

LONGDON ESTATES LTD

Report and Financial Statements

31 December 2008

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LONGDON ESTATES LIMITED

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LONGDON ESTATES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mrs A P Scott (Chairman)
Mr D W Arkley, FCA
Mrs J A Chamberlain
Mrs M C Rennison
Mr J C Scott, ACA
Mr J L Scott
Mr F Tennant

SECRETARY

J C Scott, ACA

REGISTERED OFFICE

Redhill Road
Birmingham
B25 8EY

BANKERS

HSBC Bank PLC

SOLICITORS

Wragge & Co.
55 Colmore Row
Birmingham
B3 2AS

AUDITORS

Deloitte LLP
Chartered Accountants & Registered Auditors
Birmingham, United Kingdom

LONGDON ESTATES LIMITED
DIRECTORS REPORT
For the year ended 31 December 2008

The directors present their annual report and the audited financial statements of the Longdon Estates Limited Group for the year ended 31 December 2008.

ACTIVITIES

Longdon Estates Limited has a majority (59.2%) shareholding in the UK engineering group Carter Thermal Industries Limited. Carter Thermal Industries Limited is the parent company of a group of companies ("The Carter Group") engaged in the:

- design, manufacture and installation of retail display and commercial refrigeration equipment, environmental engineering equipment and liquid storage tanks;
- design, installation, service and maintenance of refrigeration systems and engineering services (mechanical and electrical);
- design and supply of computer software.

There have not been any significant changes in the group's principal activities in the year under review.

BUSINESS REVIEW

	2008	2007
	£	£
Turnover	98,030,813	92,585,624
Group operating profit	1,008,708	1,549,218
Profit before taxation	995,412	1,457,730

The performance and prospects of Longdon Estates Limited remain heavily dependent upon those of its subsidiary company Carter Thermal Industries Limited.

The Group's contracting, service and maintenance of refrigeration and engineering services produced a similar result to 2007. A similar result is forecast for 2009.

2008 proved to be a difficult year for the Group's refrigerated retail display equipment operation. Carter Retail Equipment Limited produced a loss before tax of £2,053,081. Included within the loss were one off redundancy costs of £495,650 and also the write off of a bad debt due to the insolvency of a refrigeration contractor of £400,622. A fundamental review of the business was carried out in the final quarter of the year leading to a business recovery plan. There has been a significant turn round in the company's prospects with a return to profitability forecast for 2009.

It was an excellent year for the liquid storage tank business with improved profitability. This company expects a reasonable performance in 2009.

It was a slow year for the group's environmental engineering business, which produced a small loss. With good sales order carry over and reasonable orders in the first quarter the business expects a return to profitability in 2009.

The computer software business produced a small profit in the year with improved profitability forecast for 2009.

There has been an improvement in the group's balance sheet with shareholder's funds being £24,134,175 compared to £23,187,828 last year. Much of the improvement has been due to the decreased pension liability: £915,840 compared to £2,231,280. This has been due to increased pension contributions, closure of the Carter Thermal Industries Limited Pension Scheme to future accrual and increase in corporate bond yields. The closure of the Carter Thermal Industries Limited Pension Scheme to future accrual had a one off benefit to the profit before tax of £454,000. The Group has now closed all of its defined benefit schemes to future accrual.

Overall 2008 was a disappointing year for the Group due to the losses incurred within Carter Retail Equipment. However a significant improvement in profitability is forecast in 2009.

LONGDON ESTATES LIMITED

DIRECTORS REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is dependent upon the major UK supermarkets for the majority of its business. This remains a highly competitive market place. The group is also exposed to credit risk through the use by supermarkets of higher risk refrigeration contractors.

The group has three pension schemes with a final salary element. The net pension liability at 31 December 2008 was £915,840 (2007 - £2,231,280). Further detail on the pensions is given in note 25 in the accounts.

The group is exposed to changes in the price of oil. This impacts on its vehicle, energy and oil related purchased product costs.

As many of its manufacturing competitors are based outside the UK, the group's competitive position is affected by changes in exchange rates. The current low value of the pound against the Euro is proving to be of benefit although this is partly offset by increased material and parts costs.

LIQUIDITY AND FUNDING

The Company banks with HSBC Bank plc and operates its bank account in credit. The Carter Thermal Industries Limited Group (CTI Group) banks principally with Barclays Bank plc.

Overall the Longdon Estates Limited consolidated accounts show a healthy balance sheet with Net Assets of £24,134,175. As recorded in the Cashflow statement there was a net cash inflow from operating activities of £3,427,883. At 31 December the consolidated accounts show a net cash/ bank position of £2,352,110 with cash at bank and in hand of £3,041,358 and total borrowings of £505,983. With Net Current assets of £13,229,669 at 31 December 2008 there is good liquidity.

With significant movements in working capital the CTI Group, at certain times during the year, does require bank funding. Given the current uncertainty in the banking and business world the CTI Group formally renewed and extended its bank facilities in December 2008. It continues to operate well within these facilities.

The Directors have prepared forecasts and projections, which cover a period of more than 12 months from the date of approval of the accounts, taking account of reasonable changes in trading performance. After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

Further statutory disclosures can be found in note 1 to the accounts.

DIRECTORS

The present membership of the Board is set out on page 1.

The directors retiring by rotation are Mrs M C Rennison, Mr J L Scott and Mr D W Arkley and, being eligible, offer themselves for re-election.

The Articles of Association of the Company contain an indemnity in favour of all of the directors of the company that, subject to law, indemnifies the directors from the assets of the company against any liability incurred by them in defending any proceedings in which judgement is given in their favour (or otherwise disposed of without any finding or admission of any material breach of duty on their part).

FINANCIAL RISK MANAGEMENT POLICIES

The directors have reviewed the financial risk management objectives and policies of the company and the group. The company does not as a regular policy enter into hedging instruments, as there is not believed to be any material exposure. The company are currently considering an interest rate SWAP in order to lock in the current low rates of interest on the money markets. It does not enter into any speculative financial instruments. Appropriate trade terms are negotiated with suppliers and customers and management reviews these terms and the relationships with suppliers and customers and manages any exposure on normal trade terms.

EMPLOYEE INVOLVEMENT

Employee representatives of the operating subsidiaries are informed of the economic factors affecting the performance of their company by means of regular meetings with management.

LONGDON ESTATES LIMITED
DIRECTORS REPORT (continued)

EMPLOYMENT OF DISABLED PERSONS

Full and fair consideration is given to applications for employment from disabled persons and to continuing the employment of those who become disabled while employed. The policy is to give equal opportunity for training, career development and promotion.

DONATIONS

During the year the Group made charitable donations amounting to £4,040 (2007 – £5,404).

FIXED ASSETS

The directors are of the opinion that the market value of the freehold and leasehold land at 31 December 2007 does not differ substantially from the amount shown in the balance sheet.

