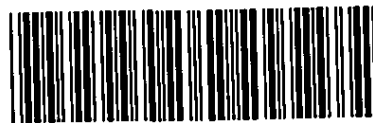


THERMOFROST CRYO PLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

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▼ **THERMOFROST CRYO PLC AND SUBSIDIARIES**

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THERMOFROST CRYO PLC AND SUBSIDIARIES

COMPANY INFORMATION

DIRECTORS

V A D'CRUZ
P J SLOPER
G C BURROWS

SECRETARY

J E COPPING

REGISTERED OFFICE

ERNEST AVENUE
WEST NORWOOD
LONDON
SE27 0DA

AUDITORS

MAZARS LLP
THE ATRIUM
PARK STREET WEST
LUTON
BEDFORDSHIRE
LU1 3BE

BANKERS

NATIONAL WESTMINSTER BANK PLC
BARCLAYS BANK PLC
ALLIANCE & LEICESTER PLC

COMPANY NUMBER

1036288

THERMOFROST CRYO PLC AND SUBSIDIARIES

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 March 2007

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 group 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,
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping 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

Current year

The company has successfully strengthened its portfolio of both refrigeration and air conditioning products by the addition of a number of key product lines from several new suppliers, and also some new products from existing sources. With the assistance of those suppliers the company has been able to build substantial pre-season stocks without adversely affecting cash flow.

In the early part of the financial year market conditions were not particularly favourable, and trading was also affected by some shortages in the supply chain. However the situation gradually improved during the financial year and the final quarter showed strong growth. Annual turnover increased by 1.7% and operating profit increased by 2.1% as a result of careful cost control. In the previous financial year the company sold vacant premises in Manchester to the value of £87,985 and with no such sale this financial year this resulted in a fall in pre-tax profit of 17%. However pre-tax profits if compared after excluding this exceptional item increased by 8.5%.

During the previous financial year the status of our Manchester subsidiary, Refrigerator Components Limited, was changed from that of a limited company to a trading division, a transition which was executed smoothly and efficiently with the help of the staff involved. The RCL Division traded successfully during its first full financial year following that change, and is expected to further increase its presence in the north west market in the next financial year.

Staffing levels during the financial year remained stable, and the company continues to enjoy a low staff turnover.

The company has complied with all relevant and applicable legislative requirements.

THERMOFROST CRYO PLC AND SUBSIDIARIES

REPORT OF THE DIRECTORS (continued)

REVIEW OF THE BUSINESS (continued)

Future developments

The company continues to seek new and innovative products which might benefit it's customers, in particular products which offer improved energy efficiency

Since the year end, the London Trade Counter has been enlarged and refurbished to provide an improved facility for local customers and this work was completed in June 2007

The company is committed to expanding it's involvement in the Variable Refrigerant Flow air conditioning market, whilst at the same time growing turnover in it's traditional refrigeration and air conditioning markets. An extensive staff training program is underway, and staff numbers are expected to increase in line with the growth in turnover

Key risks and uncertainties

The long term growth prospects for the air conditioning market are good, whilst the more mature refrigeration market has started to recover following several years of stagnation

The new European F-Gas regulations represent a challenge to the refrigeration and air conditioning industry, but also presents opportunities for the industry to become more highly skilled and so provide a better service to it's customers

The directors have identified no risks that are beyond the normal trading risks of a business of this type

PRINCIPAL ACTIVITY

The principal activity of the group continued to be dealing in refrigeration and air conditioning components and related equipment

QUALITY ASSURANCE

The company's continued commitment to a high standard of customer service has resulted in it retaining Registered Firm status under BS EN ISO9001 2000

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. At the financial year end the group and company had 60 (2005 45 days) days of the last three months purchases outstanding within trade creditors but on the statutory annualised calculations the number of creditor days was 58 days (2006 41 days). The increase in creditor days reflects the build up of stock toward the end of the financial year

RESULTS AND DIVIDENDS

The results of the group for the year ended 31 March 2007 are set out in the financial statements on pages 8 to 22. In particular, the operating profit increased from £437,623 to £446,764. Dividends on the issued ordinary share capital amounting to £325,000 (2006 £370,000) were paid during the year

THERMOFROST CRYO PLC AND SUBSIDIARIES

REPORT OF THE DIRECTORS (continued)

DIRECTORS

The directors set out below have held office during the whole of the period from 1 April 2006 to the date of this report, unless otherwise stated. The interests of the directors holding office on 31 March 2007 in the shares of the company according to the register of directors' interests were

