

Company Number: 1036288

THERMOFROST CRYO PLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

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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 2008

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 continued to strengthen its portfolio of refrigeration and air conditioning products with the introduction of new packaged refrigeration units and inverter driven air conditioning systems.

In the first quarter of the financial year the favourable market conditions experienced in the last quarter of the previous year continued, and sales and margins were good. However the market reacted adversely to the poor summer weather from July onwards and market conditions deteriorated, resulting in a difficult remainder of the year. Sales of air conditioning products were affected particularly badly, and as a result annual turnover decreased by 1.8%. The fall in the value of Sterling against the Euro from mid year increased costs and significantly reduced margins on products sourced within the EU. The combination of these factors resulted in a fall in pre-tax profits.

Stocks were reduced in line with market conditions and ended the year £230,000 lower than at the end of the previous year.

Staffing levels during the financial year remained stable and the company continued to benefit from a low staff turnover.

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

Future developments

The company continues to seek new and innovative products which might benefit its customers, in particular those which offer improved energy efficiency and assist in compliance with the European F-Gas regulations.

The company continues to develop business in the Variable Refrigerant Flow air conditioning market, and also expects significant growth in the packaged refrigeration sector with the introduction of an important new range of products.

THERMOFROST CRYO PLC AND SUBSIDIARIES

REPORT OF THE DIRECTORS (continued)

Key risks and uncertainties

The long term prospects for growth in the air conditioning market are positive, however in the short term the market remains weak and may continue so for the duration of the current financial year. The refrigeration market continues to recover after several years of stagnation and shows signs of growth in a number of sectors where the company has a strong product offering.

The European F-Gas regulations are likely to boost the market as the final phase of implementation takes effect in 2009, but will require the industry to re-train a significant number of engineers to achieve compliance.

With considerable upward pressure on costs for UK industry, the company is paying particular attention to managing its costs in order to remain competitive. The exchange rate against the Euro has stabilised and this should allow margins to recover.

The directors have not identified any 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 55 (2007: 60 days) days of the last three months' purchases outstanding within trade creditors.

RESULTS AND DIVIDENDS

The results of the group for the year ended 31 March 2008 are set out in the financial statements on pages 8 to 21. Dividends on the issued ordinary share capital amounting to £300,000 (2007: £325,000) were paid during the year.

DIRECTORS

The directors set out below have held office during the whole of the period from 1 April 2007 to the date of this report, unless otherwise stated. The interests of the directors holding office on 31 March 2008 in the shares of the company according to the register of directors' interests were:

	Ordinary shares of 25p each At 31 March 2008	Ordinary shares of 25p each At 1 April 2007
V A D'Cruz (Chairman)	-	-
P J Sloper	54,000	54,000
G C Burrows	-	-

THERMOFROST CRYO PLC AND SUBSIDIARIES

REPORT OF THE DIRECTORS (continued)

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

Approved by the board on 26/8/08
and signed on its behalf by



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 2008 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, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is 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.

Basis of audit opinion

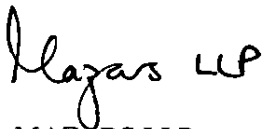
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2008 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: 26.8.2008

THERMOFROST CRYO PLC AND SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008

	Notes	2008 £	2007 £
Turnover	2	10,907,977	11,111,229
Cost of sales		(7,493,740)	(7,551,647)
Gross profit		3,414,237	3,559,582
Distribution and selling expenses		(543,582)	(536,920)
Administrative expenses		(2,686,574)	(2,591,353)
Other operating income		33,149	15,455
Operating profit		217,230	446,764
Interest receivable and similar income		935	1,248
Interest payable and similar charges	6	(184,062)	(131,832)
Profit on ordinary activities before taxation	3	34,103	316,180
Tax credit (charge) on profit on ordinary activities	7	675	(102,476)
Profit for the year	17	34,778	213,704

