

Sabroe Limited

**Directors' report and financial
statements**

Registered number 1804419

31 December 2004



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Directors' report

The directors submit their report and the financial statements for the company for the year ended 31 December 2004.

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 (2003: £nil).

Directors

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

FP Rasmussen (resigned 25 July 2005)

L Soeby (resigned 3 January 2005)

JP Corcoran

AP Power

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


J.D. Morgan
Company Secretary

19 Town Square
Basildon
Essex
SS14 1BD

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
United Kingdom

Report of the independent auditors 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 2, 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 2004 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

31 October 2005

Profit and loss account
for the year ended 31 December 2004

	<i>Note</i>	2004 £000	2003 £000
Turnover	2	4,759	4,908
Cost of sales		(3,751)	(3,701)
Gross profit		1,008	1,207
Administrative expenses		(586)	(567)
Profit on ordinary activities before taxation	3	422	640
Tax on profit on ordinary activities	6	-	(34)
Profit on ordinary activities after taxation being retained profit for the financial year	13	422	606

The company has no recognised gains or losses, other than the profit for the financial years shown above.

The profit in both periods relates entirely to continuing activities.

Balance sheet
as at 31 December 2004

	<i>Note</i>	£000	2004 £000	£000	2003 £000
Fixed assets					
Tangible assets	7		13		16
Current assets					
Stocks	8	482		612	
Debtors	9	4,131		3,496	
Cash at bank and in hand		40		-	
		<u>4,653</u>		<u>4,108</u>	
Creditors: amounts falling due within one year	10	<u>(1,225)</u>		<u>(1,105)</u>	
Net current assets			<u>3,428</u>		<u>3,003</u>
Net assets			<u><u>3,441</u></u>		<u><u>3,019</u></u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		3,341		2,919
Equity shareholders' funds	14		<u><u>3,441</u></u>		<u><u>3,019</u></u>

These financial statements were approved by the board of directors on 20 October 2005 and were signed on its behalf by:



AP Power
Director

The notes on pages 6 to 11 form part of these accounts.

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 Financial Reporting Standard Number 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.

Turnover

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

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.

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

	2004 £000	2003 £000
<i>This is stated after charging/(crediting) the following:</i>		
Depreciation on owned assets	8	15
Auditor's remuneration - audit services	12	12
Operating lease rentals - plant and equipment	28	21
- other	42	42
	<hr/>	<hr/>

4 Staff numbers and costs

	2004 Number	2003 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	6
Administration and management	3	3
	<hr/>	<hr/>
	14	14
	<hr/>	<hr/>

	2004 £000	2003 £000
<i>The aggregate payroll costs of employees were as follows:</i>		
Wages and salaries	447	431
Social security costs	55	58
Pension costs	18	14
	<hr/>	<hr/>
	520	503
	<hr/>	<hr/>

The company operates a number of defined contribution pension schemes. The pension cost for the period shown above represents contributions payable by the company to the scheme. Contributions amounting to £3,000 (2003: £6,000) were payable to the scheme at the balance sheet date and are included in creditors.

Notes (continued)

5 Directors' emoluments

Directors' remuneration was met by another group company in both the current and preceding financial years.

6 Taxation

	2004 £000	2003 £000
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	34
	<hr/> -	<hr/> 34

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2003: lower) than the standard rate of corporation tax in the UK of 30% (2003: 30%). The differences are explained below:

	2004 £000	2003 £000
<i>Current tax reconciliation:</i>		
Profit on ordinary activities before tax	422	640
	<hr/> 127	<hr/> 192
Current tax at 30% (2003: 30%)		
<i>Effects of:</i>		
Expenses not deductible for tax purposes	3	2
Capital allowances for the period in excess of depreciation	1	1
Other timing differences	1	2
Group relief claimed	(132)	(197)
Adjustments to tax charge in respect of previous years	-	34
	<hr/> -	<hr/> 34
Total current tax charge		
	<hr/> -	<hr/> 34

Notes (continued)

7 Tangible fixed assets

	Plant and equipment £000	Motor vehicles £000	Total £000
<i>Cost:</i>			
At beginning of the year	229	28	257
Additions	5	-	5
Disposals	-	(11)	(11)
	<hr/>	<hr/>	<hr/>
At end of year	234	17	251
	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation:</i>			
At beginning of the year	213	28	241
Charge for the year	8	-	8
Disposals	-	(11)	(11)
	<hr/>	<hr/>	<hr/>
At end of year	221	17	238
	<hr/>	<hr/>	<hr/>
<i>Net book value:</i>			
At 31 December 2004	13	-	13
	<hr/>	<hr/>	<hr/>
At 31 December 2003	16	-	16
	<hr/>	<hr/>	<hr/>

8 Stocks

	2004 £000	2003 £000
Work in progress	136	250
Finished goods	346	362
	<hr/>	<hr/>
	482	612
	<hr/>	<hr/>

9 Debtors

	2004 £000	2003 £000
Trade debtors	590	743
Amounts owed by group undertakings	3,521	2,548
Corporation tax	-	50
Other debtors	-	140
Prepayments and accrued income	20	15
	<hr/>	<hr/>
	4,131	3,496
	<hr/>	<hr/>

Notes (continued)

10 Creditors: amount falling due within one year

	2004 £000	2003 £000
Bank loans and overdrafts	-	1
Trade creditors	35	34
Amounts owed to group undertakings	808	838
Other taxation and social security	57	111
Accruals and deferred income	325	121
	<u>1,225</u>	<u>1,105</u>

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 Deferred taxation

In accordance with Financial Reporting Standard 19, no deferred tax asset has been recognised at the balance sheet date as the directors believe there is insufficient persuasive and reliable evidence that such an asset will be utilised against future taxable profits of the company.

The following deferred taxation assets were unprovided at the balance sheet date:

	2004 £000	2003 £000
Accelerated capital allowances	10	11
Other short term timing differences	8	9
	<u>18</u>	<u>20</u>

12 Share capital

	2004 £000	2003 £000
<i>Authorised:</i>		
500,000 ordinary shares of £1 each	<u>500</u>	<u>500</u>
<i>Allotted, called up and fully paid:</i>		
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>

Notes (continued)

13 Reserves

	Profit and loss account £000
At start of year	2,919
Profit for the year	422
At 31 December 2004	3,341

14 Reconciliation of movement in equity shareholders' funds

	2004 £000	2003 £000
Profit for the year	422	606
Net addition to equity shareholders' funds	422	606
Opening equity shareholders' funds	3,019	2,413
Closing equity shareholders' funds	3,441	3,019

15 Other commitments

At 31 December 2004 the company had minimum annual rental commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2004 £000	2003 £000	2004 £000	2003 £000
<i>Expiry date:</i>				
In less than one year	-	-	3	6
Within the second to fifth years	42	42	17	15
	42	42	20	21

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.