

Sabroe (U.K.) Holdings Limited

**Directors' report and financial
statements**

Registered number 3636755

31 December 2000



Directors' report and financial statements

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Company information

Directors

OEV Andersen
KM Price
JD Miller

Registered office

Unit 8, First Floor
Minerva Business Park
Lynch Wood
Peterborough
PE2 6QQ

Company number

3636755

Auditors

KPMG
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 2000.

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 and air conditioning equipment.

Business review

The result for the year is set out in the profit and loss account on page 6.

The assets, liabilities and expenditure of the head office were transferred to York Refrigeration Limited on 1 January 2000.

On 1 April 2000, two subsidiary undertakings (TTF Air Conditioning Limited and TTF Scotland Limited) were transferred to another subsidiary undertaking of the company's parent undertaking, York International Limited.

On 25 May 2000, the company disposed of Coolrite Refrigeration Limited at no profit or loss.

With effect from 3 July 2000 the company acquired the trade and assets of the Process Refrigeration Systems division of York International Limited, its parent undertaking. On the same day the trade and assets were sold to York Refrigeration Limited, a subsidiary of Sabroe (U.K.) Holdings Limited.

No dividend was paid in the year (1999: nil). The directors do not recommend the payment of a final dividend.

Directors

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

	Date of appointment	Date of resignation
OEV Andersen		
B Harris		7 March 2000
MJ Ball		12 September 2000
KM Price	7 March 2000	
JD Miller	12 September 2000	

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.

Employees

The group's policy is to consult and discuss with employees matters likely to affect employees' interests. Information on matters of concern to employees is given through information bulletins which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

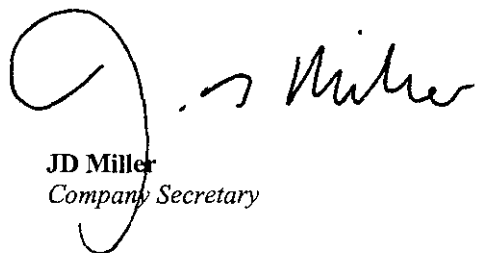
The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, where possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Directors' report *(continued)*

Auditors

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

By order of the board

A handwritten signature in dark ink, appearing to read 'JD Miller', is written over the typed name and title.

JD Miller
Company Secretary

1 March 2001

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

Report of the auditors to the members of Sabroe (U.K.) Holdings Limited

We have audited the financial statements on pages 6 to 13.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 4, 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. 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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Chartered Accountants
Registered Auditors*

1 March 2001

Profit and loss account
for the year ended 31 December 2000

	<i>Notes</i>	Year to 31 Dec 00 £000	15 months to 31 Dec 99 £000
Administrative expenses		(9)	(1,097)
Other operating income	2	-	1,193
		<hr/>	<hr/>
Operating (loss)/profit		(9)	96
Amounts written off investments		-	(7,566)
Interest receivable and similar income	3	155	-
Interest payable and similar charges	4	(457)	(550)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	5	(311)	(8,020)
Taxation on loss on ordinary activities	8	28	(28)
		<hr/>	<hr/>
Loss on ordinary activities after taxation and accumulated loss for the period	14	(283)	(8,048)
		<hr/>	<hr/>

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

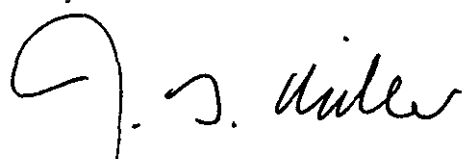
In both the current year and preceding period, the company had no discontinued operations.

Balance sheet

as at 31 December 2000

	Notes	2000 £000	1999 £000
Fixed assets			
Tangible assets	9	-	35
Investments	10	2,982	1,820
		<u>2,982</u>	<u>1,855</u>
Current assets			
Debtors	11	-	25
Cash at bank and in hand		-	4,570
		<u>-</u>	<u>4,595</u>
Creditors: amounts falling due within one year	12	(4,346)	(8,836)
Net current liabilities		<u>(4,346)</u>	<u>(4,241)</u>
Net liabilities		<u>(1,364)</u>	<u>(2,386)</u>
Capital and reserves			
Called up share capital	13	1,512	1,412
Share premium	14	5,455	4,250
Profit and loss account	14	(8,331)	(8,048)
Equity shareholders' deficit	15	<u>(1,364)</u>	<u>(2,386)</u>

These financial statements were approved by the board of directors on 1 March 2001 and were signed on its behalf by:


J D Miller
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 are prepared on a going concern basis which assumes the company will continue to trade, as the parent company, York International Limited, has indicated it intends to provide such funds as are necessary for the company to continue to trade for the foreseeable future.

The company has taken the exemption conferred by section 228 of the Companies Act 1985 from the requirement to prepare group financial statements as the company is a wholly owned subsidiary for the whole of the accounting period as described in note 17. These financial statements present information about the company as an individual entity and not about its group.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at their purchase cost, together with any incidental expenses of acquisition.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated realisable value, over their expected useful lives on the following basis:

Motor vehicles	33%
----------------	-----

Operating leases

Leasing charges in respect of operating leases are recognised in the profit and loss account on a straight line basis over the lives of the agreements, even if the payments are not made on such a basis.

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.

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.

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 17.

