

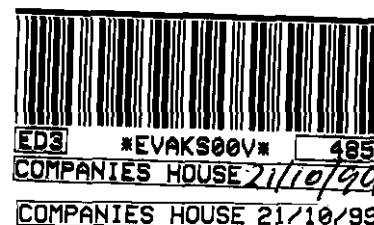
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**THERMOFROST CRYO PLC AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 1999**

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# **THERMOFROST CRYO PLC AND SUBSIDIARIES**

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**THERMOFROST CRYO PLC AND SUBSIDIARIES**

**COMPANY INFORMATION**

**COMPANY NUMBER: 1036288**

**DIRECTORS:**

V A D'CRUZ  
A D BARWICK  
P J SLOPER  
M A CROUCHER

**SECRETARY:**

J E COPPING

**REGISTERED OFFICE:**

ERNEST AVENUE  
WEST NORWOOD  
LONDON  
SE27 0DA

**AUDITORS:**

MAZARS NEVILLE RUSSELL  
NEVILLE RUSSELL HOUSE  
1 TELFORD WAY  
LUTON  
BEDFORDSHIRE  
LU1 1HT

**BANKERS:**

NATIONAL WESTMINSTER BANK PLC  
BARCLAYS BANK PLC  
ALLIANCE & LEICESTER PLC

# **THERMOFROST CRYO PLC AND SUBSIDIARIES**

## **REPORT OF THE DIRECTORS**

The directors present their report and the financial statements for the year ended 31 March 1999.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **REVIEW OF THE BUSINESS**

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

### **QUALITY ASSURANCE**

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

### **PAYMENT OF CREDITORS**

The group does not have a written policy on the payment of trade creditors. However, the group intends to pay all trade creditors promptly within the payment terms agreed with them.

### **PROFIT RELATED PAY SCHEME**

The company operates an Inland Revenue approved Profit Related Pay Scheme, and a Fidelity Bonus Scheme to reward long term employees.

# **THERMOFROST CRYO PLC AND SUBSIDIARIES**

## **REPORT OF THE DIRECTORS (continued)**

### **RESULTS AND DIVIDENDS**

The results of the company and group for the year ended 31 March 1999 are set out in the financial statements on pages 5 to 20. In particular, the operating profit has fallen from £1,168,054 to £858,433. An interim dividend of £0.795 (1998: £1.270) per share on the issued ordinary share capital amounting to £500,000 (1998: £800,000) was paid during the year. The directors do not recommend the payment of a final dividend (1998: nil).

### **YEAR 2000 COMPLIANCE**

The group has reviewed its computerised control and accounting systems for Year 2000 issues. The review, which is still ongoing, has not identified any critical concerns. The directors anticipate that the systems will be Year 2000 compliant before the millenium and have been advised that the costs associated with the review and subsequent system changes will not be significant.

### **DIRECTORS**

The directors set out below have held office during the whole of the period from 1 April 1998 to the date of this report. The interests of the directors holding office on 31 March 1999 in the shares of the company according to the Register of Directors' Interests were:

	Ordinary Shares of 25p each At 31 March 1999	Ordinary Shares of 25p each At 1 April 1998
V A D'Cruz (Chairman) (In trust)	501,654	501,654
A D Barwick	64,680	64,680
P J Sloper	54,000	54,000
M A Croucher	-	-

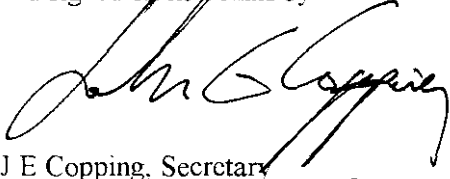
### **TAXATION STATUS OF THE COMPANY**

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

### **AUDITORS**

During the year, the company's auditors, Neville Russell, changed their name to Mazars Neville Russell. They have signified their willingness to continue in office and a resolution proposing their re-appointment will be put to the forthcoming annual general meeting.