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

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

(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte LLP (formerly Deloitte & Touche LLP) have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



J C SCOTT

Secretary

22 June 2009

LONGDON ESTATES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONGDON ESTATES LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Longdon Estates Limited for the year ended 31 December 2008 which comprise the consolidated profit and loss account, the consolidated and individual company balance sheets, the consolidated cash flow statement, the reconciliation of net cash flow to movement in net funds, the consolidated statement of total recognised gains and losses and the related notes 1 to 26. 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 directors and auditors

The directors' responsibilities for preparing the Annual Report and 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 whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2008 and of the group's profit for the year 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.

Deloitte LLP

Deloitte LLP

Chartered Accountants and Registered Auditors
Birmingham, United Kingdom
23 June 2009

LONGDON ESTATES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	2	98,030,813	92,585,624
Increase in value of work in progress	12	1,321,003	337,296
Raw materials and consumables		(46,916,584)	(35,454,396)
Other external charges		(12,533,071)	(17,391,630)
Staff costs	3	(29,857,089)	(28,056,978)
Depreciation	10	(1,929,794)	(1,932,646)
Other operating charges		(7,106,570)	(8,538,052)
		<u>(97,022,105)</u>	<u>(91,036,406)</u>
GROUP OPERATING PROFIT		1,008,708	1,549,218
Profit / (loss) on disposal of fixed assets		108,413	(9,334)
Bank interest receivable		72,081	82,815
Interest payable and similar charges	4	<u>(193,790)</u>	<u>(164,969)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	995,412	1,457,730
Tax on profit on ordinary activities	6	<u>(312,203)</u>	<u>(176,372)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		683,209	1,281,358
Equity Minority interests	20	<u>(287,719)</u>	<u>(531,415)</u>
PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY	19	<u>395,490</u>	<u>749,943</u>

All activities derive from continuing operations.

There is no material difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis. Accordingly, a note of the historical cost profits and losses for the period is not given.

LONGDON ESTATES LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES **Year ended 31 December 2008**

	Note	2008 £	2007 £
Profit attributable to members of the holding company		395,490	749,943
Share of actuarial gain relating to the pension scheme	25	398,096	1,053,852
Share of UK deferred tax relating to actuarial gain		<u>(111,467)</u>	<u>(316,156)</u>
Total recognised gains and losses since last annual report		<u><u>682,119</u></u>	<u><u>1,487,639</u></u>

LONGDON ESTATES LIMITED

CONSOLIDATED BALANCE SHEET

31 December 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Intangible assets	9	1,386,192	1,490,829
Tangible assets	10	12,378,443	13,139,204
Investment in associated undertakings	11	1,000	1,000
		<u>13,765,635</u>	<u>14,631,033</u>
CURRENT ASSETS			
Stocks	12	6,690,737	6,617,397
Debtors	13	22,807,749	23,560,232
Cash at bank and in hand		3,041,358	1,568,776
		<u>32,539,844</u>	<u>31,746,405</u>
CREDITORS: amounts falling due within one year	14	(19,310,175)	(18,301,872)
NET CURRENT ASSETS		<u>13,229,669</u>	<u>13,444,533</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		26,995,304	28,075,566
CREDITORS: amounts falling due after more than one year	15	(1,313,240)	(1,938,108)
PROVISIONS FOR LIABILITIES	16	(632,049)	(718,350)
NET ASSETS BEFORE PENSION LIABILITY		25,050,015	25,419,108
Pension Liability	25	(915,840)	(2,231,280)
NET ASSETS AFTER PENSION LIABILITY		<u>24,134,175</u>	<u>23,187,828</u>
CAPITAL AND RESERVES			
Called up share capital	17	49,000	49,000
Capital redemption reserve	18	16,324	16,324
Premium on acquisition reserve	18	856,800	856,800
Profit and loss account	18	13,453,173	12,893,554
SHAREHOLDERS' FUNDS	19	14,375,297	13,815,678
Minority interests	20	9,758,878	9,372,150
SHAREHOLDERS' FUNDS		<u>24,134,175</u>	<u>23,187,828</u>

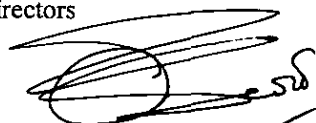
These financial statements were approved by the Board of Directors on 22 June 2009.

Signed on behalf of the Board of Directors



J C Scott

Directors



A P Scott

LONGDON ESTATES LIMITED

BALANCE SHEET

31 December 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Investment in subsidiary undertakings	11	14,162,957	13,601,703
CURRENT ASSETS			
Debtors	13	70,002	80,211
Cash at bank and in hand		154,340	139,823
		<u>224,342</u>	<u>220,034</u>
CREDITORS: amounts falling due within one year	14	<u>(12,002)</u>	<u>(6,059)</u>
NET CURRENT ASSETS		<u>212,340</u>	<u>213,975</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,375,297</u>	<u>13,815,678</u>
CAPITAL AND RESERVES			
Called up share capital	17	49,000	49,000
Revaluation reserve	18	14,106,827	13,545,573
Profit and loss account	18	219,470	221,105
SHAREHOLDERS' FUNDS		<u>14,375,297</u>	<u>13,815,678</u>

These financial statements were approved by the Board of Directors on 22 June 2009.

Signed on behalf of the Board of Directors



J C Scott

Directors



A P Scott

LONGDON ESTATES LIMITED

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2008

	Note	2008 £	2007 £
Net cash inflow from operating activities	21	3,427,883	2,947,684
Returns on investments and servicing of finance	22	(179,199)	(136,946)
Taxation (paid) / received		(264,460)	105,986
Capital expenditure and financial investment	22	(1,041,913)	(1,301,819)
Equity dividends paid		<u>(122,500)</u>	<u>(122,500)</u>
Cash inflow before use of liquid resources and financing		1,819,811	1,492,405
Financing	22	<u>(530,494)</u>	<u>(509,400)</u>
Increase in cash in the year	23	<u><u>1,289,317</u></u>	<u><u>983,005</u></u>

	2008 £	2007 £
Reconciliation of net cash flow to movement in net debt		
Increase in cash in the year	1,289,317	983,005
Cash outflow from decrease in debt	<u>530,494</u>	<u>509,400</u>
Change in net funds resulting from cash flows	1,819,811	1,492,405
New hire purchase agreements	<u>(18,707)</u>	<u>(13,320)</u>
Movement in net funds in the year	1,801,104	1,479,085
Net funds at 1 January	<u>551,006</u>	<u>(928,079)</u>
Net funds at 31 December	<u><u>2,352,110</u></u>	<u><u>551,006</u></u>

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2008

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable UK accounting standards. The particular accounting policies adopted are described below. They have all been applied consistently throughout the year and the preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold land and buildings.

