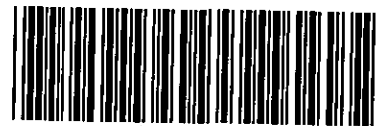


THERMOFROST CRYO PLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

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INDEX

PAGE

COMPANY INFORMATION

1

REPORT OF THE DIRECTORS

2 - 4

REPORT OF THE AUDITORS

5 - 6

CONSOLIDATED PROFIT AND LOSS ACCOUNT

7

CONSOLIDATED AND COMPANY BALANCE SHEETS

8

CONSOLIDATED CASH FLOW STATEMENT

9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 - 20

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
BANCO SANTANDER

COMPANY NUMBER

1036288

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 March 2011

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the parent company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 group and the parent company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Review of the business***Current year***

The strengthened product portfolio contributed to an annual sales increase of 10.9% despite difficult market conditions, whilst attention to ongoing and future operating costs kept these well under control.

Stocks rose in line with demand and ended the year 9.8% higher than at the end of the previous year.

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.

In the longer term, the increased demand for air source heat pumps is expected to provide further growth.

Key risks and uncertainties

It is anticipated that any growth in the market will remain weak for most of the current financial year, with only a gradual recovery in line with the overall UK economy. However the long term prospects for growth are positive, as the drive for improved energy efficiency, reduced carbon emissions and the need to comply with F-Gas regulations leads to both refrigeration and air conditioning systems being upgraded or replaced.

The company continues to pay careful attention to its costs, in order to remain competitive and efficient, and is taking a robust approach to the management of its debtors.

The directors have not identified any risks that are beyond the normal trading risks of a business of this type.

REPORT OF THE DIRECTORS (continued)**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 2008

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 65 days (2010: 49 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 2011 are set out in the financial statements on pages 7 to 20.

Interim dividends of 69.75 pence per share amounting to £440,000 (2010: £nil) were paid during the year.

Directors

The directors set out below have held office during the whole of the period from 1 April 2010 to the date of this report, unless otherwise stated.

V A D'Cruz (Chairman)

P J Sloper

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 instrument is an invoice discounting facility, 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.

REPORT OF THE DIRECTORS (continued)

Financial instruments (continued)

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

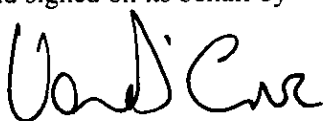
So far as the directors are aware

- 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

AUDITORS

The company is not obliged to reappoint its auditors annually and Mazars LLP will therefore continue in office

Approved by the board on 01.08.11
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 (company number 1036288) for the year ended 31 March 2011 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities set out on page 2 the directors are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report, including our opinion, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF THERMOFROST CRYO PLC

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Lee Brook (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

The Atrium
Park Street West
Luton
Bedfordshire
LU1 3BE

Date 01.08.11

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 £	2010 £
Turnover	2	10,569,933	9,528,706
Cost of sales		(7,429,237)	(6,768,892)
Gross profit		3,140,696	2,759,814
Distribution and selling expenses		(378,764)	(376,899)
Administrative expenses		(2,434,958)	(2,312,752)
Other operating income		37,232	37,317
Profit on ordinary activities before interest		364,206	107,480
Interest receivable and similar income		205	30
Interest payable and similar charges	6	(30,271)	(25,939)
Profit on ordinary activities before taxation	3	334,140	81,571
Tax charge on profit on ordinary activities	7	(91,874)	(13,776)
Profit for the year	16	242,266	67,795

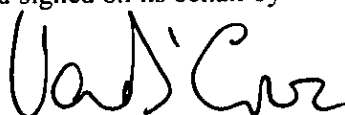
The group's turnover and expenses all relate to continuing operations