	Ordinary shares of 25p each At 31 March 2007	Ordinary shares of 25p each At 1 April 2006
V A D'Cruz (Chairman)	-	-
P J Sloper	54,000	54,000
G C Burrows	-	-

FINANCIAL INSTRUMENTS

Treasury operations and financial instruments

The group operates a centralised treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the group's activities

The group's principal financial instruments include bank overdrafts and invoice discounting facilities, the main purpose of which is to raise finance for the group's operations. In addition, the group has various other financial assets and liabilities such as trade receivables and trade payables arising directly from its operations

Liquidity risk

The group manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the group has sufficient liquid resources to meet the operating needs of its business

Interest rate risk

The group is exposed to cash flow interest rate risk on its bank overdraft and invoice discounting arrangements

Foreign currency risk

The group's foreign currency exposures arise from overseas purchases of goods. The group has hedged against these transactions through the use of forward exchange contracts to fix the cost in sterling

Credit risk

Investments of cash surpluses and borrowings are made through banks and companies which must fulfil credit rating criteria approved by the Board

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary

DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information, and taken such other steps for that purpose, as were required by their duty as directors of the company to exercise due care, skill and diligence

THERMOFROST CRYO PLC AND SUBSIDIARIES

REPORT OF THE DIRECTORS (continued)

AUDITORS

A resolution to reappoint Mazars LLP as auditors to the company and to authorise the directors to fix their remuneration will be proposed at the annual general meeting

Approved by the board on 7 August 2007
and signed on its behalf by

A handwritten signature in black ink, appearing to read 'V A D'Cruz', written over the printed name and title.

V A D'Cruz
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THERMOFROST CRYO PLC

We have audited the financial statements of Thermofrost Cryo Plc for the year ended 31 March 2007 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 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, for this report, 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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 1985 and whether the information given in the Directors' Report is not consistent with the financial statements. We also report to you if, in our opinion, 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 and other members of the group 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.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 circumstances of the company and the group, 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.



Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state the company's and the group's affairs as at 31 March 2007 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



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

Date 7 August 2007

THERMOFROST CRYO PLC AND SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2007 £	2006 (restated – see note 1n) £
Turnover	2	11,111,229	10,923,448
Cost of sales		(7,551,647)	(7,431,302)
Gross profit		3,559,582	3,492,146
Distribution and selling expenses		(536,920)	(575,952)
Administrative expenses		(2,591,353)	(2,524,887)
Other operating income		15,455	46,316
Operating profit		446,764	437,623
Profit on sale of property		-	87,985
Interest receivable and similar income		1,248	1,417
Interest payable and similar charges	6	(131,832)	(147,530)
Profit on ordinary activities before taxation	3	316,180	379,495
Taxation on profit on ordinary activities	7	(102,476)	(118,897)
Profit for the year	17	213,704	260,598

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 2007

		GROUP		COMPANY	
	Notes	2007 £	2006 £	2007 £	2006 £
Fixed assets					
Tangible assets	10	1,285,624	1,315,354	1,285,624	1,315,354
Investments group companies	11	-	-	106	106
		<u>1,285,624</u>	<u>1,315,354</u>	<u>1,285,730</u>	<u>1,315,460</u>
Current assets					
Stocks	12	2,223,879	2,009,171	2,223,879	2,009,171
Debtors	13	2,496,759	2,090,029	2,496,759	2,090,029
Cash at bank and in hand		20,765	24,283	20,745	24,263
		<u>4,741,403</u>	<u>4,123,483</u>	<u>4,741,383</u>	<u>4,123,463</u>
Creditors: amounts falling due within one year	14	<u>(4,752,651)</u>	<u>(4,056,143)</u>	<u>(4,752,623)</u>	<u>(4,056,202)</u>
Net current (liabilities)/assets		<u>(11,248)</u>	<u>67,340</u>	<u>(11,240)</u>	<u>67,261</u>
Total assets less current liabilities		<u>1,274,376</u>	<u>1,382,694</u>	<u>1,274,490</u>	<u>1,382,721</u>
Provisions for liabilities and charges	15	<u>(26,675)</u>	<u>(23,697)</u>	<u>(26,675)</u>	<u>(23,697)</u>
Net assets		<u><u>1,247,701</u></u>	<u><u>1,358,997</u></u>	<u><u>1,247,815</u></u>	<u><u>1,359,024</u></u>
Capital and reserves					
Called up share capital	16	157,709	157,709	157,709	157,709
Profit & loss reserve	17	965,765	1,077,061	965,879	1,077,088
Capital redemption reserve	17	100,529	100,529	100,529	100,529
Share premium account	17	23,698	23,698	23,698	23,698
Shareholders' funds	18	<u><u>1,247,701</u></u>	<u><u>1,358,997</u></u>	<u><u>1,247,815</u></u>	<u><u>1,359,024</u></u>