Approved by the Board on 10 June 1999  
and signed on its behalf by



J E Copping, Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS OF THERMOFROST CRYO PLC**

We have audited the financial statements on pages 5 to 20 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

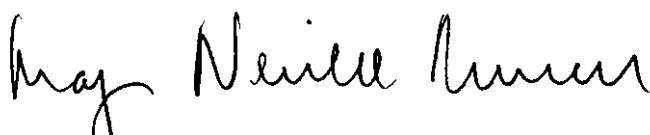
**Basis of opinion**

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

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

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 March 1999 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**MAZARS NEVILLE RUSSELL**  
**CHARTERED ACCOUNTANTS**  
and Registered Auditors

Date: 10 June 1999

**THERMOFROST CRYO PLC AND SUBSIDIARIES**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 1999**

	Notes	1999 £	1998 £
<b>Turnover</b>	2	9,525,764	10,319,845
Cost of sales		(6,222,686)	(6,809,766)
<b>Gross profit</b>		3,303,078	3,510,079
Distribution and selling expenses		(545,682)	(518,021)
Administrative expenses		(1,912,823)	(1,832,836)
Other operating income		13,860	8,832
<b>Operating profit</b>		858,433	1,168,054
Interest receivable and similar income		9,302	9,507
Interest payable and similar charges		(171,957)	(154,908)
<b>Profit on ordinary activities before taxation</b>	3	695,778	1,022,653
Taxation on profit on ordinary activities	6	(247,866)	(342,541)
<b>Profit for the financial year after taxation</b>		447,912	680,112
Dividends paid	8	(500,000)	(800,000)
<b>Retained loss for the year</b>	7,18	(52,088)	(119,888)

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

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

### BALANCE SHEETS AT 31 MARCH 1999

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**THERMOFROST CRYO PLC AND SUBSIDIARIES**

**CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 1999**

	Notes	1999 £	1998 £
Cash flow from operating activities	20a	1,026,572	1,285,563
Returns on investments and servicing of finance	20b	(162,655)	(145,401)
Taxation		(278,764)	(307,098)
Capital expenditure and financial investment	20b	(78,109)	(71,811)
Equity dividends paid		(500,000)	(800,000)
		<hr/>	<hr/>
Cash inflow/(outflow) before use of liquid resources and financing		7,044	(38,747)
Financing			
Decrease in debt	20b	(84,895)	(95,115)
		<hr/>	<hr/>
Decrease in cash in the year		(77,851)	(133,862)
		<hr/>	<hr/>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT</b>			
Decrease in cash in the year		(77,851)	(133,862)
Cash outflow from decrease in debt and lease financing		84,895	95,115
		<hr/>	<hr/>
Change in net debt resulting from cash flows	20c	7,044	(38,747)
New finance leases		-	(172,123)
		<hr/>	<hr/>
Movement in net debt in the year		7,044	(210,870)
Net debt at 1 April 1998	20c	(2,023,220)	(1,812,350)
		<hr/>	<hr/>
Net debt at 31 March 1999	20c	(2,016,176)	(2,023,220)
		<hr/>	<hr/>

# THERMOFROST CRYO PLC AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999

### 1. ACCOUNTING POLICIES

- a) The financial statements have been prepared in accordance with applicable accounting standards.
- b) Basis of preparation of group financial statements.

The consolidated financial statements, which are prepared under the historical cost convention, include the financial statements of the company and its subsidiaries, made up to 31 March 1999. No profit and loss account is presented for Thermofrost Cryo Plc as provided by S230 of the Companies Act 1985.

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

- c) Turnover

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

- d) Depreciation

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

- e) Stocks

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

- f) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

- g) Foreign currencies

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

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

- h) Investments

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

# THERMOFROST CRYO PLC AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999

### 1. ACCOUNTING POLICIES (continued)

i) Warranty liability

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

j) Finance leases and hire purchase contracts

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

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

k) Pension

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

l) Research and development expenditure

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

### 2. TURNOVER

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

The geographical analysis of turnover is given below:

	1999 £	1998 £
United Kingdom	9,408,754	10,170,979
Overseas	117,010	148,866
	<hr/>	<hr/>
	9,525,764	10,319,845
	<hr/>	<hr/>

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

### 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated:

	1999 £	1998 £
After crediting:		
Interest receivable	9,302	9,507
Profit on sale of fixed assets	3,073	11,702
	<hr/>	<hr/>

