

Company Registration No 6141723 (England and Wales)

**COMPANIES HOUSE
COPY**

**AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL
GROUP PLC) AND SUBSIDIARIES**

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2010

FRIDAY



AT22WQE7

A50

31/12/2010

214

COMPANIES HOUSE

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

DIRECTORS AND ADVISERS

Directors	Mrs Mary Toll Mr Ian Toll Mr Christian Simmonds Dr Nigel Bailey Mr Tristan Lloyd-Baker Mr Christian Toll Mr Philip Newborough (Appointed 22 February 2010)
Secretary	Mrs Mary Toll
Company number	6141723
Registered office	52 New Town Uckfield East Sussex TN22 5DE
Registered auditors	Simmons Gainsford LLP 52 New Town Uckfield East Sussex TN22 5DE
Business address	Units H1A & H1B Dawkins Road Industrial Estate Hamworthy Poole Dorset BH15 4JW

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Consolidated profit and loss account	5
Balance sheets	6
Consolidated cash flow statement	7
Notes to the consolidated cash flow statement	8
Notes to the financial statements	9 - 21

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010

The directors present their report and financial statements for the year ended 31 March 2010

Principal activities and review of the business

The principal activity of the group is that of design, manufacture and consultancy in waste disposal and heat treatment systems

On 18th February 2010 the company re registered as a limited company On 22nd February under a Subscription and Shareholders Agreement dated 17th February 2010, Bridges Community Development Venture Fund 'II' LP, Carbon Trust Investments Limited and Hunter Simmons Properties Limited subscribed for 7,793 ordinary shares and 70,137 "A" ordinary shares and additionally £762,736 of 10% Secured Fixed Rate Loan Notes were issued out of a total available of £2,155,590

Results and dividends

The consolidated profit and loss account for the year is set out on page 5

Directors

The following directors have held office since 1 April 2009

Mrs Mary Toll

Mr Ian Toll

Mr Christian Simmonds

Dr Nigel Bailey

Mr Tristan Lloyd-Baker

Mr Christian Toll

Mr Philip Newborough

(Appointed 22 February 2010)

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 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) 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 company and of the group 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 judgements and accounting 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

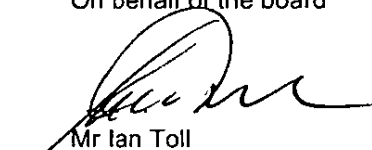
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



Mr Ian Toll
Director
23/12/10

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

We have audited the group and parent company financial statements (the "financial statements") of Aerothermal Group Limited (formerly Aerothermal Group Plc) and Subsidiaries for the year ended 31 March 2010 set out on pages 5 to 21. 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).

This report is made solely to 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 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 explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2010 and of the group's loss 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 other matter 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.

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

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



Christopher Stebbing FCA (Senior Statutory Auditor)
for and on behalf of Simmons Gainsford LLP

30th Dec 2010

Chartered Accountants
Statutory Auditor

52 New Town
Uckfield
East Sussex
TN22 5DE

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 £	2009 £
Cost of sales		(461,581)	(453,892)
Administrative expenses		(646,242)	(290,125)
Other operating income		4,712	1,260
Operating loss	3	(1,103,111)	(742,757)
Investment income	4	(14,641)	-
Other interest receivable and similar income		-	2,714
Interest payable and similar charges	5	(11,450)	(45)
Loss on ordinary activities before taxation		(1,129,202)	(740,088)
Tax on loss on ordinary activities	6	20,658	101,739
Loss on ordinary activities after taxation		(1,108,544)	(638,349)

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 passing through the profit and loss account