2 Other operating income

	Year to 31 Dec 00 £000	15 months to 31 Dec 99 £000
Management charges to group undertakings	-	1,193
	<u> </u>	<u> </u>

3 Interest receivable and similar income

	£000	£000
Interest received on bank deposits	155	-
	<u> </u>	<u> </u>

4 Interest payable and similar charges

	£000	£000
Bank loans and overdrafts	4	270
On loans of any other kind made to the group		
- amounts due to group undertakings	453	280
	<u> </u>	<u> </u>
	457	550
	<u> </u>	<u> </u>

5 Loss on ordinary activities before taxation

	£000	£000
<i>This is stated after charging the following:</i>		
Depreciation on owned assets	-	30
Auditors' remuneration - for audit	-	5
- for non-audit services	-	15
Operating lease rentals - plant and equipment	-	1
- other	-	11
	<u> </u>	<u> </u>

Notes *(continued)*

6 Staff number and costs

	Year to 31 Dec 00 Number	15 months to 31 Dec 99 Number
<i>The average monthly number of employees, including executive directors, during the period was:</i>		
Administration and management	3	6
	<hr/>	<hr/>
	£000	£000
<i>Staff costs, including directors' emoluments, were as follows:</i>		
Wages and salaries	-	512
Social security costs	-	57
Pension costs	-	3
	<hr/>	<hr/>
	-	572
	<hr/>	<hr/>

The pension costs were paid by the company to a pension scheme administered by a subsidiary undertaking.

7 Directors' emoluments and benefits

	£000	£000
Aggregate emoluments	-	291
	<hr/>	<hr/>

8 Taxation

	£000	£000
UK Corporation tax at 30% (1999: 30.25%)	-	28
Overprovision in prior year	(28)	-
	<hr/>	<hr/>
	(28)	28
	<hr/>	<hr/>

Notes (continued)

9 Tangible fixed assets

	Motor vehicles £000
<i>Cost or valuation:</i>	
At start of the year	57
Transfer to group undertakings	(57)
	<hr/>
At 31 December 2000	-
	<hr/>
<i>Depreciation:</i>	
At start of the year	22
Transfer to group undertakings	(22)
	<hr/>
At 31 December 2000	-
	<hr/>
<i>Net book value:</i>	
At 31 December 2000	-
	<hr/>
At 31 December 1999	35
	<hr/>

10 Investments

	Shares in Subsidiary Undertakings £000
<i>Cost or valuation:</i>	
At start of the year	1,820
Acquisitions	1,305
Disposals	(143)
	<hr/>
At 31 December 2000	2,982
	<hr/>

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

On 1 April 2000, two subsidiary undertakings (TTF Air Conditioning Limited and TTF Scotland Limited) were transferred to another subsidiary undertaking of the company's parent undertaking, York International Limited.

On 25 May 2000, the company disposed of Coolrite Refrigeration Limited at no profit or loss.

With effect from 3 July 2000, the company acquired the trade and assets of the Process Refrigeration Systems division of York International Limited, its parent undertaking. On the same day the trade and assets were sold to York Refrigeration Limited, a subsidiary of Sabroe (U.K.) Holdings Limited.

Notes (continued)

10 Investments (continued)

The following are wholly owned subsidiary undertakings. Only details of undertakings whose results or financial position affect the figures in the company's financial statements are given. 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 (formerly known as York Refrigeration Products 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

11 Debtors

	2000 £000	1999 £000
Amounts owed by group undertakings	-	11
Other debtors	-	14
	<hr/> -	<hr/> 25
	<hr/> <hr/>	<hr/> <hr/>

12 Creditors: amount falling due within one year

	£000	£000
Bank overdraft	4	-
Trade creditors	-	112
Amounts owed to group undertakings	4,163	8,565
Other creditors including taxation and social security	-	53
Accruals and deferred income	179	106
	<hr/> 4,346	<hr/> 8,836
	<hr/> <hr/>	<hr/> <hr/>

13 Share capital

	2000 £000	1999 £000
<i>Authorised, allotted, called up and fully paid:</i>		
1,512,000 (1999: 1,412,000) ordinary shares of £1 each	1,512	1,412
	<hr/> <hr/>	<hr/> <hr/>

During the year 100,000 shares were issued to facilitate the purchase of the Process Refrigeration Systems division of York International Limited.

Notes (continued)

14 Reserves

	Share premium account £000	Profit and loss account £000
At start of year	4,250	(8,048)
Premium on issue of shares	1,205	-
Loss for the period	-	(283)
At 31 December 2000	5,455	(8,331)

15 Reconciliation of movement in equity shareholders' deficit

	2000 £000	1999 £000
Loss for the period	(283)	(8,048)
Issue of share capital	1,305	5,662
Net (addition to)/reduction in equity shareholders' deficit	1,022	(2,386)
Opening equity shareholders' deficit	(2,386)	-
Closing equity shareholders' deficit	(1,364)	(2,386)

16 Other commitments

At 31 December 2000 the company had minimum annual rental commitments under non-cancellable operating leases as follows:

	Land and buildings 2000 £000	Other 2000 £000	Land and Buildings 1999 £000	Other 1999 £000
<i>Expiry date:</i>				
Within the second to fifth years	-	-	15	2

17 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 for the year ended 31 December 2000 may be obtained from the Company Secretary, Gardiners Lane South, Basildon, Essex SS14 3HE.