

**EXTRACT FROM;  
DIRECTORS REPORT  
FOR THE YEAR ENDED 28 FEBRUARY 2010**

**Business Review**

The business has had another excellent year with continued growth in both revenue and operating profit. Changes to Group structure have allowed management to focus on the core contracting business, building on our strong relationships with Tesco, Sainsbury, Marks & Spencer and developing additional revenue streams with Coop.

Sales revenues have grown across the customer base, with like for like revenues increase of 17% in the year. Turnover from continuing operations of £32.6million represent continuous revenue streams with opportunities to secure and grow this level of business in the forthcoming year, subject to meeting our customer's high levels of expectation.

Operationally as expected, margins have come under pressure from increases in commodity pricing for items such as copper and pressure from customers to deliver competitive tenders, however we continue to manage these.

We continue to develop our understanding of carbon based refrigeration systems and in partnership with a European specialist we have developed low energy, carbon friendly systems in a number of our customer's stores. The company is keen to promote this initiative working with our customers in as the demand for such solution grows.

The company ended the year with a sound order book and expects to enjoy similar revenue levels in 2010/11.