# **THERMOFROST CRYO PLC AND SUBSIDIARIES**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 1999**

### **3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (continued)**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
After charging:		
Depreciation of owned tangible assets	114,456	100,345
Depreciation of assets held under hire purchase contracts	43,563	41,711
Audit fee - group (including company)	13,000	13,000
- other services	5,450	6,250
Staff costs (note 5)	1,416,753	1,307,400
Interest payable:		
Bank overdrafts and other loans	165,746	148,535
Hire purchase	6,211	6,373

### **4. DIRECTORS**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
EMOLUMENTS		
Management services	209,584	217,347
Pension scheme contributions	15,672	12,800
Total emoluments	225,256	230,147

Included in directors' emoluments is performance related pay of £16,606 (1998: £22,978). This is calculated as a proportion of profits achieved in excess of specific targets attributed to individual directors.

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

	<b>Highest paid director</b>	
	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Emoluments	82,765	85,554
Contributions to money purchase schemes	8,287	6,750
Performance related pay included in the above	8,303	11,489

During the period the following number of other directors:

	<b>Number</b>	<b>Number</b>
Accrued benefits under money purchase pension schemes	3	3

### **TRANSACTIONS WITH DIRECTORS**

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

# THERMOFROST CRYO PLC AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999

5. STAFF COSTS	1999 £	1998 £
Wages and salaries	1,206,982	1,055,451
Social security costs	112,916	101,303
Other pension costs (see note 21)	96,855	150,646
	<hr/>	<hr/>
	1,416,753	1,307,400
	<hr/>	<hr/>

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

	Number 1999	Number 1998
Management	5	5
Administration	19	20
Sales	19	19
	<hr/>	<hr/>
TOTAL EMPLOYEES	43	44
	<hr/>	<hr/>

6. TAXATION	1999 £	1998 £
Corporation tax - current year	235,174	315,451
- under provision in previous year	12,692	-
Deferred taxation	-	27,090
	<hr/>	<hr/>
	247,866	342,541
	<hr/>	<hr/>

## 7. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's retained loss for the financial year was £51,241 (1998: loss £119,829).

8. DIVIDENDS	1999 £	1998 £
Ordinary dividends:		
Interim dividend paid of £0.795 (1998: £1.270) per share	500,000	800,000
	<hr/>	<hr/>

**THERMOFROST CRYO PLC AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 1999**

**9. TANGIBLE FIXED ASSETS**

**GROUP AND COMPANY**

	Freehold properties £	Short-term leasehold properties £	Fixtures fittings & equipment £	Motor vehicles £	Plant & machinery £	Total £
<b>Cost</b>						
At 1 April 1998	774,438	285,802	385,330	325,956	76,894	1,848,420
Additions	4,618	-	34,397	69,564	1,330	109,909
Disposals	-	-	(21,136)	(85,421)	-	(106,557)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1999	779,056	285,802	398,591	310,099	78,224	1,851,772
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>						
At 1 April 1998	141,433	85,064	234,199	111,957	43,566	616,219
Charge for the year	17,531	8,232	50,485	73,140	8,631	158,019
Eliminated on disposals	-	-	(21,136)	(56,694)	-	(77,830)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1999	158,964	93,296	263,548	128,403	52,197	696,408
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book amount</b>						
At 31 March 1999	620,092	192,506	135,043	181,696	26,027	1,155,364
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1998	633,005	200,738	151,131	213,999	33,328	1,232,201
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation Rates	2% & 4% & 33%	2% & 4%	20%, 25%	30%	20% & 33%	

Included in motor vehicles is an amount of £93,025 (1998: £123,309) and in plant and machinery is an amount of £11,091 (1998: £14,788) relating to assets under hire purchase contracts.

