

## SUB ZERO TECHNOLOGY LIMITED

## DIRECTORS' REPORT

## Registered Office

35 Churchill Way  
Fleckney  
Leicestershire

## Company No

1297686

The directors present their annual report, together with the audited financial statements, for the year ended 31 March 2001.

**1. Principal Activity**

The principal activity of the company continued to be that of the manufacture of thermal garments.

**2. Directors**

The directors who held office during the year, together with their beneficial interests in the shares of the company, were as follows:-

	Preference Shares of £1 each	A Ordinary Shares of £1 each	B Ordinary Shares of £1 each	Ordinary Shares of £1 each
<b>1 April 2000</b>				
Mr D A Laxton	10,000	50	-	5,100
Mrs D A Laxton	10,000	50	-	5,100
<b>31 March 2001</b>				
Mr D A Laxton	10,000	50	-	5,100
Mrs D A Laxton	10,000	50	-	5,100

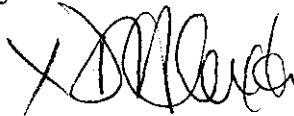
A statement of directors' responsibilities is set out on page 2.

**3. Auditors**

The auditors, Messrs Crowfoot and Company, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Advantage has been taken in the preparation of this report of special exemptions under Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board



Secretary

2 May 2001



A38  
COMPANIES HOUSE

\*AMTUTES5\*

0070  
19/05/01

**SUB ZERO TECHNOLOGY LIMITED**

**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 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 judgments 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 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.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
SUB ZERO TECHNOLOGY LIMITED**

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

**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 financial statements and to report our opinion to you.

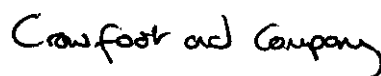
**Basis of Opinion**

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 judgments 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 the company's affairs at 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditor

2 May 2001

Chartered Accountants

## SUB ZERO TECHNOLOGY LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2001

		2001		2000	
	Note	£	£	£	£
<b>Turnover</b> (continuing activities)	2		587,152		694,027
Cost of sales			260,116		350,372
			<hr/>		<hr/>
<b>Gross Profit</b>			327,036		343,655
Distribution costs		111,337		85,981	
Administrative expenses		185,990		233,356	
Other income		-		( 30,000)	
		<hr/>	297,327	<hr/>	289,337
			<hr/>		<hr/>
<b>Operating Profit</b> (continuing activities)	3		29,709		54,318
Interest receivable			( 2,329)		( 1,780)
Interest payable			23,049		18,249
			<hr/>		<hr/>
Profit on ordinary activities before taxation			8,989		37,849
Taxation	4		213		7,736
			<hr/>		<hr/>
Profit on ordinary activities after taxation			8,776		30,113
Dividends	5		5,000		-
			<hr/>		<hr/>
			3,776		30,113
Retained profit at 1 April 2000			229,054		198,941
			<hr/>		<hr/>
Retained profit at 31 March 2001			232,830		229,054
			<hr/>		<hr/>

## SUB ZERO TECHNOLOGY LIMITED

## BALANCE SHEET - 31 MARCH 2001

		2001		2000	
	Note	£	£	£	£
<b>Tangible Fixed Assets</b>	6		79,283		89,991
<b>Current Assets</b>					
Stocks	7	121,884		130,330	
Trade debtors		223,244		238,588	
Prepayments		10,020		7,555	
Other debtors		12,289		10,259	
Cash at bank and in hand		174,148		136,207	
		<u>541,585</u>		<u>522,939</u>	
<b>Creditors: amounts falling due within one year</b>					
Trade creditors		29,956		47,593	
Other creditors		279,030		273,712	
Corporation tax		815		-	
Accruals and deferred income		31,333		15,957	
		<u>341,134</u>		<u>337,262</u>	
<b>Net Current Assets</b>			200,451		185,677
			<u>279,734</u>		<u>275,668</u>
<b>Deferred Taxation</b>	8		6,704		6,514
			<u>273,030</u>		<u>269,154</u>
<b>Capital and Reserves</b>					
Called up share capital	9		40,100		40,100
Profit and loss account			232,830		229,054
<b>Shareholders' Funds -</b>	10				
equity interests		252,830		249,054	
non-equity interests		20,200		20,100	
		<u>273,030</u>		<u>269,154</u>	

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities [effective March 2000]. Approved by the Board on 2 May 2001

**SUB ZERO TECHNOLOGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2001**

**1. Accounting Policies**

**a. Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**b. Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**c. Tangible Fixed Assets**

Depreciation is provided at the following annual rates in order to write off the cost of each asset over its estimated useful life:-

Plant and fittings	15 - 40% on reducing balance
Motor vehicles	25% on reducing balance
Computer equipment	40% on reducing balance

**d. Stocks**

Stock is valued at the lower of cost and net realisable value. The valuation of work in progress includes the cost of materials content only.

**e. Deferred Taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

**f. Leases and Hire Purchase Contracts**

Payments under operating leases are charged to the profit and loss account in the year in which they are incurred. Assets acquired under finance leases and hire purchase contracts are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their economic useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of repayments is charged to the profit and loss account so as to produce constant period rates of charge on the net obligations outstanding in each period.

**g. Pensions**

The pension costs charged in the financial statements represent the contribution payable by the company during the year in accordance with SSAP 24.

## SUB ZERO TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

YEAR ENDED 31 MARCH 2001

## 1. Accounting Policies (continued)

## h. Foreign Currencies

Monetary assets and liabilities denominated on foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss Account.

