

WESTWAY COOLING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2007

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WESTWAY COOLING LIMITED

COMPANY INFORMATION

Directors	C Brooks	
	C Lister	(Appointed 8 February 2007)
	D O' Donnell	(Appointed 12 February 2007)
	A Donnell	(Appointed 14 February 2007)
Secretary	D O' Donnell	
Company number	4039888	
Registered office	c/o Envirotec Limited Desborough Park Road High Wycombe Bucks	
Auditors	Myers Clark Iveco House Station Road Watford Hertfordshire WD17 1DL	
Solicitors	TLT Solicitors One Redcliff Street Bristol BS1 6TP	

WESTWAY COOLING LIMITED

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WESTWAY COOLING LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 28 FEBRUARY 2007

The directors present their report and financial statements for the period ended 28 February 2007

Principal activities and review of the business

The principal activity of the company continued to be that of mechanical and electrical engineering. On 8 February 2007, the entire issued share capital of the company was purchased by Crossco (820) Limited.

This has been a very good year for Westway. The principal activity of the company continued to be the provision of equipment and services including, installation, commissioning, maintenance and project management to the air conditioning and refrigeration sector. The company enjoyed sales growth of 82.2% over the 14 month period of its accounts to £6.6m. The balance sheet also strengthened following based on the financial performance. The directors are pleased with the performance in the year. During the year the company was acquired by Crossco (820) Ltd.

In this coming year, the company will invest in new IT to integrate the systems across all functional areas of the business. The company will continue to invest in its staff to take advantage of the growing opportunities in the market, particularly to assist clients in the area of the safe replacement of inefficient air conditioning and refrigeration systems with energy efficient alternatives.

The principal risk for the company is the loss of a major customer. This has been mitigated by the growth in the customer base and by joining the Crossco group.

The current year order book is at a satisfactory level.

Results and dividends

The results for the period are set out on page 5.

An interim ordinary dividend was paid amounting to £20,785. The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 January 2006:

C Brooks	
C Lister	(Appointed 8 February 2007)
D O' Donnell	(Appointed 12 February 2007)
A Donnell	(Appointed 14 February 2007)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	28 February 2007	1 January 2006
C Brooks	-	1,000
C Lister	-	-
D O' Donnell	-	-
A Donnell	-	-

At 28th February 2007 C Lister and C Brooks held 450,000 and 104,444 1p ordinary shares respectively in the parent company, Crossco (820) Limited.

WESTWAY COOLING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2007

Auditors

Myers Clark were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting

Directors' responsibilities

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

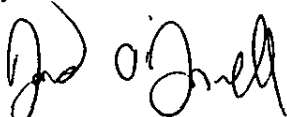
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) 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.

By order of the board



D O'Donnell

Secretary

31 May 2007

WESTWAY COOLING LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF WESTWAY COOLING LIMITED

We have audited the financial statements of Westway Cooling Limited for the period ended 28 February 2007 set out on pages 5 to 15. 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements 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 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.

WESTWAY COOLING LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF WESTWAY COOLING LIMITED

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 of the company's affairs as at 28 February 2007 and of its profit for the period 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

Myers Clark

Myers Clark

8 June 2007

Chartered Accountants

Registered Auditor

Iveco House
Station Road
Watford
Hertfordshire
WD17 1DL

WESTWAY COOLING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 28 FEBRUARY 2007

		Period ended 28 February 2007 £	31 December 2005 £
	Notes		
Turnover	2	6,593,799	3,618,950
Cost of sales		(3,986,370)	(2,157,775)
Gross profit		2,607,429	1,461,175
Administrative expenses		(712,446)	(517,593)
Other operating income		8,400	18,433
Operating profit	3	1,903,383	962,015
Other interest receivable and similar income	4	60,264	20,762
Interest payable and similar charges	5	(1,056)	(900)
Profit on ordinary activities before taxation		1,962,591	981,877
Tax on profit on ordinary activities	6	(587,516)	(285,519)
Profit for the period	15	1,375,075	696,358