The group has no recognised gains and losses other than the profit for the year

BALANCE SHEETS AT 31 MARCH 2011

	Notes	Group 2011 £	2010 £	Company 2011 £	2010 £
Fixed assets					
Tangible fixed assets	9	217,234	206,847	217,234	206,847
Investments group companies	10	-	-	107	106
		<u>217,234</u>	<u>206,847</u>	<u>217,341</u>	<u>206,953</u>
Current assets					
Stocks	11	1,816,531	1,655,153	1,816,531	1,655,153
Debtors	12	2,405,620	2,143,659	2,405,620	2,143,659
Cash at bank and in hand		89,984	171,032	89,964	171,012
		<u>4,312,135</u>	<u>3,969,844</u>	<u>4,312,115</u>	<u>3,969,824</u>
Creditors: amounts falling due within one year	13	<u>(2,863,781)</u>	<u>(2,316,764)</u>	<u>(2,863,754)</u>	<u>(2,316,736)</u>
Net current assets		<u>1,448,354</u>	<u>1,653,080</u>	<u>1,448,361</u>	<u>1,653,088</u>
Total assets less current liabilities		<u>1,665,588</u>	<u>1,859,927</u>	<u>1,665,702</u>	<u>1,860,041</u>
Provisions for liabilities and charges	14	<u>(3,395)</u>	<u>-</u>	<u>(3,395)</u>	<u>-</u>
Net assets		<u><u>1,662,193</u></u>	<u><u>1,859,927</u></u>	<u><u>1,662,307</u></u>	<u><u>1,860,041</u></u>
Capital and reserves					
Called up share capital	15	157,709	157,709	157,709	157,709
Share premium account	16	23,698	23,698	23,698	23,698
Capital redemption reserve	16	100,529	100,529	100,529	100,529
Profit & loss reserve	16	1,380,257	1,577,991	1,380,371	1,578,105
Shareholders' funds	17	<u><u>1,662,193</u></u>	<u><u>1,859,927</u></u>	<u><u>1,662,307</u></u>	<u><u>1,860,041</u></u>

Approved by the board on 01 08 11
and signed on its behalf by



V A D'Cruz
Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 £	2010 £
Cash flow from operating activities	18a	502,211	259,552
Returns on investments and servicing of finance	18b	(30,066)	(25,909)
Taxation		(12,215)	(544)
Capital expenditure and financial investment	18b	(75,889)	(42,096)
Equity dividends paid		(440,000)	-
(Decrease)/increase in cash in the year		<u>(55,959)</u>	<u>191,003</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

(Decrease)/increase in cash in the year		<u>(55,959)</u>	<u>191,003</u>
Movement in net debt in the year		<u>(55,959)</u>	<u>191,003</u>
Net debt at 1 April 2010	18c	<u>(761,415)</u>	<u>(952,418)</u>
Net debt at 31 March 2011	18c	<u><u>(817,374)</u></u>	<u><u>(761,415)</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011****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 2011. No profit and loss account is presented for Thermofrost Cryo Plc as provided by Section 408 of the Companies Act 2006.

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. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

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

The geographical analysis of turnover is given below

	2011	2010
	£	£
United Kingdom	10,415,915	9,438,611
Overseas	154,018	90,095
	<u>10,569,933</u>	<u>9,528,706</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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

3 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging	2011	2010
	£	£
Depreciation of tangible assets	64,242	73,085
Audit fee - group audit fee (including company)	23,063	22,500
- fees for non-audit services	14,551	10,076
Operating lease rentals – land and buildings	194,496	193,971
	<u> </u>	<u> </u>

4 Directors emoluments

	2011	2010
	£	£
Management services	190,388	186,450
Pension scheme contributions	16,222	16,171
	<u> </u>	<u> </u>
Total emoluments	206,610	202,621
	<u> </u>	<u> </u>

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

	Highest paid director	
	2011	2010
	£	£
Emoluments	112,165	109,539
Contributions to money purchase schemes	16,222	16,171
	<u> </u>	<u> </u>

During the year the following number of directors	Number	Number
Accrued benefits under money purchase pension schemes	1	2
	<u> </u>	<u> </u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