## 2. Turnover

The turnover and profit is attributable to the one principal activity of the company. Exports accounted for 77% of turnover (2000 83%).

	2001	2000
<b>3. Operating Profit</b>		
is stated after charging:-	£	£
Depreciation of tangible fixed assets	15,332	20,534
Directors' remuneration (including benefits in kind)	78,941	79,893
Directors' pension contributions	5,820	51,304
Auditors' remuneration	3,275	3,550
	<hr/>	<hr/>
<b>4. Taxation</b>	£	£
Corporation tax at 20% (2000 20%) based on the taxable result for the year	815	7,158
Deferred taxation	( 792)	85
Prior year adjustment	190	493
	<hr/>	<hr/>
	213	7,736
	<hr/>	<hr/>

The company is a close company under the terms of the Income and Corporation Taxes Act 1988.

<b>5. Dividends</b>	£	£
Paid during the year	5,000	-
	<hr/>	<hr/>

## SUB ZERO TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

YEAR ENDED 31 MARCH 2001

## 6. Tangible Fixed Assets

	Computer Equipment £	Plant and Fittings £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 April 2000	45,149	190,949	49,432	285,530
Additions	4,749	( 125)	-	4,624
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2001	49,898	190,824	49,432	290,154
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated Depreciation</b>				
At 1 April 2000	32,938	127,876	34,725	195,539
Charge for the year	5,861	6,263	3,208	15,332
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2001	38,799	134,139	37,933	210,871
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>				
At 31 March 2001	11,099	56,685	11,499	79,283
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2000	12,211	63,073	14,707	89,991
	<hr/>	<hr/>	<hr/>	<hr/>

## 7. Stocks

	2001	2000
	£	£
Raw materials and consumables	116,961	113,381
Work in progress	4,923	16,949
	<hr/>	<hr/>
	121,884	130,330
	<hr/>	<hr/>

If valued at 31 March 2001, the value of finished goods would not be materially different from the balance sheet value.



**SUB ZERO TECHNOLOGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

(Continued)

**YEAR ENDED 31 MARCH 2001**

	2001	2000
<b>8. Deferred Taxation</b>	<b>£</b>	<b>£</b>
in respect of capital allowances in excess of depreciation:-		
provided	6,704	6,514
unprovided	-	-
	<hr/>	<hr/>
	6,704	6,514
	<hr/>	<hr/>
 <b>9. Called Up Share Capital</b>		
<b>Authorised</b>	<b>£</b>	<b>£</b>
20,000 ordinary shares of £1 each	20,000	20,000
20,000 3% non-cumulative preference shares of £1 each	20,000	20,000
100 'A' ordinary shares of £1 each	100	100
100 'B' ordinary shares of £1 each	100	-
	<hr/>	<hr/>
	40,200	40,100
	<hr/>	<hr/>
 <b>Allotted, issued and fully paid</b>		
20,000 ordinary shares of £1 each	20,000	20,000
20,000 3% non-cumulative preference shares of £1 each	20,000	20,000
100 'A' ordinary shares of £1 each	100	100
100 'B' ordinary shares of £1 each	100	-
	<hr/>	<hr/>
	40,200	40,100
	<hr/>	<hr/>

During the year, 100 'B' shares were issued at par to provide additional working capital.

The ordinary shares of £1 each retain all of the voting rights. All four classes of shares retain the rights to dividends which will be voted independently for each class of shares. The preference shares, the 'A' ordinary shares and the 'B' ordinary shares retain no rights in the event of a winding up of the company other than the repayment of the capital in that order of preference.

**SUB ZERO TECHNOLOGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Continued)**

**YEAR ENDED 31 MARCH 2001**

	<b>2001</b>	<b>2000</b>
<b>10. Reconciliation of Movements in Shareholders' Funds</b>		
	<b>£</b>	<b>£</b>
Opening shareholders' funds	269,154	239,041
Profit for the year	8,776	30,113
Dividends	( 5,000)	-
	<hr/>	<hr/>
Closing shareholders' funds	273,030	269,154
	<hr/>	<hr/>

**11. Contingent Liabilities and Guarantees**

The company has issued a guarantee in favour of HM Customs & Excise in the sum of £10,000.

**12. Pension Costs**

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to £5,820 (2000 £51,304).

The number of directors for whom contributions were made during the year was two (2000 two).

**13. Financial Commitments**

At 31 March 2001, the company had annual commitments under non-cancellable operating leases, as follows:-

	<b>Land and Buildings</b>	
	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Expiry date between one and five years	14,875	14,875
	<hr/>	<hr/>

**SUB ZERO TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**(Continued)**

**YEAR ENDED 31 MARCH 2001**

**14. Related Party Transactions**

During the year ended 31 March 2001, the following related party transactions occurred.

Rents of £14,875 (2000 £14,875) were paid to the Sub Zero Retirement Benefits Scheme of which the directors are Trustees. A loan of £130,000 from the pension scheme to the company was outstanding at 31 March 2001 (2000 £130,000). Interest paid on this loan amounted to £12,000 (2000 £11,020).

The company also has an outstanding loan account with Polar Eclipse Limited which amounts to a liability of £15,692 (2000 £15,692). Mr D A Laxton is a director of Polar Eclipse Limited.

**15. Transactions with Directors**

Included within 'other creditors' is an amount of £67,245 (2000 £70,655) which relates to director's loan account for Mr D A Laxton. Interest of £6,052 was charged on this loan during the year.

**16. Controlling Party**

The directors, Mr D A Laxton and Mrs D A Laxton act together as the controlling party by reason of their controlling interest in the shares of the company.