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES


BALANCE SHEETS

AS AT 31 MARCH 2010

	Notes	Group 2010 £	2009 £	Company 2010 £	2009 £
Fixed assets					
Intangible assets	8	-	15,197	-	-
Tangible assets	9	87,051	37,194	1,237	-
Investments	10	-	-	4	62,344
		<u>87,051</u>	<u>52,391</u>	<u>1,241</u>	<u>62,344</u>
Current assets					
Stocks	11	119,058	-	-	-
Debtors	12	165,296	124,255	2,478,202	1,000,000
Cash at bank and in hand		1,482,821	24,470	1,231,445	-
		<u>1,767,175</u>	<u>148,725</u>	<u>3,709,647</u>	<u>1,000,000</u>
Creditors: amounts falling due within one year	13	<u>(216,122)</u>	<u>(216,889)</u>	<u>(7,941)</u>	<u>-</u>
Net current assets/(liabilities)		<u>1,551,053</u>	<u>(68,164)</u>	<u>3,701,706</u>	<u>1,000,000</u>
Total assets less current liabilities		<u>1,638,104</u>	<u>(15,773)</u>	<u>3,702,947</u>	<u>1,062,344</u>
Creditors' amounts falling due after more than one year	14	<u>(762,736)</u>	<u>-</u>	<u>(762,736)</u>	<u>-</u>
		<u>875,368</u>	<u>(15,773)</u>	<u>2,940,211</u>	<u>1,062,344</u>
Capital and reserves					
Called up share capital	16	155,860	77,930	155,860	77,930
Share premium account	17	2,906,168	984,414	2,906,168	984,414
Profit and loss account	17	<u>(2,186,660)</u>	<u>(1,078,117)</u>	<u>(121,817)</u>	<u>-</u>
Shareholders' funds	18	<u>875,368</u>	<u>(15,773)</u>	<u>2,940,211</u>	<u>1,062,344</u>

Approved by the Board and authorised for issue on

23/12/10


Mr Ian Toll
Director

Company Registration No. 6141723

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	£	2010 £	£	2009 £
Net cash outflow from operating activities		(1,356,371)		(523,867)
Returns on investments and servicing of finance				
Interest received	-		2,636	
Interest paid	(11,450)		(45)	
Net cash (outflow)/inflow for returns on investments and servicing of finance		(11,450)		2,591
Taxation		101,739		-
Capital expenditure and financial investment				
Payments to acquire tangible assets	(80,689)		(17,677)	
Payments to acquire investments	(2)		-	
Net cash outflow for capital expenditure		(81,599)		(17,677)
Acquisitions and disposals				
Sale of subsidiary undertakings (net of cash acquired)	1		-	
Net cash outflow for acquisitions and disposals		1		-
Net cash outflow before management of liquid resources and financing		(1,339,735)		(538,953)
Financing				
Issue of ordinary share capital	1,999,684		500,000	
Other new long term loans	762,736		-	
Net cash inflow from financing		2,762,420		500,000
Increase/(decrease) in cash in the year		1,421,065		(38,953)

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

1	Reconciliation of operating loss to net cash (outflow)/inflow from operating activities	2010	2009
		£	£
	Operating loss	(1,103,111)	(742,757)
	Depreciation of tangible assets	19,624	19,638
	Amortisation of intangible assets	-	5,066
	Loss on disposal of tangible assets	10,483	-
	(Increase)/decrease in stocks	(119,058)	-
	(Increase)/decrease in debtors	(117,732)	65,196
	(Decrease)/Increase in creditors within one year	(49,351)	128,990
	Net cash (outflow)/inflow from operating activities	(1,356,371)	(523,867)

2	Analysis of net funds	1 April 2009	Cash flow	Other non- 31 March 2010 cash changes
		£	£	£
	Net cash			
	Cash at bank and in hand	24,470	1,458,351	1,482,821
	Bank overdrafts	(242)	(41,842)	(42,084)
		24,228	1,416,509	1,440,737
	Debts falling due after one year	-	(762,736)	(762,736)
	Net funds	24,228	653,773	678,001

3	Reconciliation of net cash flow to movement in net debt	2010	2009
		£	£
	Increase/(decrease) in cash in the year	1,416,509	(38,953)
	Cash inflow from increase in debt	(762,736)	-
	Movement in net funds in the year	653,773	(38,953)
	Opening net funds	24,228	63,181
	Closing net funds	678,001	24,228

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

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 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2010. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.5 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	25% straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	At rates between 20% and 40%
Motor vehicles	25% straight line

1.6 Leasing

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

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Stock

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

1.9 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.10 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.