Basis of consolidation

The group financial statements consolidate the financial statements of Longdon Estates Limited and all its subsidiaries and associates which are made up to the same date.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report.

Longdon Estates Limited banks with HSBC Bank plc. Its banking arrangements are kept entirely separate from those of its subsidiary Carter Thermal Industries Limited.

The Carter Thermal Industries Limited Group (CTI Group) has consolidated its banking facilities with Barclays Bank plc (some subsidiaries having previously banked with Bank of Scotland), with revised banking facilities being agreed and approved by the Board on 18 December 2008. These include an overdraft facility which is repayable on demand, a bank guarantee/bond facility, 5 year term loan, repayable over a 5 year fixed term concluding April 2014, and 2 year revolving credit facility, which has not yet been used and which is not due for renegotiation until December 2010.

The group and company's forecasts and projections, which cover a period of more than 12 months from the date of approval of the accounts, taking account of reasonably possible changes in trading performance, show that the group and company should be able to operate within the level of the current facilities. The CTI Group has held discussions with its bankers regarding those current facilities and about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms. The Group and Company continue to operate well within these facilities. Accordingly, Longdon Estates Limited continues to adopt the going concern basis in preparing the financial statements.

Exemption from Company only profit and loss account

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 accounts.

Acquisitions

On the acquisition of a business, fair values are attributed to the group's share of net assets. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill and is amortised over its useful economic life which the directors consider to be 20 years.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Intangible Assets

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 20 years. Provision is made for any impairment.

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

1. ACCOUNTING POLICIES (continued)

Associates

In the Group financial statements investments in associates are accounted for using the equity method. The consolidated profit and loss account includes the Group's share of associates' profits less losses while the Group's share of the net assets of the associates is shown in the consolidated balance sheet. Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out above. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Tangible fixed assets

Freehold property and long term leasehold buildings are included as independently valued in 1973 and 1995. Additions since the valuation date, plant and machinery, motor vehicles and fixtures and fittings are included at cost. Fully depreciated plant and machinery over fifteen years old is written out of the books.

Depreciation is not charged in respect of freehold land. All other assets are depreciated on a straight line basis and varying rates over their expected useful lives which are:

Plant and machinery and fixtures and fittings	5 - 10 years
Computer equipment	3 - 5 years
Motor vehicles	4 years
Long term leasehold buildings	50 - 75 years (life of lease)
Freehold buildings	50 years

The company has adopted the transitional rules under FRS 15 and as such previous valuations of freehold properties have been frozen at modified historical cost.

Stocks

Stocks are valued at the lower of cost and net realisable value. Work in progress is valued at direct cost including appropriate overheads and less provisions for losses where necessary.

Long term contracts are valued at direct cost plus attributable overheads less foreseeable losses, less amounts transferred to costed sales in respect of work recorded as turnover. Turnover is deemed to be the value of work done in the year. No profit is taken on long term contracts until the total profit on the contract can be assessed with reasonable certainty.

Deferred taxation

Current tax payable is provided on taxable profits at the effective current rates.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Subsidiary companies

Investments in subsidiaries are valued on the basis of the company's share of the underlying net asset value of each subsidiary with any movements being taken to revaluation reserve.

Leases and hire purchase contracts

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

Assets held under hire purchase contracts and their related obligations are held in the balance sheet at the fair value of the assets at the inception of the contract. The excess of the hire purchase payments over the recorded obligations is treated as hire purchase interest charges which are charged in equal instalments over the term of the contract.

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

1. ACCOUNTING POLICIES (continued)

Government grants

Grants are receivable towards the purchase of certain tangible fixed assets. Such grants are held as deferred income and credited to profit and loss account in proportion to the depreciation charged on the related asset.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Any translation differences are dealt with in the profit and loss account.

Pension costs

For defined benefit schemes, the amounts charged to operating profit are the current service cost and gains and losses on settlement and curtailment. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. TURNOVER

	2008 £	2007 £
A geographical analysis of turnover is set out below:		
United Kingdom	92,712,875	89,257,590
Other European countries	4,096,818	2,472,581
South America	450	1,223
Australasia	12,555	10,034
Middle and Far East	1,126,743	788,453
Africa	77,590	52,764
Russia	-	1,710
North America and Caribbean	3,782	1,269
	<u>98,030,813</u>	<u>92,585,624</u>

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

3. STAFF COSTS

Group	2008 £	2007 £
(a) Wages and salaries	26,683,325	25,303,176
Social security costs	2,791,156	2,626,191
Other pension costs (Note 25)	836,608	796,611
	<u>30,311,089</u>	<u>28,725,978</u>
Pension curtailment (Note 25)	(454,000)	(669,000)
	<u>29,857,089</u>	<u>28,056,978</u>
(b) The average number of persons employed during the year was as follows:	No.	No.
Production	501	485
Sales and administration	348	341
	<u>849</u>	<u>826</u>

The company has no employees in either year.

4. INTEREST PAYABLE

	2008 £	2007 £
Bank loans, overdrafts and other loans wholly repayable within five years	152,790	140,969
Financing of pensions	41,000	24,000
	<u>193,790</u>	<u>164,969</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2008 £	2007 £
(a) This is stated after charging/(crediting):		
Depreciation		
Owned assets	1,927,331	1,927,452
Assets held under hire purchase contracts	2,463	5,194
Release of capital portion of grant	(109,583)	(109,583)
Amortisation of goodwill	104,637	98,637
Rentals under operating leases:		
Plant and machinery	298,022	444,430
Other operating leases – land and buildings	194,597	184,725
(Profit) / loss on disposal of fixed assets	(108,413)	9,334
Remuneration of directors of Longdon Estates Limited:		
Emoluments	<u>209,822</u>	<u>231,498</u>
(b) Information concerning directors:		
Emoluments of highest paid director	<u>114,398</u>	<u>127,724</u>

1 director is a member of the defined benefit pension scheme (2007 – 1). The accrued pension of the highest paid director at 31 December 2008 amounted to £32,938 (2007 - £28,677).

