

Sabroe Limited

**Directors' report and financial
statements**

Registered number 1804419

31 December 2003



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Directors' report

The directors submit their report and the financial statements for the company for the year ended 31 December 2003.

Principal activities

The principal activities of the company are the sale of refrigeration equipment and associated products manufactured in Denmark by York Refrigeration ApS.

Business review

The result for the year is set out in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend (2002: *£nil*).

Directors

The directors of the company who served during the year were as follows:

FP Rasmussen
L Soeby

None of the directors have any interest in the share capital of the company or have been granted rights to subscribe for shares in the company.

As York International Corporation, the company's ultimate parent undertaking, is incorporated in the United States of America, the directors have taken advantage of the exemption conferred by Statutory Instrument Number 802 of 1985 by not disclosing any shareholdings and share options held by the directors which are holdings and options in York International Corporation.

Auditor

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


JD Morgan
Company Secretary

86 Melchett Road
Kings Norton Business Centre
Kings Norton
Birmingham
B30 3HX

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 affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

37 Hills Road
Cambridge
CB2 1XL

Independent auditor's report to the members of Sabroe Limited

We have audited the financial statements on pages 4 to 11.

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 auditor's 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 auditor

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditor, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

Basis of audit 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

*Chartered Accountants
Registered Auditor*

28 October 2004

Profit and loss account
for the year ended 31 December 2003

	<i>Notes</i>	2003 £000	2002 £000
Turnover	2	4,908	4,862
Cost of sales		(3,701)	(3,739)
Gross profit		1,207	1,123
Administrative expenses		(567)	(494)
Profit on ordinary activities before taxation	3	640	629
Tax on profit on ordinary activities	6	(34)	-
Profit for the financial year	13	606	629

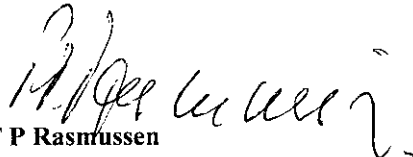
There were no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account.

In both the current and preceding year, the company made no material acquisitions and had no discontinued operations.

Balance sheet
as at 31 December 2003

	<i>Notes</i>	£000	2003 £000	£000	2002 £000
Fixed assets					
Tangible assets	7		16		17
Current assets					
Stocks	8	612		612	
Debtors	9	3,496		2,669	
Cash at bank and in hand		-		1	
		<u>4,108</u>		<u>3,282</u>	
Creditors: amounts falling due within one year	10	<u>(1,105)</u>		<u>(886)</u>	
Net current assets			<u>3,003</u>		<u>2,396</u>
Net assets			<u>3,019</u>		<u>2,413</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		2,919		2,313
Equity shareholders' funds	14		<u>3,019</u>		<u>2,413</u>

These financial statements were approved by the board of directors on 28 October 2004 and were signed on its behalf by:


F P Rasmussen
Director

Notes

forming part of the financial statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention, on a going concern basis and in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on all fixed assets at rates appropriate to write off the cost less the estimated residual value over their estimated useful lives on a straight line basis. The rates used are:

Motor vehicles	- 20 - 25%
Plant and equipment	- $8\frac{1}{3}$ - $33\frac{1}{3}$ %

Stocks

Stocks are stated at the lower of cost and net realisable value.

Leasing agreements

Rental paid under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Pensions

The company operates a defined contribution pension scheme. Contributions to the scheme are charged to the profit and loss account as incurred.

Cash flow statement

Under Financial Reporting Standard Number 1 (Revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Notes (continued)

1 Accounting policies (continued)

Related party transactions

As the company was a wholly owned subsidiary throughout the accounting period, the company has taken advantage of the exemption contained within Financial Reporting Standard Number 8 and has therefore not disclosed transactions or balances with entities which form part of the group that it was a member of at the year end. The consolidated financial statements of its ultimate parent company can be obtained from the address given in note 16.

Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of trade discounts and value added tax.

2 Turnover

Turnover is attributable to one class of business and all arose within the UK and Ireland.

3 Profit on ordinary activities before taxation

	2003 £000	2002 £000
<i>This is stated after charging/(crediting) the following:</i>		
Depreciation on owned assets	15	19
Auditor's remuneration - audit services	12	10
Operating lease rentals - plant and equipment	21	24
- other	42	42
Profit on disposal of fixed assets	-	(1)
	<hr/>	<hr/>

4 Staff numbers and costs

	2003 Number	2002 Number
<i>The average monthly number of employees, including directors, during the year was:</i>		
Manufacturing, erection, servicing and engineering	5	5
Sales and marketing	6	5
Administration and management	3	3
	<hr/>	<hr/>
	14	13
	<hr/>	<hr/>
<i>The aggregate payroll costs of these persons, including directors, were as follows :</i>		
	2003 £000	2002 £000
Wages and salaries	431	402
Social security costs	58	50
Pension costs	14	17
	<hr/>	<hr/>
	503	469
	<hr/>	<hr/>

The pension costs were paid by the company to defined contribution pension schemes. A liability of £2,000 (2002: £6,000) is included in accruals at the year end.