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting policies

(continued)

1 11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss

	2010 £	2009 £
Operating loss is stated after charging		
Amortisation of intangible assets	-	5,066
Depreciation of tangible assets	19,624	19,638
Loss on disposal of tangible assets	10,483	-
Fees payable to the group's auditor for the audit of the group's annual accounts (company £4,000, 2009 £-)	8,000	12,000
Accountancy Fees	28,159	3,106
	<u>28,159</u>	<u>3,106</u>

4 Investment income

	2010 £	2009 £
Loss on disposal of unlisted investments	(14,641)	-
	<u>(14,641)</u>	<u>-</u>

5 Interest payable

	2010 £	2009 £
On bank loans and overdrafts	3,509	45
On other loans wholly repayable within five years	7,941	-
	<u>11,450</u>	<u>45</u>

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

6	Taxation	2010 £	2009 £
	Domestic current year tax		
	U K corporation tax	(20,658)	(101,739)
	Current tax charge	<u>(20,658)</u>	<u>(101,739)</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	<u>(1,129,202)</u>	<u>(740,088)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2009 - 0.00%)	<u>-</u>	<u>-</u>
	Effects of		
	Non deductible expenses	-	2,115
	Depreciation add back	261	579
	Capital allowances	(545)	(289)
	Tax losses utilised	1,753	(2,405)
	Research and development tax credit	(20,658)	(101,739)
	Chargeable disposals	131	-
	Other tax adjustments	<u>(1,600)</u>	<u>-</u>
		<u>(20,658)</u>	<u>(101,739)</u>
	Current tax charge	<u>(20,658)</u>	<u>(101,739)</u>

The company has estimated losses of £ 60,713 (2009 - £ nil) available for carry forward against future trading profits

7 Loss for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows

	2010 £	2009 £
Holding company's loss for the financial year	<u>(121,817)</u>	<u>-</u>

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

8 Intangible fixed assets Group

	Goodwill £
Cost	
At 1 April 2009	25,329
Disposals	(25,329)
	<hr/>
At 31 March 2010	-
	<hr/>
Amortisation	
At 1 April 2009	10,132
Amortisation on disposals	(10,132)
	<hr/>
At 31 March 2010	-
	<hr/>
Net book value	
At 31 March 2010	-
	<hr/>
At 31 March 2009	<hr/> 15,197 <hr/>

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

9 Tangible fixed assets Group

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2009	38,051	34,642	1,285	73,978
Additions	63,514	17,325	-	80,839
Disposals	-	(31,117)	-	(31,117)
At 31 March 2010	101,565	20,850	1,285	123,700
Depreciation				
At 1 April 2009	15,517	20,839	428	36,784
On disposals	-	(18,442)	-	(18,442)
Charge for the year	16,835	936	536	18,307
At 31 March 2010	32,352	3,333	964	36,649
Net book value				
At 31 March 2010	69,213	17,517	321	87,051
At 31 March 2009	22,534	13,803	857	37,194

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

Tangible fixed assets

Company

Fixtures,
fittings &
equipment
£

Cost

At 1 April 2009

-

Additions

1,455

At 31 March 2010

1,455

Depreciation

At 1 April 2009

-

Charge for the year

218

At 31 March 2010

218

Net book value

At 31 March 2010

1,237

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

10 Fixed asset investments Group

	Unlisted investments £	Total £
Cost		
At 1 April 2009	710,144	772,486
Disposals	(710,144)	(772,486)
	<u> </u>	<u> </u>
At 31 March 2010	-	-
	<u> </u>	<u> </u>
Provisions for diminution in value		
At 1 April 2009	710,144	710,144
On disposals	(710,144)	(710,144)
	<u> </u>	<u> </u>
At 31 March 2010	-	-
	<u> </u>	<u> </u>
Net book value		
At 31 March 2010	-	-
	<u> </u>	<u> </u>
At 31 March 2009	-	-
	<u> </u>	<u> </u>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Company

	Shares in group undertakings £
Cost	
At 1 April 2009	62,344
Additions	2
Disposals	(62,342)
	<u> </u>
At 31 March 2010	4
	<u> </u>
Net book value	
At 31 March 2010	4
	<u> </u>
At 31 March 2009	62,344
	<u> </u>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

10 Fixed asset investments

(continued)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Aerothermal Limited	England	Ordinary	100
Envirothermal Limited	England	Ordinary	100
Enviroform Limited	England	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Aerothermal Limited	Design and manufacture of autoclave and related heat treatment equipment for the recycling industry
Envirothermal Limited	Non trading company
Enviroform Limited	Non trading company

11 Stocks

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Finished goods and goods for resale	119,058	-	-	-

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

12 Debtors

	Group 2010 £	2009 £	Company 2010 £	2009 £
Trade debtors	2,476	8,090	-	-
Amounts owed by group undertakings	-	-	2,458,439	1,000,000
Corporation tax	81,540	101,739	-	-
Other debtors	77,364	14,426	19,763	-
Prepayments and accrued income	3,916	-	-	-
	<u>165,296</u>	<u>124,255</u>	<u>2,478,202</u>	<u>1,000,000</u>