5	Staff costs	2011 £	2010 £
	Wages and salaries	1,452,606	1,331,692
	Social security costs	154,467	148,715
	Other pension costs	120,254	120,924
		<u>1,727,327</u>	<u>1,601,331</u>
	The average number of persons employed by the group (including directors) during the year was as follows	Number 2011	Number 2010
	Management	5	5
	Administration	17	14
	Sales	16	17
		<u>38</u>	<u>36</u>
	TOTAL EMPLOYEES		
6	Interest payable and similar charges	2011 £	2010 £
	Bank loans and overdrafts	<u>30,271</u>	<u>25,939</u>
7	Tax charge on profit on ordinary activities	2011 £	2010 £
	Current taxation		
	UK Corporation tax charge for the year	88,500	12,236
	(Over)/under provision in prior years	(21)	1,540
	Total current tax	<u>88,479</u>	<u>13,776</u>
	Deferred tax		
	Origination and reversal of timing difference (note 14)	<u>3,395</u>	<u>-</u>
	Tax charge on profit on ordinary activities	<u>91,874</u>	<u>13,776</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

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 28% (2009 28%) 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

	2011 £	2010 £
Profit on ordinary activities before tax	334,140	81,571
Tax on profit on ordinary activities at standard rate	93,559	22,840
Factors affecting charge for the year:		
Capital allowances in excess of depreciation	(3,382)	(5,207)
Expenses not deductible for tax purposes	1,240	175
Other short term timing differences	(148)	117
Marginal relief	(2,948)	(5,689)
Other items	179	-
Adjustments in respect of prior periods	(21)	1,540
Total actual amount of current tax	88,479	13,776

8 Profit of parent company

As permitted by Section 408 of the Companies Act 2006, 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 £242,266 (2010 £67,795)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

9 Tangible fixed assets

Group and Company

	Fixtures, fittings and equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost				
At 1 April 2010	491,059	282,768	119,212	893,039
Additions	3,154	62,489	15,746	81,389
Disposals	-	(34,788)	-	(34,788)
At 31 March 2011	<u>494,213</u>	<u>310,469</u>	<u>134,958</u>	<u>939,640</u>
Accumulated depreciation				
At 1 April 2010	407,118	172,885	106,189	686,192
Charge for the year	22,319	38,666	3,257	64,242
Eliminated on disposals	-	(28,028)	-	(28,028)
At 31 March 2011	<u>429,437</u>	<u>183,523</u>	<u>109,446</u>	<u>722,406</u>
Net book amount				
At 31 March 2011	<u>64,776</u>	<u>126,946</u>	<u>25,512</u>	<u>217,234</u>
At 31 March 2010	<u>83,941</u>	<u>109,883</u>	<u>13,023</u>	<u>206,847</u>
Depreciation rates	20% and 25%	30%	20% and 25%	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

10 Fixed asset investments – group companies

Company	£
Cost	
At 1 April 2010	3,037
Addition	1
	<u>3,038</u>
At 31 March 2011	<u>3,038</u>
 Provision for diminution in value	
At 1 April 2010 and 31 March 2011	2,931
	<u>2,931</u>
 Net book amount	
At 31 March 2011	107
	<u>107</u>
At 31 March 2010	106
	<u>106</u>

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

11 Stocks

	Group and Company	
	2011	2010
	£	£
Finished goods and good for resale	<u>1,816,531</u>	<u>1,655,153</u>

12 Debtors

	Group and Company	
	2011	2010
	£	£
Trade debtors	2,284,507	2,109,653
Other debtors	92,618	10,605
Prepayments and accrued income	28,495	23,401
	<u>2,405,620</u>	<u>2,143,659</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

13 Creditors: Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	907,358	932,447	907,358	932,447
Trade creditors	1,316,035	905,475	1,316,035	905,475
Corporation tax	88,500	12,236	88,500	12,236
Other taxation and social security	298,130	282,088	298,111	282,069
Accruals and deferred income	253,758	184,518	253,750	184,509
	<u>2,863,781</u>	<u>2,316,764</u>	<u>2,863,754</u>	<u>2,316,736</u>

Bank loans and trade debtors (within note 12 above) as at 31 March 2011 include £907,358 (2010 £932,447) of debts factored with recourse. They are secured by a floating charge on the assets of the company.