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those included in the profit and loss account

WESTWAY COOLING LIMITED

BALANCE SHEET

AS AT 28 FEBRUARY 2007

		2007		31 December 2005
	Notes	£	£	£
Fixed assets				
Tangible assets	8		87,448	73,715
Current assets				
Stocks	9	36,635		5,154
Debtors	10	3,300,080		873,726
Cash at bank and in hand		871,703		1,028,390
		4,208,418		1,907,270
Creditors: amounts falling due within one year	11	(1,614,929)		(654,296)
Net current assets		2,593,489		1,252,974
Total assets less current liabilities		2,680,937		1,326,689
Creditors: amounts falling due after more than one year	12	(13,972)		(14,014)
		2,666,965		1,312,675
Capital and reserves				
Called up share capital	14	1,000		1,000
Profit and loss account	15	2,665,965		1,311,675
Shareholders' funds	16	2,666,965		1,312,675

Approved by the Board and authorised for issue on 31 May 2007



C Lister
Director



C Brooks
Director

WESTWAY COOLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 FEBRUARY 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The financial statements are prepared on a going concern basis

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

Turnover is recognised on contracts that span the year end, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as the total contract value multiplied by the percentage of costs incurred to date as a proportion of total forecast costs

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Plant and machinery	33% - 50% straight line
Fixtures, fittings & equipment	33% straight line
Motor vehicles	33% straight line

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

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

1.6 Stock

Stock is valued at the lower of cost and net realisable value

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

WESTWAY COOLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2007

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit

	2007	2005
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	56,798	44,036
Operating lease rentals		
- Plant and machinery	5,853	1,208
- Other assets	42,875	18,375
Auditors' remuneration	7,655	2,450
and after crediting		
Profit on disposal of tangible assets	(753)	(2,598)

4 Other interest receivable and similar income

	2007	2005
	£	£
Bank interest	60,264	20,762

5 Interest payable and similar charges

	2007	2005
	£	£
Hire purchase interest	1,056	837
Other interest	-	63
	1,056	900

WESTWAY COOLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2007

6	Taxation	2007	2005
		£	£
	Domestic current year tax		
	U K corporation tax	589,957	285,519
	Current tax charge	589,957	285,519
	Deferred tax		
	Deferred tax charge/credit current year	(2,441)	-
		587,516	285,519
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	1,962,591	981,877
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	588,777	294,563
	Effects of		
	Non deductible expenses	2,463	5,294
	Depreciation add back	16,814	12,603
	Capital allowances	(18,097)	(12,605)
	Marginal relief	-	(13,550)
	Other tax adjustments	-	(786)
		1,180	(9,044)
	Current tax charge	589,957	285,519
7	Dividends	2007	2005
		£	£
	Ordinary interim paid	20,785	145,000

WESTWAY COOLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2007

8 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2006	46,410	25,834	144,721	216,965
Additions	18,463	17,476	35,339	71,278
Disposals	(4,388)	(565)	(3,400)	(8,353)
At 28 February 2007	60,485	42,745	176,660	279,890
Depreciation				
At 1 January 2006	28,038	17,522	97,690	143,250
On disposals	(4,194)	(484)	(2,928)	(7,606)
Charge for the period	20,555	8,097	28,146	56,798
At 28 February 2007	44,399	25,135	122,908	192,442
Net book value				
At 28 February 2007	16,086	17,610	53,752	87,448
At 31 December 2005	18,372	8,312	47,031	73,715

Included above are assets held under finance leases or hire purchase contracts as follows

	Motor vehicles £
Net book values	
At 28 February 2007	29,281
At 31 December 2005	25,396
Depreciation charge for the period	
At 28 February 2007	10,985
At 31 December 2005	726

WESTWAY COOLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2007

9	Stocks	2007	2005
		£	£
	Raw materials and consumables	36,635	5,154

10	Debtors	2007	2005
		£	£
	Trade debtors	2,121,343	841,422
	Amounts owed by parent and fellow subsidiary undertakings	1,100,000	-
	Other debtors	1,221	-
	Prepayments and accrued income	75,075	32,304
	Deferred tax asset (see note 13)	2,441	-
		3,300,080	873,726