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 2008

	Notes	GROUP		COMPANY	
		2008 £	2007 £	2008 £	2007 £
Fixed assets					
Tangible assets	10	1,277,486	1,285,624	1,277,486	1,285,624
Investments group companies	11	-	-	106	106
		<u>1,277,486</u>	<u>1,285,624</u>	<u>1,277,592</u>	<u>1,285,730</u>
Current assets					
Stocks	12	1,993,854	2,223,879	1,993,854	2,223,879
Debtors	13	2,319,150	2,496,759	2,319,150	2,496,759
Cash at bank and in hand		73,884	20,765	73,864	20,745
		<u>4,386,888</u>	<u>4,741,403</u>	<u>4,386,868</u>	<u>4,741,383</u>
Creditors: amounts falling due within one year	14	(4,666,540)	(4,752,651)	(4,666,512)	(4,752,623)
Net current liabilities		<u>(279,652)</u>	<u>(11,248)</u>	<u>(279,644)</u>	<u>(11,240)</u>
Total assets less current liabilities		997,834	1,274,376	997,948	1,274,490
Provisions for liabilities and charges	15	(15,355)	(26,675)	(15,355)	(26,675)
Net assets		<u>982,479</u>	<u>1,247,701</u>	<u>982,593</u>	<u>1,247,815</u>
Capital and reserves					
Called up share capital	16	157,709	157,709	157,709	157,709
Profit & loss reserve	17	700,543	965,765	700,657	965,879
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>982,479</u>	<u>1,247,701</u>	<u>982,593</u>	<u>1,247,815</u>

Approved by the board on 26/8/08
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 2008

	Notes	2008 £	2007 £
Cash flow from operating activities	19a	549,174	482,851
Returns on investments and servicing of finance	19b	(183,127)	(130,584)
Taxation		(87,830)	(120,606)
Capital expenditure and financial investment	19b	(137,228)	(116,351)
Equity dividends paid		(300,000)	(325,000)
Decrease in cash in the year		<u>(159,011)</u>	<u>(209,690)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

Decrease in cash in the year		<u>(159,011)</u>	<u>(209,690)</u>
Movement in net debt in the year		(159,011)	(209,690)
Net debt at 1 April 2007	19c	<u>(2,573,414)</u>	<u>(2,363,724)</u>
Net debt at 31 March 2008	19c	<u>(2,732,425)</u>	<u>(2,573,414)</u>

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

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 2008. 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 2008

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

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

	2008 £	2007 £
The geographical analysis of turnover is given below		
United Kingdom	10,810,862	11,049,476
Overseas	94,115	61,753
	<u>10,907,977</u>	<u>11,111,229</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 2008

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2008	2007
	£	£
Depreciation of tangible assets	141,455	144,530
Audit fee - group audit fee (including company)	28,050	29,050
- fees for non-audit services	19,061	19,103
Operating lease rentals - land and buildings	79,883	72,624
Loss on sale of fixed assets	3,911	1,551
	<u>192,360</u>	<u>266,858</u>

4 DIRECTORS EMOLUMENTS

	2008	2007
	£	£
Management services	187,519	181,286
Pension scheme contributions	20,765	15,935
	<u>208,284</u>	<u>197,221</u>

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

	Highest paid director	
	2008	2007
	£	£
Emoluments	112,059	107,962
Contributions to money purchase schemes	20,765	15,935
	<u>132,824</u>	<u>123,897</u>

	Number	Number
During the year the following number of directors		
Accrued benefits under money purchase pension schemes	2	2
	<u>2</u>	<u>2</u>