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (continued)

	2008 £	2007 £
The analysis of auditors remuneration is as follows:		
Fees payable to the company's auditors for the audit of the company's annual accounts	3,053	3,000
Fees payable to the company's auditors for other services to the group		
- The audit of the company's subsidiaries pursuant to legislation	94,355	87,050
<i>Total audit fees</i>	<u>97,408</u>	<u>90,050</u>
Non audit fees for tax services	<u>40,542</u>	<u>38,550</u>
Fees payable to the company's auditors for other services to the group	<u>7,375</u>	<u>6,750</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008 £	2007 £
UK corporation tax at 28.5% (2007 - 30%) based on the profit for the year	94,121	206,597
Adjustment in respect of prior years	(27,472)	(314,707)
	<u>66,649</u>	<u>(108,110)</u>
Deferred tax		
Timing differences, origination and reversal	(71,961)	(122,674)
Adjustment in respect of prior years	(1,123)	17,818
Effect of change of tax rate on opening liability	(4,528)	-
On pension liability	<u>323,166</u>	<u>389,338</u>
	<u>245,554</u>	<u>284,482</u>
	<u>312,203</u>	<u>176,372</u>

Deferred tax assets in respect of capital losses and subsidiary company revenue losses have not been recognised as there is insufficient evidence that they will be recovered. The value of the assets is £135,893 (2007: £135,893) and £nil (2007: £18,498) respectively. The asset in respect of capital losses would be recovered if sufficient chargeable gains arose in future periods. The asset in respect of revenue losses would be recovered if sufficient taxable profits arose in that particular trade of the relevant subsidiary company.

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

	2008 £	2007 £
Factors affecting the tax charge:		
Profit on ordinary activities before tax	995,412	1,457,730
Tax at 28.5% thereon (2007 - 30%)	283,692	437,319
Expenses not deductible for tax purposes	71,036	121,941
Capital allowances in excess of depreciation	80,048	(23,805)
Movements in short term timing differences	(23,737)	(19,956)
Other	(14,676)	(18,523)
FRS 17 Pensions	(302,242)	(308,197)
Prior period adjustments	(27,472)	(296,889)
Current tax charge	<u>66,649</u>	<u>(108,110)</u>

As a result of the budget announced by the Chancellor of the Exchequer on 21 March 2007 and substantively enacted on 26 June 2007, the rate of corporation tax for large companies in the United Kingdom has reduced from 30% to 28% from 1 April 2008. Consequently, the group's deferred tax assets and liabilities were restated at 28% at 31 December 2007. Capital allowances have been reformed from April 2008 with a new 20% rate for plant and machinery assets (down from 25%) and a new 10% rate for fixtures.

7. PROFIT OF PARENT COMPANY

	2008 £	2007 £
Profit after taxation dealt with in the profit and loss account of the parent company	<u>120,865</u>	<u>93,055</u>

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.

8. DIVIDENDS

	2008 £	2007 £
Interim dividend paid 250p (2007 – 250p) per Ordinary share	<u>122,500</u>	<u>122,500</u>

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

9. INTANGIBLE FIXED ASSETS

Group

Goodwill	£
Cost	
At 1 January 2008 and 31 December 2008	2,222,842
Accumulated amortisation	
At 1 January 2008	732,013
Charge for the year	104,637
At 31 December 2008	836,650
Net book value	
At 31 December 2007	1,490,829
At 31 December 2008	1,386,192

10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Long Leasehold buildings £	Plant and machinery £	Motor vehicles £	Fixtures And Fittings £	Total £
(a) Group						
Cost or valuation						
At 1 January 2008	882,375	8,087,556	8,093,753	4,768,457	1,259,697	23,091,838
Additions	-	-	79,643	1,060,665	69,267	1,209,575
Disposals	-	-	(29,552)	(841,939)	(20,777)	(892,268)
At 31 December 2008	882,375	8,087,556	8,143,844	4,987,183	1,308,187	23,409,145
Valuation 1973	300,000	-	-	-	-	300,000
Cost	582,375	8,087,556	8,143,844	4,987,183	1,308,187	23,109,145
	882,375	8,087,556	8,143,844	4,987,183	1,308,187	23,409,145
Accumulated depreciation						
At 1 January 2008	344,186	804,868	4,831,972	2,960,985	1,010,623	9,952,634
Charge for the year	15,186	165,923	672,520	996,033	80,132	1,929,794
Disposals	-	-	(19,207)	(811,741)	(20,778)	(851,726)
At 31 December 2008	359,372	970,791	5,485,285	3,145,277	1,069,977	11,030,702
Net book value						
At 31 December 2008	523,003	7,116,765	2,658,559	1,841,906	238,210	12,378,443
At 31 December 2007	538,189	7,282,688	3,261,781	1,807,472	249,074	13,139,204

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

10. TANGIBLE FIXED ASSETS (continued)

Included above are assets with a net book value of £17,465 (2007 - £1,299) held under hire purchase contracts.

(b) **Company**

The company had no fixed assets throughout the period.

(c) **Comparable amounts determined according to the historical cost convention:**

	Freehold Land & Buildings Group £
Cost	787,159
Accumulated depreciation	(321,543)
Net book value	
At 31 December 2008	<u>465,616</u>
At 31 December 2007	<u>274,813</u>

This includes land valued at £110,500 which is not depreciated.

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

11. INTERESTS IN SUBSIDIARY UNDERTAKINGS AND ASSOCIATED UNDERTAKINGS

- (a) The company owns 59.21% of the ordinary share capital of Carter Thermal Industries Limited. That company's wholly owned subsidiaries are all registered in England and Wales, other than K. B. Refrigeration Limited which is registered in Scotland. These subsidiaries and the nature of their business are as follows:

Company	Principal activity
Carter Retail Equipment Limited	Manufacture and installation of retail display and commercial refrigeration equipment
Carter Synergy Limited	Design and installation of refrigeration systems and maintenance of refrigeration and retail equipment
Carter Environmental Engineers Limited	Design and manufacture of environmental engineering equipment
Tracer Management Systems Limited	Development and marketing of software systems
K. B. Refrigeration Limited	Installation, maintenance and service of refrigeration equipment
Franklin Hodge Industries Limited	Manufacture of liquid storage tanks

In addition there were six dormant subsidiary companies.

The investment in the subsidiary undertaking is stated at its underlying net asset values. No provision has been made for corporation tax which may be payable if the investment was sold at this value.

	£	
Net book value at 1 January 2008	13,601,703	
Adjustment for underlying asset value of subsidiaries in year	561,254	
Issue of shares by subsidiary	-	
Net book value at 31 December 2008	14,162,957	
	2008	2007
The interest in subsidiaries consists of:	£	£
Shares at cost	32,415	32,415
Change in reserves to fund share issue	23,715	23,715
Reserves at 31 December	14,106,827	13,545,573
Interest in subsidiaries	14,162,957	13,601,703

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

11. INTERESTS IN SUBSIDIARY UNDERTAKINGS AND ASSOCIATED UNDERTAKINGS

(b) Associated undertakings Group

	£
Cost at 1 January 2008 and 31 December 2008	<u>1,000</u>

Carter Thermal Industries Limited held the following investments:

33% interest in BSC Developments Limited registered in England and Wales. The company has not traded during the year.

49% interest in Carter Cold Rooms (Cyprus) Limited registered in Cyprus. The company has not traded during the year.