11	Creditors: amounts falling due within one year	2007	2005
		£	£
	Net obligations under hire purchase contracts	11,196	7,067
	Trade creditors	653,574	241,090
	Corporation tax	589,957	283,471
	Other taxes and social security costs	319,042	104,278
	Directors' current accounts	-	123
	Other creditors	10,527	-
	Accruals and deferred income	30,633	18,267
		1,614,929	654,296

WESTWAY COOLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2007

12	Creditors: amounts falling due after more than one year	2007	2005
		£	£
	Net obligations under hire purchase contracts	13,972	14,014
	Net obligations under hire purchase contracts		
	Repayable within one year	11,196	7,067
	Repayable between one and five years	13,972	14,014
		25,168	21,081
	Included in liabilities falling due within one year	(11,196)	(7,067)
		13,972	14,014
13	Provisions for liabilities		
	The deferred tax asset (included in debtors, note 10) is made up as follows:		
		2007	
		£	
	Profit and loss account	(2,441)	
		2007	2005
		£	£
	Decelerated capital allowances	(2,441)	-
14	Share capital	2007	2005
		£	£
	Authorised		
	1,000 Ordinary shares of £1 each	1,000	1,000
	Allotted, called up and fully paid		
	1,000 Ordinary shares of £1 each	1,000	1,000

WESTWAY COOLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2007

15 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 January 2006	1,311,675
Profit for the period	1,375,075
Dividends paid	(20,785)
Balance at 28 February 2007	<u>2,665,965</u>

16 Reconciliation of movements in shareholders' funds

	2007 £	2005 £
Profit for the financial period	1,375,075	696,358
Dividends	(20,785)	(145,000)
Net addition to shareholders' funds	<u>1,354,290</u>	<u>551,358</u>
Opening shareholders' funds	<u>1,312,675</u>	<u>761,317</u>
Closing shareholders' funds	<u>2,666,965</u>	<u>1,312,675</u>

17 Contingent liabilities

The company is party to cross guarantees given by group companies to National Westminster Bank Plc. The total borrowings of the Group due to National Westminster Bank Plc at 28th February 2007 was £5,310,000. The National Westminster Bank Plc also hold a debenture, dated 27th February 2007, fixed over the assets of the company.

The company, together with Seckloe 19 Limited, Gransim Properties Limited and Envirotec Limited, has guaranteed loans made to Crossco (820) Limited of £775,385, £624,615, £750,000, £350,000, £188,580 and £800,000 made by Northern Investors Company Plc, Northern Venture Trust Plc, Northern 2 VCT Plc, Northern 3 VCT Plc, C. Lister and C. Brooks respectively.

WESTWAY COOLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2007

18 Financial commitments

At 28 February 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 28 February 2008

	Land and buildings			
	2007	2005	2007	Other 2005
	£	£	£	£
Operating leases which expire				
Between two and five years	-	-	6,842	-
In over five years	36,750	36,750	-	-
	<u>36,750</u>	<u>36,750</u>	<u>6,842</u>	<u>-</u>

19 Directors' emoluments

	2007	2005
	£	£
Emoluments for qualifying services	<u>67,373</u>	<u>50,400</u>

20 Employees

Number of employees

The average monthly number of employees (including directors) during the period was

	2007 Number	2005 Number
Manufacturing and servicing	18	13
Office and management	8	8
	<u>26</u>	<u>21</u>

Employment costs

	2007 £	2005 £
Wages and salaries	1,034,137	692,263
Social security costs	116,880	75,350
	<u>1,151,017</u>	<u>767,613</u>

WESTWAY COOLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2007

21 Control

The company's holding company is Crossco (820) Limited, a company registered in England and Wales. There is no ultimate controlling party.

22 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the parent company.

There were no other related party transactions during the period.