13 Creditors - amounts falling due within one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Bank loans and overdrafts	42,084	242	-	-
Trade creditors	60,441	69,929	-	-
Taxes and social security costs	22,485	29,337	-	-
Directors current accounts	1,354	83,089	-	-
Other creditors	16,943	19,708	-	-
Accruals and deferred income	72,815	14,584	7,941	-
	<u>216,122</u>	<u>216,889</u>	<u>7,941</u>	<u>-</u>

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

14 Creditors - amounts falling due after more than one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Other loans	762,736	-	762,736	-
Analysis of loans				
Wholly repayable within five years	762,736	-	762,736	-
	762,736	-	762,736	-
Loan maturity analysis				
In more than two years but not more than five years	762,736	-	762,736	-

15 Pension and other post-retirement benefit commitments

Defined contribution

	2010 £	2009 £
Contributions payable by the group for the year	4,520	5,408

16 Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
85,723 Ordinary shares of £1 each	85,723	77,930
70,137 Ordinary "A" shares of £1 each	70,137	-
	155,860	77,930

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

17 Statement of movements on reserves

Group

	Share premium account £	Profit and loss account £
Balance at 1 April 2009	984,414	(1,078,116)
Loss for the year	-	(1,108,544)
Premium on shares issued during the year	1,921,754	-
Balance at 31 March 2010	<u>2,906,168</u>	<u>(2,186,660)</u>

Company

	Share premium account £	Profit and loss account £
Balance at 1 April 2009	984,414	-
Loss for the year	-	(121,817)
Premium on shares issued during the year	1,921,754	-
Balance at 31 March 2010	<u>2,906,168</u>	<u>(121,817)</u>

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

18 Reconciliation of movements in shareholders' funds	2010	2009
Group	£	£
Loss for the financial year	(1,108,544)	(638,349)
Proceeds from issue of shares	1,999,684	500,000
Net addition to/(depletion in) shareholders' funds	891,140	(138,349)
Opening shareholders' funds	(15,773)	122,576
Closing shareholders' funds	875,368	(15,773)
	2010	2009
Company	£	£
Loss for the financial year	(121,817)	-
Proceeds from issue of shares	1,999,684	500,000
Net addition to shareholders' funds	1,877,867	500,000
Opening shareholders' funds	1,062,344	562,344
Closing shareholders' funds	2,940,211	1,062,344
19 Directors' emoluments	2010	2009
	£	£
Remuneration	124,528	161,809
Company pension contributions to money purchase schemes	4,520	5,408
	129,048	167,217

AEROTHERMAL GROUP LIMITED (FORMERLY AEROTHERMAL GROUP PLC) AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

20 Employees

Number of employees

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

	2010 Number	2009 Number
Administration	3	2
Research and Development	7	5
	<u>10</u>	<u>7</u>

Employment costs

	2010 £	2009 £
Wages and salaries	317,578	310,176
Social security costs	33,887	33,963
Other pension costs	4,520	5,408
	<u>355,985</u>	<u>349,547</u>

21 Related party relationships and transactions

Group

Included in other debtors is a loan to the value of £13,965 (2009 - £nil) to Aerothermal Management Limited, a company also under the control of Mr Ian and Mrs Mary Toll

Included in long term creditors are loan notes to the value of £12,420 (2009 - £nil) from Mr Tristan Lloyd-Baker, a director of the company

The company sold a wholly owned subsidiary, Aerothermal Management Limited, for £1 to Mr Ian and Mrs Mary Toll, both of whom are directors of the company

Company

Included in other debtors is a loan to the value of £2,458,439 (2009 - £1,000,000) to Aerothermal Limited, a wholly owned subsidiary, along with a loan to the value of £13,965 (2009 - nil) to Aerothermal Management Limited, a company under the control of Mr Ian and Mrs Mary Toll. Also included in other debtors is a loan to the value of £2,206 to the directors of the company

Included within long term liabilities are loan notes to the value of £12,420 (2009 - £nil) from Mr Tristan Lloyd-Baker, a director of the company

The company sold a wholly owned subsidiary, Aerothermal Management Limited, for £1 to Mr Ian and Mrs Mary Toll, both of whom are directors of the company