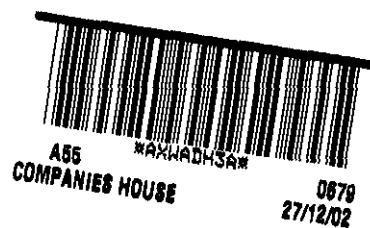


Sabroe Limited

**Directors' report and financial
statements**

Registered number 1804419

31 December 2001



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Company information

Directors

FP Rasmussen
L Soeby

Registered office

1 - 8 Eaves Court
Bonham Drive
Sittingbourne
Kent
ME10 3RY

Company number

1804419

Auditors

KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Directors' report

The directors submit their report and the financial statements for the company for the year ended 31 December 2001.

Principal activities

The principal activities of the company are the sale of refrigeration equipment and associated product 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 5.

The directors' do not recommend the payment of a dividend (2000: £nil)

Directors

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

| | Date of appointment | Date of resignation |
|---------------|----------------------------|----------------------------|
| KM Price | | 6 March 2001 |
| JD Miller | 12 September 2000 | 7 February 2002 |
| F P Rasmussen | 3 October 2000 | |
| L Soeby | 7 February 2002 | |

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.

Auditors

KPMG were re-appointed auditors at the last annual general meeting. However, since that date their audit practice was transferred to a limited partnership, KPMG LLP. Accordingly, KPMG resigned as auditors on 17 May 2002 and the directors thereupon appointed KPMG LLP to fill the vacancy arising.

By order of the board



G Shaw
Company Secretary

25 November 2002

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.



St Nicholas House
Park Row
Nottingham
NG1 6FQ

Independent auditors' report to the members of Sabroe Limited

We have audited the financial statements on pages 5 to 12.

Respective responsibilities of directors and auditors

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 auditors, 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

25 November 2002

*Chartered Accountants
Registered Auditor*

Profit and loss account
for the year ended 31 December 2001

| | <i>Notes</i> | 2001 £000 | 2000 £000 |
|--|--------------|----------------------------|-------------------|
| Turnover | 2 | 4,914 | 4,894 |
| Cost of sales | | (3,759) | (3,705) |
| Gross profit | | <u>1,155</u> | <u>1,189</u> |
| Administrative expenses | | (567) | (598) |
| Other operating expenses | | (98) | (236) |
| Operating profit | | <u>490</u> | <u>355</u> |
| Interest receivable and similar income | 3 | - | 32 |
| Interest payable and similar charges | 4 | (1) | (3) |
| Profit on ordinary activities before taxation | 5 | <u>489</u> | <u>384</u> |
| Tax on profit on ordinary activities | 8 | 85 | - |
| Profit for the financial year | 15 | <u><u>574</u></u> | <u><u>384</u></u> |

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

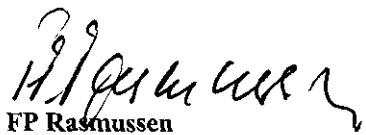
In both the current and preceding year, the company made no material acquisitions and had no discontinued operations.

Balance sheet

as at 31 December 2001

| | Notes | £000 | 2001 £000 | £000 | 2000 £000 |
|---|-------|---------|--------------|---------|--------------|
| Fixed assets | | | | | |
| Tangible assets | 9 | | 31 | | 39 |
| Current assets | | | | | |
| Stocks | 10 | 550 | | 533 | |
| Debtors - due within one year | 11 | 2,734 | | 900 | |
| - due after more than one year | 11 | - | | 868 | |
| | | 2,734 | | 1,768 | |
| Cash at bank and in hand | | 5 | | - | |
| | | 3,289 | | 2,302 | |
| Creditors: amounts falling due within one year | 12 | (1,536) | | (1,130) | |
| Net current assets | | | 1,753 | | 1,171 |
| Net assets | | | 1,784 | | 1,210 |
| Capital and reserves | | | | | |
| Called up share capital | 14 | | 100 | | 100 |
| Profit and loss account | 15 | | 1,684 | | 1,110 |
| Equity shareholders' funds | 16 | | 1,784 | | 1,210 |

These financial statements were approved by the board of directors on 25 November 2002 and were signed on its behalf by:



FP 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 and in accordance with applicable accounting standards.

Change in reporting format

The profit and loss account in the financial statements for the year ended 31 December 2000 was prepared on the basis of Format 2 of the Companies Act 1985. To be consistent with other group companies the directors have changed the format to Format 1.

Depreciation

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

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

Provision is made for deferred tax using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that a liability will crystallise in the foreseeable future.

Pensions

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

Notes (continued)

1 Accounting policies (continued)

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.

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 18.

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 it all arose within the UK.