Approved by the board on
and signed on its behalf by

7 August 2007



V A D'Cruz
Director

THERMOFROST CRYO PLC AND SUBSIDIARIES**CONSOLIDATED CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 MARCH 2007**

	Notes	2007 £	2006 £
Cash flow from operating activities	19a	482,851	681,039
Returns on investments and servicing of finance	19b	(130,584)	(146,113)
Taxation		(120,606)	(51,558)
Capital expenditure and financial investment	19b	(116,351)	60,912
Equity dividends paid		(325,000)	(370,000)
(Decrease)/increase in cash in the year		<u>(209,690)</u>	<u>174,280</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

(Decrease)/increase in cash in the year		<u>(209,690)</u>	<u>174,280</u>
Movement in net debt in the year		<u>(209,690)</u>	<u>174,280</u>
Net debt at 1 April 2006	19c	<u>(2,363,724)</u>	<u>(2,538,004)</u>
Net debt at 31 March 2007	19c	<u>(2,573,414)</u>	<u>(2,363,724)</u>

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

1 ACCOUNTING POLICIES

a) Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards

b) Going concern

These financial statements have been prepared on a going concern basis

c) 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 2007. 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.

d) Turnover

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

e) Depreciation

Depreciation is calculated to write off the cost of fixed assets other than properties and certain fixtures and fittings on a reducing balance basis over their effective useful lives. 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.

f) 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.

g) Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

h) 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.

Foreign currency gains and losses are recognised in cost of sales.

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

1 ACCOUNTING POLICIES (continued)

i) Investments

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

j) Warranty liability

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

k) Leases

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

l) 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

m) 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

n) Comparatives

Amounts payable to customers of £33,045 have been reclassified from other operating income to administrative expenses in the comparatives to give a fairer representation of both categories

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

	2007	2006
	£	£
The geographical analysis of turnover is given below		
United Kingdom	11,049,476	10,821,686
Overseas	61,753	101,762
	<u>11,111,229</u>	<u>10,923,448</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 2007

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging/(crediting)

	2007	2006
	£	£
Depreciation of tangible assets	144,530	150,869
Audit fee - group audit fee (including company)	29,050	27,000
- fees for non-audit services	19,103	19,309
Operating lease rentals - land and buildings	72,624	64,000
Loss/(profit) on sale of fixed assets	1,551	(255)
	<u>144,530</u>	<u>150,869</u>

4 DIRECTORS EMOLUMENTS

	2007	2006
	£	£
Management services	167,634	171,052
Pension scheme contributions	15,935	17,000
	<u>167,634</u>	<u>171,052</u>
Total emoluments	<u>183,569</u>	<u>188,052</u>

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

	Highest paid director	
	2007	2006
	£	£
Emoluments	94,310	100,096
Contributions to money purchase schemes	15,935	17,000
	<u>94,310</u>	<u>100,096</u>
During the year the following number of directors	Number	Number
Accrued benefits under money purchase pension schemes	<u>2</u>	<u>2</u>

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

5	STAFF COSTS	2007 £	2006 £
	Wages and salaries	1,585,816	1,554,362
	Social security costs	176,452	169,771
	Other pension costs	132,639	142,278
		<u>1,894,907</u>	<u>1,866,411</u>
	The average number of persons employed by the group (including directors) during the year was as follows	Number 2007	Number 2006
	Management	6	6
	Administration	18	17
	Sales	23	23
	TOTAL EMPLOYEES	<u>47</u>	<u>46</u>
6	INTEREST PAYABLE AND SIMILAR CHARGES	2007 £	2006 £
	Bank loans and overdrafts	<u>131,832</u>	<u>147,530</u>
7	TAXATION ON PROFIT ON ORDINARY ACTIVITIES	2007 £	2006 £
	Current taxation		
	UK Corporation tax charge for the year	99,150	120,258
	Adjustments in respect of prior years	348	(1,454)
	Total current tax	<u>99,498</u>	<u>118,804</u>
	Deferred tax		
	Origination and reversal of timing difference	<u>2,978</u>	<u>93</u>
	Tax on profit on ordinary activities	<u>102,476</u>	<u>118,897</u>