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

5	STAFF COSTS	2008	2007
		£	£
	Wages and salaries	1,649,541	1,585,816
	Social security costs	183,237	176,452
	Other pension costs	144,791	132,639
		<u>1,977,569</u>	<u>1,894,907</u>
	The average number of persons employed by the group (including directors) during the year was as follows	Number	Number
		2008	2007
	Management	6	6
	Administration	17	18
	Sales	22	23
		<u>45</u>	<u>47</u>
	TOTAL EMPLOYEES		
6	INTEREST PAYABLE AND SIMILAR CHARGES	2008	2007
		£	£
	Bank loans and overdrafts	<u>184,062</u>	<u>131,832</u>
7	TAX (CREDIT) CHARGE ON PROFIT ON ORDINARY ACTIVITIES	2008	2007
		£	£
	Current taxation		
	UK Corporation tax charge for the year	10,645	99,150
	Adjustments in respect of prior years	-	348
		<u>10,645</u>	<u>99,498</u>
	Total current tax		
	Deferred tax		
	Origination and reversal of timing difference	<u>(11,320)</u>	<u>2,978</u>
	Tax (credit)/charge on profit on ordinary activities	<u>(675)</u>	<u>102,476</u>

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

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 20% (2007 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

	2008 £	2007 £
Profit on ordinary activities before tax	34,103	316,180
Tax on profit on ordinary activities at standard rate	6,820	94,854
Factors affecting charge for the year:		
Capital allowances less than depreciation	6,814	(3,883)
Expenses not deductible for tax purposes	1,665	11,544
Other short term timing differences	2	905
Income not taxable for tax purposes	(4,656)	-
Marginal relief	-	(4,270)
Adjustments in respect of prior years	-	348
Total actual amount of current tax	10,645	99,498

8 DIVIDENDS

	2008 £	2007 £
Interim dividend paid of 47 5561p (2007 31 70406p) per share	300,000	200,000
Interim dividend paid of 0p (2007 19 81503p) per share	-	125,000
	300,000	325,000

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 £34,778 (2007 £213,791) before paying dividends of £300,000 (2007 £325,000)

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

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 2007	1,063,301	431,988	442,307	318,214	117,741	2,373,551
Additions	7,671	-	30,571	126,301	1,471	166,014
Disposals	-	-	-	(104,902)	-	(104,902)
At 31 March 2008	<u>1,070,972</u>	<u>431,988</u>	<u>472,878</u>	<u>339,613</u>	<u>119,212</u>	<u>2,434,663</u>
Accumulated depreciation						
At 1 April 2007	341,413	209,008	300,355	148,408	88,743	1,087,927
Charge for the year	21,849	8,277	41,876	62,140	7,313	141,455
Eliminated on disposals	-	-	-	(72,205)	-	(72,205)
At 31 March 2008	<u>363,262</u>	<u>217,285</u>	<u>342,231</u>	<u>138,343</u>	<u>96,056</u>	<u>1,157,177</u>
Net book amount						
At 31 March 2008	<u>707,710</u>	<u>214,703</u>	<u>130,647</u>	<u>201,270</u>	<u>23,156</u>	<u>1,277,486</u>
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>
Depreciation rates	2% and 10%	2% and 10%	20%, 25% and 33%	30%	20% and 25%	

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

11 FIXED ASSET INVESTMENTS - GROUP COMPANIES

Company	£
Cost	
At 1 April 2007 and 31 March 2008	3,037
Provision for diminution in value	
At 1 April 2007 and 31 March 2008	2,931
Net book amounts	
At 1 April 2007 and 31 March 2008	106

Details of the company's subsidiaries at 31 March 2008 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 2008

12 STOCKS

	Group and Company	
	2008	2007
	£	£
Finished goods and goods for resale	<u>1,993,854</u>	<u>2,223,879</u>

13 DEBTORS

	Group and Company	
	2008	2007
	£	£
Trade debtors	2,252,288	2,439,633
Other debtors	24,692	20,976
Prepayments and accrued income	42,170	36,150
	<u>2,319,150</u>	<u>2,496,759</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank overdraft and loans	2,806,309	2,594,179	2,806,309	2,594,179
Trade creditors	1,351,293	1,507,620	1,351,293	1,507,620
Corporation tax	10,645	99,150	10,645	99,150
Other taxation and social security	274,693	286,112	274,674	286,093
Other creditors	26,208	61,976	26,208	61,976
Accruals and deferred income	197,392	203,614	197,383	203,605
	<u>4,666,540</u>	<u>4,752,651</u>	<u>4,666,512</u>	<u>4,752,623</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 2008 include £1,640,092 (2007 £1,597,099) 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 2008