Notes (continued)

5 Directors' emoluments

	2003 £000	2002 £000
<i>The aggregate emoluments of the directors of the company were:</i>		
Directors' emoluments	-	-

Directors' remuneration is met by another group company.

6 Taxation

	2003 £000	2002 £000
Corporation tax at 30%	-	-
Under provision in prior year	34	-
	34	-

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2002: lower) than the standard rate of corporation tax in the UK of 30% (2002: 30%). The differences are explained below:

	£000	£000
<i>Current tax reconciliation:</i>		
Profit on ordinary activities before tax	640	629
Current tax at 30% (2002: 30%)	192	189
<i>Effects of:</i>		
Expenses not deductible for tax purposes	2	5
Capital allowances for the period in excess of depreciation	1	2
Other timing differences	2	19
Group relief claimed	(197)	(215)
Adjustments to tax charge in respect of previous years	34	-
Total current tax charge	34	-

Notes (continued)

7 Tangible fixed assets

	Plant and equipment £000	Motor vehicles £000	Total £000
<i>Cost:</i>			
At start of the year	215	28	243
Additions	14	-	14
	<hr/>	<hr/>	<hr/>
At 31 December 2003	229	28	257
	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation:</i>			
At start of the year	198	28	226
Charge for the year	15	-	15
	<hr/>	<hr/>	<hr/>
At 31 December 2003	213	28	241
	<hr/>	<hr/>	<hr/>
<i>Net book value:</i>			
At 31 December 2003	16	-	16
	<hr/>	<hr/>	<hr/>
At 31 December 2002	17	-	17
	<hr/>	<hr/>	<hr/>

8 Stocks

	2003 £000	2002 £000
Work in progress	250	283
Finished goods	362	329
	<hr/>	<hr/>
	612	612
	<hr/>	<hr/>

9 Debtors

	2003 £000	2002 £000
Trade debtors	743	481
Amounts owed by group undertakings	2,548	2,153
Corporation tax	50	-
Other debtors	140	21
Prepayments and accrued income	15	14
	<hr/>	<hr/>
	3,496	2,669
	<hr/>	<hr/>

Notes (continued)

10 Creditors: amount falling due within one year

	2003 £000	2002 £000
Bank loans and overdrafts	1	-
Trade creditors	34	39
Amounts owed to group undertakings	838	666
Other taxation and social security	111	65
Accruals and deferred income	121	116
	<hr/> 1,105 <hr/>	<hr/> 886 <hr/>

The company has entered into a composite cross guarantee with other group companies. The directors do not foresee any claim arising in respect of this guarantee.

11 Provisions for liabilities and charges

There is no deferred taxation at 31 December 2003 (2002: £nil). The following deferred taxation assets were unprovided:

	2003 £000	2002 £000
Accelerated capital allowances	11	10
Other short term timing differences	9	7
	<hr/> 20 <hr/>	<hr/> 17 <hr/>

12 Share capital

	2003 £000	2002 £000
<i>Authorised:</i>		
500,000 ordinary shares of £1 each	500	500
<i>Allotted, called up and fully paid:</i>		
100,000 ordinary shares of £1 each	100	100

13 Reserves

	Profit and loss account £000
At start of year	2,313
Profit for the year	606
	<hr/>
At 31 December 2003	2,919 <hr/>

Notes (continued)

14 Reconciliation of movement in equity shareholders' funds

	2003 £000	2002 £000
Profit for the year	606	629
Net addition to equity shareholders' funds	606	629
Opening equity shareholders' funds	2,413	1,784
Closing equity shareholders' funds	3,019	2,413

15 Other commitments

At 31 December 2003 the company had minimum annual rental commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2003 £000	2002 £000	2003 £000	2002 £000
<i>Expiry date:</i>				
In less than one year	-	-	6	-
Within the second to fifth years	42	42	15	20
	42	42	21	20

16 Ultimate parent undertaking

The ultimate parent company is York International Corporation, a company incorporated in the United States of America. Group financial statements can be obtained from PO Box 1592, York, Pennsylvania 17415, USA.

The company which heads the smallest group of companies for which consolidated group financial statements are drawn up is York International (Holdings) Limited. Group financial statements for York International (Holdings) Limited may be obtained from Gardiners Lane South, Basildon, Essex SS14 3HE.