12. STOCKS

	2008 £	2007 £
Group		
Stocks	2,923,234	2,833,763
Short term contract work in progress	5,876,578	4,555,575
Less: Applicable payments on account	<u>(2,109,075)</u>	<u>(771,941)</u>
	<u>6,690,737</u>	<u>6,617,397</u>

There is no material difference between the balance sheet value of stocks and their replacement value.

The company held no stock at either year end.

13. DEBTORS

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Trade debtors	21,604,189	22,542,567	-	-
Loan to subsidiary company director	70,000	80,000	70,000	80,000
Corporation tax asset	92,981	-	-	-
Other debtors	435,810	452,825	-	-
Prepayments and accrued income	604,769	484,840	2	211
	<u>22,807,749</u>	<u>23,560,232</u>	<u>70,002</u>	<u>80,211</u>

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank overdraft and loans	609,266	524,247	-	-
Hire purchase agreements	16,942	4,482	-	-
Payments on account	421,028	604,284	-	-
Trade creditors	14,473,074	13,968,700	2,890	6,059
Taxation and social security	1,686,019	1,379,091	-	-
Other creditors	1,101,203	1,416,823	9,112	-
Accruals and deferred income	1,002,643	404,245	-	-
	<u>19,310,175</u>	<u>18,301,872</u>	<u>12,002</u>	<u>6,059</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2008	2007
	£	£
Deferred Income	1,250,200	1,449,067
Bank loans	50,000	474,786
Hire purchase agreements	13,040	14,255
	<u>1,313,240</u>	<u>1,938,108</u>
Bank overdraft and loans are repayable as follows:		
In one year or less or on demand (included within current liabilities)	609,266	524,247
In more than one year but not more than two years	50,000	426,005
In more than two years but not more than five years	-	48,781
	<u>50,000</u>	<u>474,786</u>
	<u>659,266</u>	<u>999,033</u>
Hire purchase agreements are repayable as follows:		
In one year or less or on demand	16,942	4,482
In more than one year but not more than two years	13,040	14,255
In more than two years but not more than five years	-	-
	<u>29,982</u>	<u>18,737</u>
Total Borrowings including hire purchase agreements:		
In one year or less or on demand	626,208	528,729
In more than one year but not more than two years	63,040	440,260
In more than two years but not more than five years	-	48,781
	<u>689,248</u>	<u>1,017,770</u>

The bank loans and overdraft are secured by a first fixed charge on the freehold and leasehold properties of the group and fixed and floating charges on the other assets of the group companies.

Hire purchase agreements are secured on the assets to which they relate.

Interest is payable at variable rates approximating to LIBOR.

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

16. PROVISIONS FOR LIABILITIES

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Guarantee costs	23,266	31,955	-	-
Deferred taxation	608,783	686,395	-	-
	<u>632,049</u>	<u>718,350</u>	<u>-</u>	<u>-</u>
	Balance at 1 January 2008	Profit and loss account charge	Applied	Balance at 31 December 2008
	£	£	£	£
(a) Group				
Guarantee costs	31,955	-	(8,689)	23,266

The guarantee cost provision covers those costs which the Group is obliged to make under guarantee on certain sales. It is expected that these costs will be incurred during 2009.

(b) The amounts of deferred taxation in the financial statements are as follows:

	Group Provided		Company Provided	
	2008	2007	2008	2007
	£	£	£	£
Capital allowances in excess of depreciation	619,153	698,918	-	-
Other short term timing differences	(10,370)	(12,523)	-	-
	<u>608,783</u>	<u>686,395</u>	<u>-</u>	<u>-</u>
	Balance at 1 January 2008	Profit and loss account charge	Balance at 31 December 2008	
	£	£	£	£
(c) Group				
Deferred Taxation	686,395	(77,612)	608,783	
Company				
Deferred Taxation	-	-	-	

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

17. CALLED UP SHARE CAPITAL

	2008	2007
	£	£
Authorised		
50,000 Ordinary shares of £1 each	50,000	50,000
Allotted and fully paid:		
49,000 Ordinary shares of £1 each	49,000	49,000

18. RESERVES

	Group	Company
	£	£
Non distributable reserves		
Capital redemption reserve		
At 1 January 2008 and 31 December 2008	16,324	-
Premium on acquisition reserve		
At 1 January 2008 and 31 December 2008	856,800	-
Investment in subsidiaries		
At 1 January 2008	-	13,545,573
Attributable profit of subsidiaries in year	-	561,254
At 31 December 2008	-	14,106,827
Total non distributable reserves	873,124	14,106,827
Profit and loss account		
At 1 January 2008	12,893,554	221,105
Profit attributable to members of the company	395,490	120,865
Dividends (Note 8)	(122,500)	(122,500)
STRGL movement	286,629	-
At 31 December 2008	13,453,173	219,470
Total reserves		
Non-distributable	873,124	14,106,827
Distributable	13,453,173	219,470
	14,326,297	14,326,297

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Group		
Profit attributable to members of the company	395,490	749,943
Dividends (Note 8)	(122,500)	(122,500)
STRGL movement	286,629	737,696
Net increase in shareholders' funds	559,619	1,365,139
Opening shareholders' funds	13,815,678	12,450,539
Closing shareholders' funds	14,375,297	13,815,678

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

20. RECONCILIATION OF MOVEMENTS IN MINORITY INTERESTS

Group	Note	2008 £	2007 £
Profit attributable to minority interests		287,719	531,415
Dividends		(98,490)	(78,792)
Share of actuarial gain relating to pension schemes	25	274,304	726,148
Share of deferred tax relating to the above		(76,805)	(217,844)
Net increase from shareholders' funds		386,729	960,927
Opening minority interests		9,372,150	8,411,223
Closing minority interests		9,758,878	9,372,150

21. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOW

	2008 £	2007 £
Operating profit	1,008,708	1,549,218
Depreciation	1,929,794	1,932,646
Amortisation of goodwill	104,637	98,637
Increase in stocks	(73,340)	(337,296)
Decrease/(increase) in debtors	845,464	(3,285,305)
Increase in creditors	1,015,776	3,968,087
(Decrease)/increase in provision for deferred income	(198,867)	140,417
Adjustment for pension funding	(1,195,600)	(1,114,000)
Decrease in provisions for guarantee costs	(8,689)	(4,720)
Net cash inflow from operating activities	3,427,883	2,947,684

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2008 £	2007 £
Returns on investments and servicing of finance		
Interest paid	(152,790)	(140,969)
Interest received	72,081	82,815
Dividends paid to minority interests	(98,490)	(78,792)
Net cash outflow for returns on investments and servicing of finance	(179,199)	(136,946)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,190,868)	(1,304,558)
Purchase of intangible fixed assets	-	(30,000)
Sale of tangible fixed assets	148,955	32,739
Net cash outflow for capital expenditure and financial investment	(1,041,913)	(1,301,819)
Financing		
Loan repayments	(523,032)	(504,826)
Capital element of hire purchase rental payments	(7,462)	(4,574)
Net cash outflow from financing	(530,494)	(509,400)