14 Provisions for liabilities and charges

Deferred taxation

Deferred taxation movements

Group and Company	2011	2010
	£	£
Balance at 1 April	-	-
Charge for the year	3,395	-
Balance at 31 March	<u>3,395</u>	<u>-</u>

Group and Company	2011	2010
	Amount provided	Amount not provided
	£	£
Tax effect of timing differences arising on		
Excess of depreciation over tax allowances	7,595	-
Short term timing differences	(4,200)	-
	<u>3,395</u>	<u>(10)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

15	Share capital	2011 £	2010 £
	Allotted, issued and fully paid		
	630,836 Ordinary shares of 25p each	157,709	157,709

16	Reserves	Share premium account £	Capital redemption reserve £	Profit and loss account £
	Group			
	At 1 April 2010	23,698	100,529	1,577,991
	Profit for the financial year	-	-	242,266
	Dividends paid in the financial year	-	-	(440,000)
	At 31 March 2011	23,698	100,529	1,380,257
	Company			
	At 1 April 2010	23,698	100,529	1,578,105
	Profit for the financial year	-	-	242,266
	Dividends paid in the financial year	-	-	(440,000)
	At 31 March 2011	23,698	100,529	1,380,371

17 Reconciliation of movements in shareholders' funds

	2011 £	Group 2010 £	2011 £	Company 2010 £
Profit for the financial year	242,266	67,795	242,266	67,795
Dividends paid in the financial year	(440,000)	-	(440,000)	-
Net (decrease)/increase to shareholders' funds	(197,734)	67,795	(197,734)	67,795
Opening shareholders' funds	1,859,927	1,792,132	1,860,041	1,792,246
Closing shareholders' funds	1,662,193	1,859,927	1,662,307	1,860,041

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

18a	Reconciliation of operating profit to operating cash flow	2011 £	2010 £	
	Operating profit	364,206	107,480	
	Loss on sale of fixed assets	1,260	(2,902)	
	Depreciation charges	64,242	73,085	
	(Increase)/decrease in stocks	(161,378)	115,970	
	Increase in debtors	(261,961)	(55,610)	
	Increase in creditors	495,842	21,529	
		<hr/>	<hr/>	
	Net cash inflow from operating activities	502,211	259,552	
		<hr/>	<hr/>	
18b	Analysis of cash flows for headings netted in the cash flow statement			
	Returns on investment and servicing of finance	2011 £	2010 £	
	Interest received	205	30	
	Interest paid on bank overdrafts and other loans	(30,271)	(25,939)	
		<hr/>	<hr/>	
	Net cash outflow for returns on investments and servicing of finance	(30,066)	(25,909)	
		<hr/>	<hr/>	
	Capital expenditure and financial investment			
	Purchase of tangible fixed assets	(81,389)	(47,415)	
	Sale of tangible fixed assets	5,500	5,319	
		<hr/>	<hr/>	
	Net cash outflow for capital expenditure and financial investment	(75,889)	(42,096)	
		<hr/>	<hr/>	
18c	Analysis of net debt	At 1 April 2010 £	Cash flow £	At 31 March 2011 £
	Cash at bank and in hand	171,032	(81,048)	89,984
	Bank loans – invoice discounting facility	(932,447)	25,089	(907,358)
		<hr/>	<hr/>	<hr/>
		(761,415)	(55,959)	(817,374)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

19 Dividends	2011 £	2010 £
Interim dividends paid of 69 75 pence (2010 nil) per share	440,000	-

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 £120,254 (2010 £120,924). As at the balance sheet date, contributions amounting to £15,556 (2010 £16,086) had not been paid over to the fund and are included within creditors.

21 Other commitments

At 31 March 2011 the group was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2011

	Land and buildings	
	2011 £	2010 £
Operating leases which expire		
Within 1 year	-	13,500
Between 2 and 5 years	14,000	-
After 5 years	166,370	166,370
	<u>180,370</u>	<u>179,870</u>

At 31 March 2011 the group was committed to purchasing foreign currency under forward contract arrangements with a value of £376,891 (2010 £378,335)

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.

23 Related party transactions

During the year the group rented properties from its ultimate parent, Lansing Securities Limited. The charge for rental and associated services was £166,370 (2010 £166,370).