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

7 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% (2006 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

	2007 £	2006 £
Profit on ordinary activities before tax	316,180	379,495
Tax on profit on ordinary activities at standard rate	94,854	113,849
Factors affecting charge for the year:		
Capital allowances less than depreciation	(3,883)	(1,894)
Expenses not deductible for tax purposes	11,544	4,113
Other short term timing differences	905	1,800
Income not taxable for tax purposes	-	(16,632)
Chargeable gains	-	23,762
Marginal relief	(4,270)	(32)
Adjustments in respect of prior years	348	(1,454)
Tax credits	-	(4,708)
Total actual amount of current tax	99,498	118,804

8 DIVIDENDS

	2007 £	2006 £
Interim dividend paid of 31 70406p (2006 39 63007p) per share	200,000	250,000
Interim dividend paid of 19 81503p (2006 19 022436p) per share	125,000	120,000
	325,000	370,000

9 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 profit for the financial year was £213,791 (2006 profit £530,446 after including £313,860 for dividends receivable from group companies) before paying dividends of £325,000 (2006 £370,000)

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

10 TANGIBLE FIXED ASSETS

Group and Company

	Freehold properties £	Long-term leasehold properties £	Fixtures fittings & equipment £	Motor vehicles £	Plant & machinery £	Total £
Cost						
At 1 April 2006	1,063,301	431,988	426,368	323,185	99,921	2,344,763
Additions	-	-	43,640	78,591	17,820	140,051
Disposals	-	-	(27,701)	(83,562)	-	(111,263)
At 31 March 2007	<u>1,063,301</u>	<u>431,988</u>	<u>442,307</u>	<u>318,214</u>	<u>117,741</u>	<u>2,373,551</u>
Accumulated depreciation						
At 1 April 2006	318,842	199,767	280,781	146,907	83,112	1,029,409
Charge for the year	22,571	9,241	47,275	59,812	5,631	144,530
Eliminated on disposals	-	-	(27,701)	(58,311)	-	(86,012)
At 31 March 2007	<u>341,413</u>	<u>209,008</u>	<u>300,355</u>	<u>148,408</u>	<u>88,743</u>	<u>1,087,927</u>
Net book amount						
At 31 March 2007	<u>721,888</u>	<u>222,980</u>	<u>141,952</u>	<u>169,806</u>	<u>28,998</u>	<u>1,285,624</u>
At 31 March 2006	<u>744,459</u>	<u>232,221</u>	<u>145,587</u>	<u>176,278</u>	<u>16,809</u>	<u>1,315,354</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 2007****11 FIXED ASSET INVESTMENTS - GROUP COMPANIES**

COMPANY	£
Cost	
At 1 April 2006 and 31 March 2007	3,037
	<hr/>
Provision for diminution in value	
At 1 April 2006 and 31 March 2007	2,931
	<hr/>
Net book amounts	
At 31 March 2006 and 31 March 2007	106
	<hr/>

Details of the company's subsidiaries at 31 March 2007 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%	Dormant

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

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

12 STOCKS	Group and Company	
	2007	2006
	£	£
Finished goods and goods for resale	2,223,879	2,009,171

13 DEBTORS	Group and Company	
	2007	2006
	£	£
Trade debtors	2,439,633	2,067,814
Other debtors	20,976	14,912
Prepayments and accrued income	36,150	7,303
	<u>2,496,759</u>	<u>2,090,029</u>

14 CREDITORS: (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Bank overdraft and loans	2,594,179	2,388,007	2,594,179	2,388,007
Trade creditors	1,507,620	1,084,046	1,507,620	1,084,046
Amounts owed to group companies	-	-	-	76
Corporation tax	99,150	120,258	99,150	120,258
Other taxation and social security	286,112	204,896	286,093	204,877
Other creditors	61,976	34,730	61,976	34,730
Accruals and deferred income	203,614	224,206	203,605	224,208
	<u>4,752,651</u>	<u>4,056,143</u>	<u>4,752,623</u>	<u>4,056,202</u>

The bank overdraft and loans are secured by fixed charges on the freehold and leasehold properties

Bank overdraft and loans and trade debtors (within note 13 above) as at 31 March 2007 include £1,597,099 (2006 £1,432,115) of debts factored with recourse. They are secured by a floating charge on the assets of the company.