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

23. ANALYSIS OF NET FUNDS

	At 1 January 2008 £	Cash flow £	Other non- cash changes £	At 31 December 2008 £
Cash in hand and at bank	1,568,776	1,472,582	-	3,041,358
Overdrafts	-	(183,265)	-	(183,265)
	<u>1,568,776</u>	<u>1,289,317</u>	<u>-</u>	<u>2,858,093</u>
Loans due within one year	(524,247)	523,032	(424,786)	(426,001)
Loans due after one year	(474,786)	-	424,786	(50,000)
Hire purchase agreements	(18,737)	7,462	(18,707)	(29,982)
	<u>(1,017,770)</u>	<u>530,494</u>	<u>(18,707)</u>	<u>(505,983)</u>
	<u>551,006</u>	<u>1,819,811</u>	<u>(18,707)</u>	<u>2,352,110</u>

24. FINANCIAL COMMITMENTS

(a) Capital commitments

At 31 December 2008, there were capital commitments of £Nil (2007 - £Nil) which had been contracted for but not provided in the financial statements.

(b) Operating lease commitments

At 31 December 2008, the group had annual commitments under non-cancellable other operating leases as set out below:

	Land and buildings		Other	
	2008 £	2007 £	2008 £	2007 £
Leases which expire:				
Within one year	15,860	-	31,844	72,388
Within two to five years	157,800	157,800	258,580	240,158
After five years	26,925	26,925	-	-
	<u>200,585</u>	<u>184,725</u>	<u>290,424</u>	<u>312,546</u>

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

25. PENSIONS

The Carter Thermal Industries Limited Group (Carter Group) operates the following pension schemes:

Carter Thermal Industries Limited Pension Scheme	(Defined Benefit***)
Carter Executive Plan	(Defined Benefit**)
Carter Money Purchase Plan	(Defined Contribution)
K. B. Refrigeration and Retirement Benefits Plan	(Defined Contribution and Defined Benefit*)

* Defined benefit pensions ceased to accrue with effect from 1 April 1998.

** Defined benefit pensions ceased to accrue with effect from 30 June 2007.

*** Defined benefit pensions ceased to accrue with effect from 31 July 2008.

The assets of the schemes are held in separate Trustee administered funds.

Actuarial information	CTI Scheme	Carter Executive Plan	K. B. Refrigeration pre 1 April 1998 Defined Benefits
Valuation method	Defined Accrued Benefits Method	Defined Accrued Benefits Method	Defined accrued benefits method
Investment returns	6.7%	6.7%	5.6% pre retirement 4.6% post retirement
Salary growth	N/a	N/a	N/a
Dividend increases	N/a	N/a	N/a
Date of last actuarial valuation	01/01/07	01/01/06	01/05/05
Market value of investments	£4,750,000	£9,286,000	£1,200,000
Funding level	85%	96%	65%
Period of valuations	Triennial	Triennial	Triennial

The level of contributions is designed to meet expected future liabilities.

Financial reporting Standard FRS 17 - Retirement benefits

Company

Longdon Estates Limited (The Company) is not a participating employer in the Carter Group pension schemes. The requirements of FRS17 have been applied to the consolidated financial statements. The full amount of the pension liability has been shown on the consolidated balance sheet and the full charge in the consolidated profit and loss account. The liability has then been apportioned between equity shareholders and minority shareholders in proportion to their relative shareholding in Carter Thermal Industries limited. The statement of total recognised gains and losses shows the proportion of the actuarial loss apportioned to equity shareholders. In the company's own balance sheet its investment in subsidiary has been reduced in proportion to its share of the deficit.

The respective shareholdings in the £1 ordinary shares of Carter Thermal Industries Limited, as at 1 January 2008 and 31 December 2008, were as follows:

	£1 Ordinary Shares	%
Longdon Estates Limited	114,350	59.21%
Minority interests	78,792	40.79%
	<u>193,142</u>	<u>100.00%</u>

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

25. PENSIONS (continued)

Group

The Carter Group sponsors the defined benefit schemes noted above. The last full actuarial valuation of the schemes was carried out by a qualified independent actuary on the dates shown and they have been updated on an approximate basis to 31 December 2008.

The contributions made by the Carter Group over the financial year to the pension schemes have been £1,578,208 (2007 - £1,248,611).

Contributions included those to both the defined benefit and defined contribution schemes as follows.

	2008 £	2007 £
Defined Benefit	895,600	897,000
Defined Contribution	682,608	351,611
	<u>1,578,208</u>	<u>1,248,611</u>

FRS17 requires disclosure of the assets and liabilities as at 31 December 2008 calculated in accordance with the requirements of FRS17. The assets of the schemes have been taken at market value and the liabilities have been calculated using the following principal actuarial assumptions.

	CTI Scheme			Carter Executive Plan			K. B. Refrigeration pre 1 April 1998 Defined Benefits		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Rate of inflation	-	3.2%	3.0%	-	3.2%	3.0%	2.7%	3.5%	3.3%
Salary increase rate	-	4.4%	4.2%	3.8%	4.4%	4.2%	-	-	-
LPI increases for pensions in payment	2.6%	3.0%	2.8%	4.6%	3.0%	5.0%	5.0%	5.0%	5.0%
Revaluation of deferred pensions	2.6%	3.2%	3.0%	2.6%	3.2%	3.0%	2.3%	2.3%	2.3%
Discount Rate	6.7%	5.8%	5.1%	6.7%	5.8%	5.1%	6.7%	5.8%	5.2%

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

25. PENSIONS (continued)

Mortality Assumptions

Investigations have been carried out within the past three years into the mortality experience of the Group's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	CTI Scheme			Carter Executive Plan			K. B. Refrigeration pre 1 April 1998 Defined Benefits		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Retiring Today:									
Males	20	20	18.5	19.8	19.8	19.8	22.0	22.1	22.0
Females	22.8	22.8	21.5	22.8	22.8	22.8	24.8	24.9	24.9
Retiring in 20 Years:									
Males	21.2	21.2	18.5	21.0	21.0	19.8	23.1	23.4	23.3
Females	23.9	23.9	21.5	24.0	24.0	22.8	25.9	26.1	26.1

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

CTI Scheme

Assumption	Change in Assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.5%	Decrease/Increase by 11%
Rate of Inflation	Increase/decrease by 0.5%	Increase/Decrease by 9%
Rate of Salary Growth	Increase/decrease by 0.5%	n/a
Rate of Mortality	Increase by 1 year	Increase by 2%