3 Interest receivable and similar charges

| | 2001 £000 | 2000 £000 |
|--------------------------|--------------|--------------|
| Bank interest receivable | - | 32 |
| | <hr/> | <hr/> |

4 Interest payable and similar charges

| | 2001 £000 | 2000 £000 |
|---|--------------|--------------|
| Bank loans and overdrafts | 1 | - |
| On loans of any other kind - paid to group undertakings | - | 3 |
| | <hr/> | <hr/> |
| | 1 | 3 |
| | <hr/> | <hr/> |

Notes (continued)

5 Profit on ordinary activities before taxation

| | 2001 £000 | 2000 £000 |
|---|--------------|--------------|
| <i>This is stated after charging/(crediting) the following:</i> | | |
| Depreciation on owned assets | 15 | 33 |
| Auditors' remuneration - for audit | 5 | 5 |
| - for non audit services | - | 3 |
| Operating lease rentals - plant and equipment | 27 | 15 |
| - other | 42 | 42 |
| (Profit)/loss on disposal of fixed assets | (2) | 2 |

6 Staff numbers and costs

| | 2001 Number | 2000 Number |
|---|----------------|----------------|
| <i>The average monthly number of employees, including executive directors, during the year was:</i> | | |
| Manufacturing, erection, service and engineering | 5 | 6 |
| Sales and marketing | 4 | 6 |
| Administration and management | 3 | 2 |
| | 12 | 14 |

The aggregate payroll costs of these persons, including executive directors, were as follows:

| | £000 | £000 |
|-----------------------|------|------|
| Wages and salaries | 401 | 421 |
| Social security costs | 44 | 45 |
| Other pension costs | 13 | 18 |
| | 458 | 484 |

7 Directors' emoluments

| | 2001 £000 | 2000 £000 |
|---|--------------|--------------|
| <i>The aggregate emoluments of the directors of the company were:</i> | | |
| Directors' emoluments | 23 | 28 |

Retirement benefits are accruing at 31 December to one (2000: one) director under the money purchase scheme.

8 Taxation

| | 2001 £000 | 2000 £000 |
|-----------------------------|--------------|--------------|
| Overprovision in prior year | 85 | - |

No taxation charge has been made in the company as the profits will be group relieved against tax losses arising in other group companies for nil consideration.

Notes (continued)

9 Tangible fixed assets

| | Plant, computer equipment and motor vehicles £000 |
|----------------------------------|--|
| <i>Cost:</i> | |
| At start of the year | 258 |
| Additions | 7 |
| Disposals | (11) |
| At 31 December 2001 | <u>254</u> |
| <i>Accumulated depreciation:</i> | |
| At start of the year | 219 |
| Charge for the year | 15 |
| Disposals | (11) |
| At 31 December 2001 | <u>223</u> |
| <i>Net book value:</i> | |
| At 31 December 2001 | <u>31</u> |
| At 31 December 2000 | <u><u>39</u></u> |

10 Stocks

| | 2001 £000 | 2000 £000 |
|------------------|----------------------|----------------------|
| Work in progress | 107 | 42 |
| Finished goods | 443 | 491 |
| | <u>550</u> | <u>533</u> |

11 Debtors

| | 2001 £000 | 2000 £000 |
|------------------------------------|----------------------|----------------------|
| Trade debtors | 734 | 617 |
| Amounts owed by group undertakings | 1,939 | 1,130 |
| Other debtors | 43 | 1 |
| Prepayments and accrued income | 18 | 20 |
| | <u>2,734</u> | <u>1,768</u> |

All of the above are due within one year, except for an amount of £nil (2000: £868,000) due from a group undertaking after more than one year.

Notes (continued)

12 Creditors: amount falling due within one year

| | 2001 | 2000 |
|------------------------------------|--------------|--------------|
| | £000 | £000 |
| Bank overdraft (secured) | - | 2 |
| Trade creditors | 22 | 20 |
| Amounts owed to group undertakings | 1,332 | 845 |
| Corporation tax | - | 29 |
| Other taxation and social security | 79 | 35 |
| Accruals and deferred income | 103 | 199 |
| | <u>1,536</u> | <u>1,130</u> |

The company has entered into a composite cross guarantee with other group companies. At 31 December 2001, the maximum indebtedness under this guarantee was £396,000 (2000: £nil).

13 Provisions for liabilities and charges

There is no unprovided deferred taxation at 31 December 2001 (2000: £nil).

14 Share capital

| | 2001 | 2000 |
|--|-------------|------------|
| | £000 | £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> |

15 Reserves

| | Profit and loss account £000 |
|----------------------------|---|
| At start of year | 1,110 |
| Profit for the year | 574 |
| At 31 December 2001 | <u>1,684</u> |

Notes (continued)

16 Reconciliation of movement in equity shareholders' funds

| | 2001 £000 | 2000 £000 |
|--|--------------|--------------|
| Profit for the year | 574 | 384 |
| Net addition to equity shareholders' funds | 574 | 384 |
| Opening equity shareholders' funds | 1,210 | 826 |
| Closing equity shareholders' funds | 1,784 | 1,210 |

17 Other commitments

At 31 December 2001 the company had minimum annual rental commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|----------------------------------|--------------------|--------------|--------------|--------------|
| | 2001 £000 | 2000 £000 | 2001 £000 | 2000 £000 |
| <i>Expiry date:</i> | | | | |
| In less than one year | - | - | 2 | 4 |
| Within the second to fifth years | 42 | 42 | 36 | 19 |
| | 42 | 42 | 38 | 23 |

18 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.