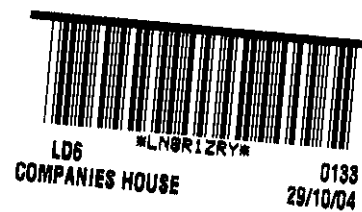


Sabroe (U.K.) Holdings Limited

**Director's report and financial
statements**

Registered number 3636755

31 December 2003



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Director's report

The director submits his report and the financial statements for the company for the year ended 31 December 2003.

Principal activities

The company acts as a holding company for a group of companies that undertake the design, procurement, construction, commissioning and maintenance of industrial and commercial refrigeration equipment.

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:

JD Miller (resigned 30 January 2004)
I Howells

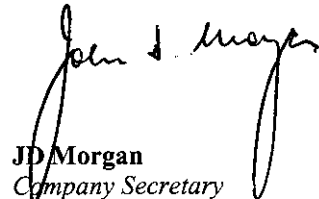
No director serving during the year has any interest in the share capital of the company or has been granted rights to subscribe for shares in the company.

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.

Auditors

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

By order of the board



JD Morgan
Company Secretary

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

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 (U.K.) Holdings Limited

We have audited the financial statements on pages 4 to 8.

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 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Chartered Accountants
Registered Auditor*

28 October 2004

Profit and loss account

for the year ended 31 December 2003

During the current financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

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

Balance sheet

as at 31 December 2003

	<i>Notes</i>	2003 £000	2002 £000
Fixed assets			
Investments	3	2,982	2,982
Creditors: amounts falling due within one year	4	(4,350)	(4,350)
Net liabilities		<u>(1,368)</u>	<u>(1,368)</u>
Capital and reserves			
Called up share capital	5	1,512	1,512
Share premium	6	5,455	5,455
Profit and loss account	6	(8,335)	(8,335)
Equity shareholders' deficit	7	<u>(1,368)</u>	<u>(1,368)</u>

These financial statements were approved by the board of directors on 22 October 2004 and were signed on its behalf by:



I Howells
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.

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £1,368,000 which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by York International Limited, the company's immediate parent undertaking. York International Limited has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Investments

Investments in subsidiaries are held at cost less provisions for impairment.

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.

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 it is a wholly-owned subsidiary undertaking.

Related party transactions

As 100% of the company's voting rights are controlled within the group headed by York International (Holdings) Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of York International (Holdings) Limited, within which this company is included, can be obtained from the address given in note 9.

Notes (continued)

2 Staff numbers and costs

The company employed no staff during either the current or preceding financial year and accordingly there were no staff costs in either year. The directors were not remunerated for their services to the company in either year.

3 Investments

	Shares in Subsidiary Undertakings £000
<i>Cost or valuation:</i>	
At start and end of the year	2,982

The costs of investments relate to the cost of the ordinary shares in subsidiary undertakings and include direct costs of acquisitions.

The following are wholly owned subsidiary undertakings and in all cases the holdings are in ordinary shares. The companies are all incorporated in the United Kingdom and registered in England and Wales, with the exception of York Refrigeration Scotland Limited which is registered in Scotland.

Subsidiaries held directly:

York Refrigeration Limited
Sabroe Limited

Subsidiaries held indirectly through subsidiary undertakings:

York Refrigeration Scotland Limited
Nottingham Refrigeration Limited
S & R Refrigeration Limited
Ice-Tech Limited
Rock Refrigeration Limited
Stafford Refrigeration Limited
Stal Refrigeration Limited
Herbert Refrigeration Limited

4 Creditors: amount falling due within one year

	2003 £000	2002 £000
Amounts owed to group undertakings	4,350	4,350

Notes (continued)

5 Share capital

	2003 £000	2002 £000
<i>Authorised, allotted, called up and fully paid:</i>		
1,512,000 ordinary shares of £1 each	1,512	1,512

6 Reserves

	Share Premium Account £000	Profit and loss account £000
At start and end of year	5,455	(8,335)

7 Reconciliation of movement in equity shareholders' deficit

	2003 £000	2002 £000
Profit for the year	-	-
Net increase in equity shareholders' deficit	-	-
Opening equity shareholders' deficit	(1,368)	(1,368)
Closing equity shareholders' deficit	(1,368)	(1,368)

8 Contingent liability

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.

9 Ultimate parent undertaking

The company's immediate parent undertaking, and controlling party, is York International Limited, a company incorporated in the United Kingdom and registered in England and Wales.

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 the Company Secretary, Gardiners Lane South, Basildon, Essex SS14 3HE.

The company's 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.