Carter Executive Plan

Assumption	Change in Assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.5%	Decrease/Increase by 8%
Rate of Inflation	Increase/decrease by 0.5%	Increase/Decrease by 8%
Rate of Salary Growth	Increase/decrease by 0.5%	n/a
Rate of Mortality	Increase by 1 year	Increase by 4%

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

25. PENSIONS (continued)

K. B. Refrigeration pre 1 April 1998 Defined Benefits

Assumption	Change in Assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.5%	Decrease/Increase by 11.9% / 14.0%
Rate of Inflation	Increase/decrease by 0.5%	Increase/Decrease by 3.8% / 3.5%
Rate of Salary Growth	Increase/decrease by 0.5%	n/a
Rate of Mortality	Increase by 1 year	Increase by 2.2%

The assets of the schemes and the expected rates of return were:

	CTI Scheme	Carter Executive Plan		K B Refrigeration Pre 1 April 1998 Defined Benefits		
	Market value as at 31 Dec 2008 £	31 Dec 2008 £	Expected return for year ending 31 Dec 2008 %	Market value as at 31 Dec 2008 £	Expected return for year ending 31 Dec 2008 %	Totals £
Equities	3,230,000	4,921,600	6.75%	310,000	4.7%	8,461,600
Bonds	1,140,000	3,343,000	5.2%/4.8%	77,000	2.7%	4,560,000
Secured growth	47,500	92,800	-	528,000	2.7%	668,300
Cash	332,500	928,600	3.75%	35,000	2.7%	1,296,100
TOTAL ASSETS	4,750,000	9,286,000		950,000		14,986,000
Present value of scheme liabilities	(5,615,000)	(9,693,000)		(799,000)		(16,107,000)
Deficit in schemes	<u>(865,000)</u>	<u>(407,000)</u>		<u>151,000</u>		<u>(1,121,000)</u>
Surplus not recognised						<u>(151,000)</u>
Deficit in schemes						(1,272,000)
Related deferred tax						<u>356,160</u>
						<u>(915,840)</u>
				Gross deficit	Deferred tax	Net deficit
				£	£	£
Equity shareholders				(753,151)	210,882	(542,269)
Minority interests				(518,849)	145,278	(373,571)
				<u>(1,272,000)</u>	<u>356,160</u>	<u>(915,840)</u>

NOTES TO THE ACCOUNTS (continued)

	CTI Scheme	Carter Executive Plan	K B Refrigeration Pre 1 April 1998 Defined Benefits			
	Market value as at 31 Dec 2007 £	Market value as at 31 Dec 2007 £	Expected return for year ending 31 Dec 2007 %	Market value as at 31 Dec 2007 £	Expected return for year ending 31 Dec 2007 %	Totals £
Equities	5,016,000	7,545,000	7.5%	563,000	5.6%	13,124,000
Bonds	867,000	3,110,000	5.1%	69,000	3.6%	4,046,000
Secured growth	-	-	-	591,000	3.6%	591,000
Property	21,000	32,000	7.5%	-	3.6%	53,000
Cash	412,000	868,000	5.0%	30,000	3.6%	1,310,000
TOTAL ASSETS	6,316,000	11,555,000		1,253,000		19,124,000
Present value of scheme liabilities	(8,110,000)	(12,760,000)		(1,353,000)		(22,223,000)
Deficit in schemes	(1,794,000)	(1,205,000)		(100,000)		(3,099,000)
Related deferred tax						867,720
						(2,231,280)
				Gross deficit £	Deferred tax £	Net deficit £
Equity shareholders				(1,834,767)	513,735	(1,321,032)
Minority interests				(1,264,233)	353,985	(910,248)
				(3,099,000)	867,720	(2,231,280)

NOTES TO THE ACCOUNTS (continued)

	CTI Scheme	Carter Executive Plan	K B Refrigeration Pre 1 April 1998 Defined Benefits			
	Market value as at 31 Dec 2006 £	31 Dec 2006 £	Expected return for year ending 31 Dec 2006 %	Market value as at 31 Dec 2006 £	Expected return for year ending 31 Dec 2006 %	Totals £
Equities	4,512,000	6,791,000	7.6%	463,000	5.7%	11,766,000
Bonds	793,000	3,045,000	4.8%	64,000	3.7%	3,902,000
Secured growth	-	-	-	766,000	3.7%	766,000
Property	31,000	45,000	7.6%	-	3.7%	76,000
Cash	731,000	926,000	4.5%	40,000	3.7%	1,697,000
TOTAL ASSETS	6,067,000	10,807,000		1,333,000		18,207,000
Present value of scheme liabilities	(8,366,000)	(14,024,000)		(1,786,000)		(24,176,000)
Deficit in schemes	(2,299,000)	(3,217,000)		(453,000)		(5,969,000)
Related deferred tax						1,789,863
						(4,179,137)
				Gross deficit	Deferred tax	Net deficit
				£	£	£
Equity shareholders				(3,534,245)	1,059,778	(2,474,467)
Minority interests				(2,434,755)	730,085	(1,704,670)
				(5,969,000)	1,789,863	(4,179,137)

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NOTES TO THE ACCOUNTS (continued)

25. PENSIONS (continued)

An analysis of the amount charged / (credited) to operating profit is as follows:

	CTI Scheme	Carter Executive Plan	KB Refrigeration	Total
	2008	2008	2008	2008
	£	£	£	£
Current service cost	154,000	-	-	154,000
Curtailment	(454,000)	-	-	(454,000)
Current service cost	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>

	CTI Scheme	Carter Executive Plan	KB Refrigeration	Total
	2007	2007	2007	2007
	£	£	£	£
Current service cost	282,000	836,000	3,000	1,121,000
Curtailment	-	(669,000)	-	(669,000)
Current service cost	<u>282,000</u>	<u>167,000</u>	<u>3,000</u>	<u>452,000</u>

An analysis of the amount (charged)/credited to other finance income is as follows:

	CTI Scheme	Carter Executive Plan	KB Refrigeration	Total
	2008	2008	2008	2008
	£	£	£	£
Expected return on scheme assets	405,000	724,000	54,000	1,183,000
Interest on pension scheme liabilities	(442,000)	(710,000)	(72,000)	(1,224,000)
Net return	<u>(37,000)</u>	<u>14,000</u>	<u>(18,000)</u>	<u>(41,000)</u>

	CTI Scheme	Carter Executive Plan	KB Refrigeration	Total
	2007	2007	2007	2007
	£	£	£	£
Expected return on scheme assets	411,000	709,000	55,000	1,175,000
Interest on pension scheme liabilities	(423,000)	(690,000)	(86,000)	(1,199,000)
Net return	<u>(12,000)</u>	<u>19,000</u>	<u>(31,000)</u>	<u>(24,000)</u>

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NOTES TO THE ACCOUNTS (continued)