# THERMOFROST CRYO PLC AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999

### 10. FIXED ASSET INVESTMENTS - GROUP COMPANIES

	£
<b>Cost</b>	
At 1 April 1998 and 31 March 1999	3,036
	<hr/>
<b>Provision for diminution in value</b>	
At 1 April 1998 and 31 March 1999	2,931
	<hr/>
<b>Net book amounts</b>	
At 31 March 1998 and 31 March 1999	105
	<hr/>

Details of the company's subsidiaries at 31 March 1999 are:

Name	Class of shares held	Percentage held by the company
Cryo Limited	Ordinary	100%
RSM Products Limited	Ordinary	100%
The Specialists Limited	Ordinary	100%
Unitec Limited	Ordinary	100%
United Termofrost Limited	Ordinary	100%

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

### 11. FIXED ASSET INVESTMENTS - TRADE INVESTMENTS

	GROUP		COMPANY	
	1999	1998	1999	1998
	£	£	£	£
Interest in trade investments at cost	650	650	650	650
	<hr/>	<hr/>	<hr/>	<hr/>

Details of the company's trade investments at 31 March 1999 were:

Name	Country of incorporation	Class of shares held	Percentage held by the company	Nature of business
Madics Systems Limited	England	Ordinary	33.3%	Software consultancy & supply

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

**THERMOFROST CRYO PLC AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 1999**

**12. STOCKS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Finished goods and goods for resale	1,872,036	2,251,756	1,872,036	2,251,756
Goods in transit	61,847	93,381	61,847	93,381
	<hr/>	<hr/>	<hr/>	<hr/>
	1,933,883	2,345,137	1,933,883	2,345,137
	<hr/>	<hr/>	<hr/>	<hr/>

**13. DEBTORS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Due within one year</b>				
Trade debtors	1,907,303	1,949,201	1,907,303	1,949,201
Amounts owed by trade investment	4,000	-	4,000	-
Other debtors	74,567	29,309	74,567	29,309
Prepayments and accrued income	28,485	20,593	28,485	20,593
Corporation tax recoverable	25,486	102,062	25,486	102,062
	<hr/>	<hr/>	<hr/>	<hr/>
	2,039,841	2,101,165	2,039,841	2,101,165
<b>Due after more than one year</b>				
Amounts owed by trade investment	16,842	25,175	16,842	25,175
	<hr/>	<hr/>	<hr/>	<hr/>
	2,056,683	2,126,340	2,056,683	2,126,340
	<hr/>	<hr/>	<hr/>	<hr/>

Trade debtors and bank overdraft and other loans (included within Note 14 below) as at 31 March 1999 include £1,360,376 (1998: £1,322,696) of debts factored with recourse.



**THERMOFROST CRYO PLC AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 1999**

**14. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank overdraft and other loans	1,984,656	1,931,942	1,984,656	1,931,942
Trade creditors	807,290	986,238	807,290	986,238
Amounts owed to group companies	-	-	313,090	319,465
Advance corporation tax	-	27,199	-	27,199
Corporation tax	235,174	315,451	235,174	315,451
Other taxation and social security	295,590	321,859	295,590	321,859
Other creditors	117,224	155,387	117,224	155,387
Amounts due under hire purchase contracts	41,489	81,802	41,489	81,802
Accruals and deferred income	143,138	290,898	143,138	285,370
	<u>3,624,561</u>	<u>4,110,776</u>	<u>3,937,651</u>	<u>4,424,713</u>

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

Bank overdraft and other loans and trade debtors (within Note 13 above) as at 31 March 1999 include £1,360,376 (1998: £1,322,696) of debt factored with recourse.

**15. CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts due under hire purchase contracts	630	45,212	630	45,212
	<u>630</u>	<u>45,212</u>	<u>630</u>	<u>45,212</u>

The above amounts are wholly repayable by instalments within 2 to 5 years.

**THERMOFROST CRYO PLC AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 1999**

**16. PROVISIONS FOR LIABILITIES AND CHARGES**

<b>DEFERRED TAXATION</b>		<b>1999</b>		<b>1998</b>	
<b>The Group</b>	<b>Amount provided £</b>	<b>Amount not provided £</b>	<b>Amount provided £</b>	<b>Amount not provided £</b>	
Tax effect of timing differences arising on:					
Excess of tax allowances over depreciation	37,296	-	37,296	-	
<b>The Company</b>					
Tax effect of timing differences arising on:					
Excess of tax allowances over depreciation	37,296	-	37,296	-	

**DEFERRED TAXATION MOVEMENTS**

There was no movements in the deferred taxation provision during the year.