15 PROVISIONS FOR LIABILITIES AND CHARGES

DEFERRED TAXATION

Group and Company	2008		2007	
	Amount provided £	Amount not provided £	Amount provided £	Amount not provided £
Tax effect of timing differences arising on				
Excess of tax allowances over depreciation	20,962	-	32,680	-
Short term timing differences	(5,607)	-	(6,005)	-
	<u>15,355</u>	<u>-</u>	<u>26,675</u>	<u>-</u>

Deferred taxation movements

Group and company	2008 £	2007 £
Balance at 1 April 2007	26,675	23,697
Transfer to profit and loss account	(11,320)	2,978
Balance at 31 March 2008	<u>15,355</u>	<u>26,675</u>

16 SHARE CAPITAL

	Authorised		Allotted, issued and fully paid	
	2008 £	2007 £	2008 £	2007 £
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 2008

17 RESERVES

Group	Share premium account £	Capital redemption reserve £	Profit and loss reserve £
At 1 April 2007	23,698	100,529	965,765
Profit for the financial year	-	-	34,778
Dividends	-	-	(300,000)
At 31 March 2008	<u>23,698</u>	<u>100,529</u>	<u>700,543</u>

Company	Share premium account £	Capital redemption reserve £	Profit and loss reserve £
At 1 April 2007	23,698	100,529	965,879
Profit for the financial year	-	-	34,778
Dividends	-	-	(300,000)
At 31 March 2008	<u>23,698</u>	<u>100,529</u>	<u>700,657</u>

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Profit for the financial year	34,778	213,704	34,778	213,791
Dividends paid	(300,000)	(325,000)	(300,000)	(325,000)
Net decrease to shareholders' funds	<u>(265,222)</u>	<u>(111,296)</u>	<u>(265,222)</u>	<u>(111,209)</u>
Opening shareholders' funds	1,247,701	1,358,997	1,247,815	1,359,024
Closing shareholders' funds	<u>982,479</u>	<u>1,247,701</u>	<u>982,593</u>	<u>1,247,815</u>

THERMOFROST CRYO PLC AND SUBSIDIARIES

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FOR THE YEAR ENDED 31 MARCH 2008

19a RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOW

	2008	2007
	£	£
Operating profit	217,230	446,764
Depreciation charges	141,455	144,530
Loss on sale of tangible fixed assets	3,911	1,551
Decrease/(increase) in stocks	230,025	(214,708)
Decrease/(increase) in debtors	177,609	(406,730)
(Decrease)/increase in creditors	(221,056)	511,444
Net cash inflow from operating activities	<u>549,174</u>	<u>482,851</u>

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

Returns on investment and servicing of finance	2008	2007
	£	£
Interest received	935	1,248
Interest paid on bank overdrafts and other loans	(184,062)	(131,832)
Net cash outflow for returns on investments and servicing of finance	<u>(183,127)</u>	<u>(130,584)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(166,014)	(140,051)
Sale of tangible fixed assets	28,786	23,700
Net cash outflow for capital expenditure and financial investment	<u>(137,228)</u>	<u>(116,351)</u>

19c ANALYSIS OF NET DEBT

	At 1 April 2007	Cash flow	At 31 March 2008
	£	£	£
Cash at bank and in hand	20,765	53,119	73,884
Bank overdraft and loans	(2,594,179)	(212,130)	(2,806,309)
	<u>(2,573,414)</u>	<u>(159,011)</u>	<u>(2,732,425)</u>

THERMOFROST CRYO PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

20 PENSION COMMITMENTS

The group operates 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 £135,157 (2007: £132,639).

21 OTHER COMMITMENTS

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

	Land and buildings	
	2008	2007
	£	£
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 2008 the group was committed to purchasing foreign currency under forward contract arrangements with a value of £1,316,937 (2007: £883,643).

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.