25. PENSIONS (continued)

An analysis of the amount that has been recognised in the statement of total recognised gains and losses (STRGL) is as follows:

	CTI Scheme	Carter Executive Plan	KB Refrigeration	Total
	2008 £	2008 £	2008 £	2008 £
Actual return less expected return on pension scheme assets	(1,476,000)	(2,481,000)	(153,000)	(4,110,000)
Experience gains and losses arising on the scheme liabilities	-	-	31,000	31,000
Irrecoverable pension surplus	-	-	(135,600)	(135,600)
Changes in assumptions underlying the present value of the scheme liabilities	1,934,000	2,671,000	282,000	4,887,000
Total Actuarial (deficit)/gain	458,000	190,000	24,400	672,400
	CTI Scheme	Carter Executive Plan	KB Refrigeration	Total
	2008 £	2008 £	2008 £	2008 £
Actuarial gain attributable to minority interests	186,850	77,501	9,953	274,304
Actuarial gain attributable to members of the company and recognised in the STRGL	271,150	112,499	14,447	398,096
Total actuarial gain	458,000	190,000	24,400	672,400
	CTI Scheme	Carter Executive Plan	KB Refrigeration	Total
	2007 £	2007 £	2007 £	2007 £
Actual return less expected return on pension scheme assets	(23,000)	(11,000)	44,000	10,000
Experience gains and losses arising on the scheme liabilities	14,000	-	31,000	45,000
Changes in assumptions underlying the present value of the scheme liabilities	540,000	968,000	217,000	1,725,000
Total Actuarial (deficit)/gain	531,000	957,000	292,000	1,780,000
	CTI Scheme	Carter Executive Plan	KB Refrigeration	Total
	2007 £	2007 £	2007 £	2007 £
Actuarial gain attributable to minority interests	216,620	390,407	119,121	726,148
Actuarial gain attributable to members of the company and recognised in the STRGL	314,380	566,593	172,879	1,053,852
Total actuarial gain	531,000	957,000	292,000	1,780,000

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NOTES TO THE ACCOUNTS (continued)

25. PENSIONS (continued)

Movements in the fair value of scheme assets were as follows:

	CTI Scheme	Carter Executive Plan	KB Refrigeration	Total
	£	£	£	£
At 1 January 2008	6,316,000	11,555,000	1,253,000	19,124,000
Expected return on scheme assets	405,000	724,000	54,000	1,183,000
Actuarial gains and losses	(1,476,000)	(2,481,000)	(153,000)	(4,110,000)
Contributions from sponsoring parties	208,000	594,000	93,600	895,600
Contributions from scheme members	52,000	-	-	52,000
Benefits paid	(755,000)	(1,106,000)	(297,600)	(2,158,600)
At 31 December 2008	<u>4,750,000</u>	<u>9,286,000</u>	<u>950,000</u>	<u>14,986,000</u>

Movements in the present value of defined benefit obligations were as follows:

	CTI Scheme	Carter Executive Plan	KB Refrigeration	Total
	£	£	£	£
At 1 January 2008	8,110,000	12,760,000	1,353,000	22,223,000
Service cost	154,000	-	-	154,000
Interest cost	442,000	709,000	72,000	1,223,000
Contributions from scheme members	52,000	-	-	52,000
Actuarial gains and losses	(1,934,000)	(2,671,000)	(313,000)	(4,918,000)
Curtailement gains & losses	(454,000)	-	-	(454,000)
Benefits paid	(755,000)	(1,105,000)	(313,000)	(2,173,000)
At 31 December 2008	<u>5,615,000</u>	<u>9,693,000</u>	<u>799,000</u>	<u>16,107,000</u>

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NOTES TO THE ACCOUNTS (continued)

25. PENSIONS (continued)

History of experience gains and losses	CTI Scheme	Carter Executive Plan	KB Refrigeration	Total
	2008 £	2008 £	2008 £	2008 £
Difference between the expected and actual return on scheme assets:				
Amount	(1,476,000)	(2,481,000)	(153,000)	(4,110,000)
Percentage of scheme assets	31%	27%	16%	27%
Experience gains and losses on scheme liabilities:				
Amount	-	-	31,000	31,000
Percentage of the present value of the scheme liabilities	-	-	4%	0%
Changes in assumptions underlying the present value of the scheme liabilities				
Amount	1,934,000	2,671,000	282,000	4,887,000
Percentage of the present value of the scheme liabilities	34%	28%	35%	30%
Irrecoverable pension surplus	-	-	(135,600)	(135,600)
Total amount recognised in statement of total recognised gains and losses:				
Amount	458,000	190,000	24,400	672,400
Percentage of the present value of the scheme liabilities	8%	2%	3%	4%

LONGDON ESTATES LIMITED

NOTES TO THE ACCOUNTS (continued)

25. PENSIONS (continued)

History of experience gains and losses	CTI Scheme	Carter Executive Plan	KB Refrigeration	Total
	2007 £	2007 £	2007 £	2007 £
Difference between the expected and actual return on scheme assets:				
Amount	(23,000)	(11,000)	44,000	10,000
Percentage of scheme assets	(0.4%)	(0.1%)	3.5%	
Experience gains and losses on scheme liabilities:				
Amount	14,000	-	31,000	45,000
Percentage of the present value of the scheme liabilities	0%	-	2.3%	
Changes in assumptions underlying the present value of the scheme liabilities:				
Amount	-	-	217,000	217,000
Percentage of the present value of the scheme liabilities	-	-	16.0%	
Total amount recognised in statement of total recognised gains and losses:				
Amount	531,000	957,000	292,000	1,780,000
Percentage of the present value of the scheme liabilities	7.0%	7.0%	21.6%	
History of experience gains and losses	CTI Scheme	Carter Executive Plan	KB Refrigeration	Total
	2006 £	2006 £	2006 £	2006 £
Difference between the expected and actual return on scheme assets:				
Amount	179,000	122,000	72,000	373,000
Percentage of scheme assets	3%	1%	5%	
Experience gains and losses on scheme liabilities:				
Amount	-	71,000	17,000	88,000
Percentage of the present value of the scheme liabilities	-	1%	1%	
Changes in assumptions underlying the present value of the scheme liabilities				
Amount	705,000	(563,000)	56,000	198,000
Percentage of the present value of the scheme liabilities	8%	(4%)	3%	
Total amount recognised in statement of total recognised gains and losses:				
Amount	884,000	(370,000)	145,000	659,000
Percentage of the present value of the scheme liabilities	11%	(3%)	8%	

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NOTES TO THE ACCOUNTS (continued)

26. CONTINGENT LIABILITIES

Certain group companies have entered into various performance bonds in the normal course of operations. At the balance sheet date, performance bonds totalling £62,276 (2007 - £9,062) were outstanding. The expiry date of the guarantee was 2 January 2009 (2007-14 March 2008).