**THERMOFROST CRYO PLC AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 1999**

**17. SHARE CAPITAL**

Share capital at 31 March 1999 and 31 March 1998 was as follows:

	<b>Authorised</b>		<b>Allotted, issued and fully paid</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Ordinary shares of 25p each	500,000	500,000	157,534	157,534
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**18. RESERVES**

<b>The Group</b>	<b>Share premium account £</b>	<b>Capital redemption reserve £</b>	<b>Profit and loss reserve £</b>	<b>Total £</b>
At 1 April 1998	22,326	100,529	1,266,391	1,389,246
Retained loss for the year	-	-	(52,088)	(52,088)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 1999	22,326	100,529	1,214,303	1,337,158
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>The Company</b>	<b>Share premium account £</b>	<b>Capital redemption reserve £</b>	<b>Profit and loss reserve £</b>	<b>Total £</b>
At 1 April 1998	22,326	100,529	951,656	1,074,511
Retained loss for the year	-	-	(51,241)	(51,241)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 1999	22,326	100,529	900,415	1,023,270
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**THERMOFROST CRYO PLC AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 1999**

**19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Profit for the financial year	447,912	680,112	448,759	680,171
Dividends	(500,000)	(800,000)	(500,000)	(800,000)
Net decrease to shareholders' funds	(52,088)	(119,888)	(51,241)	(119,829)
Opening shareholders' funds	1,546,780	1,666,668	1,232,045	1,351,874
Closing shareholders' funds	1,494,692	1,546,780	1,180,804	1,232,045

**20a. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOW**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Operating profit	858,433	1,168,054
Depreciation charges	158,019	142,056
Profit on sale of tangible fixed assets	(3,073)	(11,702)
Decrease/(increase) in stocks	411,254	(440,228)
(Increase)/decrease in debtors	(6,919)	281,116
(Decrease)/increase in creditors	(391,142)	146,267
Net cash inflow from operating activities	1,026,572	1,285,563

**THERMOFROST CRYO PLC AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 1999**

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

**Returns on investment and servicing of finance**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Interest received	9,302	9,507
Interest paid	(165,746)	(148,535)
Interest element of finance lease rentals	(6,211)	(6,373)
	<hr/>	<hr/>
Net cash outflow for returns on investments and servicing of finance	(162,655)	(145,401)
	<hr/> <hr/>	<hr/> <hr/>

**Capital expenditure and financial investment**

Purchase of tangible fixed assets	(109,909)	(140,911)
Sale of tangible fixed assets	31,800	69,100
	<hr/>	<hr/>
Net cash outflow for capital expenditure and financial investment	(78,109)	(71,811)
	<hr/> <hr/>	<hr/> <hr/>

**Financing**

Capital element of finance lease rentals	(84,895)	(95,115)
	<hr/>	<hr/>
Net cash outflow from financing	(84,895)	(95,115)
	<hr/> <hr/>	<hr/> <hr/>

# THERMOFROST CRYO PLC AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999

### 20c. ANALYSIS OF NET DEBT

	At 1 April 1998 £	Cash Flow £	Other Non- Cash Changes £	At 31 March 1999 £
Cash at bank and in hand	35,736	(25,137)	-	10,599
Bank overdraft and other loans	(1,931,942)	(52,714)	-	(1,984,656)
Finance leases	(127,014)	84,895	-	(42,119)
	<u>(2,023,220)</u>	<u>7,044</u>	<u>-</u>	<u>(2,016,176)</u>

### 21. PENSION COMMITMENTS

The group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the funds and amounted to £96,855 (1998: £150,646).

### 22. OTHER COMMITMENTS

At 31 March 1999 the group was committed to purchasing foreign currency under forward contract arrangements with a value of £385,476 (1998: £1,102,393).

### 23. PARENT UNDERTAKINGS

In the opinion of the directors, the immediate parent company is Rareform Limited, a company incorporated in England. The ultimate parent company is Lansing Securities Limited, a company registered in the British Virgin Islands.