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

15 PROVISIONS FOR LIABILITIES AND CHARGES

DEFERRED TAXATION

Group and Company	2007		2006	
	Amount provided	Amount not provided	Amount provided	Amount not provided
	£	£	£	£
Tax effect of timing differences arising on				
Excess of tax allowances over depreciation	32,680	-	28,797	-
Short term timing differences	(6,005)	-	(5,100)	-
	<u>26,675</u>	<u>-</u>	<u>23,697</u>	<u>-</u>

DEFERRED TAXATION MOVEMENTS

GROUP AND COMPANY

	2007	2006
	£	£
Balance at 1 April 2006	23,697	23,604
Transfer to profit and loss account	2,978	93
Balance at 31 March 2007	<u>26,675</u>	<u>23,697</u>

16 SHARE CAPITAL

Share capital at 31 March 2007 and 31 March 2006 was as follows

	Authorised		Allotted, issued and fully paid	
	2007	2006	2007	2006
	£	£	£	£
Ordinary shares of 25p each	<u>500,000</u>	<u>500,000</u>	<u>157,709</u>	<u>157,709</u>

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

17 RESERVES

GROUP	Share premium account £	Capital redemption reserve £	Profit and loss reserve £
At 1 April 2006	23,698	100,529	1,077,061
Profit for the financial year	-	-	213,704
Dividends	-	-	(325,000)
At 31 March 2007	<u>23,698</u>	<u>100,529</u>	<u>965,765</u>

COMPANY	Share premium account £	Capital redemption reserve £	Profit and loss reserve £
At 1 April 2006	23,698	100,529	1,077,088
Profit for the financial year	-	-	213,791
Dividends	-	-	(325,000)
At 31 March 2007	<u>23,698</u>	<u>100,529</u>	<u>965,879</u>

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Profit for the financial year	213,704	260,598	213,791	530,446
Dividends paid and proposed	(325,000)	(370,000)	(325,000)	(370,000)
Net (decrease)/increase to shareholders' funds	<u>(111,296)</u>	<u>(109,402)</u>	<u>(111,209)</u>	<u>160,446</u>
Opening shareholders' funds	<u>1,358,997</u>	<u>1,468,399</u>	<u>1,359,024</u>	<u>1,198,578</u>
Closing shareholders' funds	<u><u>1,247,701</u></u>	<u><u>1,358,997</u></u>	<u><u>1,247,815</u></u>	<u><u>1,359,024</u></u>

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

19a RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOW

	2007 £	2006 £
Operating profit	446,764	437,623
Depreciation charges	144,530	150,869
Loss/(profit) on sale of tangible fixed assets	1,551	(255)
(Increase)/decrease in stocks	(214,708)	267,377
(Increase)/decrease in debtors	(406,730)	71,633
Increase/(decrease) in creditors	511,444	(246,208)
Net cash inflow from operating activities	<u>482,851</u>	<u>681,039</u>

19b ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

Returns on investment and servicing of finance	2007 £	2006 £
Interest received	1,248	1,417
Interest paid on bank overdrafts and other loans	(131,832)	(147,530)
Net cash outflow for returns on investments and servicing of finance	<u>(130,584)</u>	<u>(146,113)</u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(140,051)	(103,973)
Sale of tangible fixed assets	23,700	164,885
Net cash (outflow)/inflow for capital expenditure and financial investment	<u>(116,351)</u>	<u>60,912</u>

19c ANALYSIS OF NET DEBT

	At 1 April 2006 £	Cash flow £	At 31 March 2007 £
Cash at bank and in hand	24,283	(3,518)	20,765
Bank overdraft and loans	(2,388,007)	(206,172)	(2,594,179)
	<u>(2,363,724)</u>	<u>(209,690)</u>	<u>(2,573,414)</u>

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

20 PENSION COMMITMENTS

The group operate a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £132,639 (2006 £142,275)

21 OTHER COMMITMENTS

At 31 March 2007 the group was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2008

	Land and buildings	
	2007	2006
	£	£
Operating leases which expire		
Within 1 year	-	-
Within 2 to 5 years	64,000	64,000
	<u>64,000</u>	<u>64,000</u>

At 31 March 2007 the group was committed to purchasing foreign currency under forward contract arrangements with a value of £883,643 (2006 £352,438)

22 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.