangible fixed assets	-	7,381
(Increase)/decrease in stocks	(56,050)	76,973
(Increase)/decrease in debtors	(62,739)	30,063
Increase in creditors	61,719	50,549
	<u>353,729</u>	<u>703,733</u>
Net cash inflow from operating activities	<u>353,729</u>	<u>703,733</u>

20b ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

Returns on investment and servicing of finance	2003	2002
	£	£
Interest received	5,070	8,724
Interest paid	(100,457)	(116,393)
Interest element of finance lease payments	(281)	-
	<u>(95,668)</u>	<u>(107,669)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(95,668)</u>	<u>(107,669)</u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(321,208)	(201,728)
Sale of tangible fixed assets	12,467	56,350
	<u>(308,741)</u>	<u>(145,378)</u>
Net cash outflow for capital expenditure and financial investment	<u>(308,741)</u>	<u>(145,378)</u>
 Financing		
Capital element of finance lease payments	11,163	-
	<u>11,163</u>	<u>-</u>
Net cash inflow from financing	<u>11,163</u>	<u>-</u>

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

20c ANALYSIS OF NET DEBT

	At 1 April 2002 £	Cash flow £	At 31 March 2003 £
Cash at bank and in hand	24,967	2,788	27,755
Bank overdraft and loans	(1,806,853)	(131,634)	(1,938,487)
	<u>(1,781,886)</u>	<u>(128,846)</u>	<u>(1,910,732)</u>
Finance lease obligations	-	(11,163)	(11,163)
	<u>(1,781,886)</u>	<u>(140,009)</u>	<u>(1,921,895)</u>

21 PENSION COMMITMENTS

The group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the group in an independently administered fund. The pension cost charge represent contributions payable by the group to the funds and amounted to £191,852 (2002: £191,922).

22 OTHER COMMITMENTS

At 31 March 2003 the group was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2003:

	Land and buildings 2003 £	2002 £
Operating leases which expire:		
Within 1 year	13,970	-
Within 2 to 5 years	-	32,800
	<u>13,970</u>	<u>32,800</u>

At 31 March 2003 the group was committed to purchasing foreign currency under forward contract arrangements with a value of £249,933 (2002: £450,582).

23 PARENT UNDERTAKINGS

The ultimate parent company is Lansing Securities Limited, a company registered in the British Virgin Islands. Copies of its financial statements are not publicly available.

The parent company of the smallest and largest group to include the company in its consolidated financial statements is its immediate parent undertaking, Rareform Limited, a company incorporated in England. Copies of its consolidated financial statements are available from Companies' House, Crown Way, Maindy, Cardiff, CF14 3UZ. The company has taken advantage of the exemptions conferred by Financial Reporting Standard 8 from the requirement to make disclosures concerning related parties within the group.

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

24 RELATED PARTY TRANSACTIONS

During the year, the company made sales to a related party amounting to £50,870. At 31 March 2003 the company had a debtor balance of £53,902 with the related party. This balance has been fully provided for in these financial statements.