Registered No 3788221

True Manufacturing UK Limited

Report and Abbreviated Accounts

31 December 2007

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Independent auditors' report

to True Manufacturing UK Limited pursuant to section 247B of the Companies Act 1985

We have examined the company's abbreviated accounts for the year ended 31 December 2007 which comprise the Balance Sheet and the related notes 1 to 6, which have been prepared in accordance with applicable United Kingdom law, together with the financial statements of the company for the year ended 31 December 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985 Our work has been undertaken so that we might state to the company those matters we are required to state to it in an auditors' 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 for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985 It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and 246(6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing practices Board In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and 246(6) of the Act, and the abbreviated accounts are properly prepared in accordance with those provisions

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Leeds

24 October 2008

Abbreviated balance sheet
at 31 December 2007

	Notes	2007 $	2006 $
Fixed assets			
Tangible assets	3	7,182,291	7,347,191
Current assets			
Stocks		1,591,705	2,737,129
Debtors		593,147	465,690
Cash at bank and in hand		238,555	346,119
		2,423,407	3,548,938
Creditors amounts falling due within one year		(17,336,377)	(17,854,666)
Net current liabilities		(14,912,970)	(14,305,728)
Total assets less current liabilities		(7,730,679)	(6,958,537)
Government grants	4	(547,813)	(551,133)
		(8,278,492)	(7,509,670)
Capital and reserves			
Called up share capital	5	3	3
Profit and loss account		(8,278,495)	(7,509,673)
Shareholder's deficit		(8,278,492)	(7,509,670)

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved by the directors on October 22, 2008 and are signed on their behalf by

Steven L Trulaske

S L Trulaske
Director

Notes to the abbreviated accounts

at 31 December 2007

1. Fundamental accounting concept

The financial statements have been prepared using the going concern concept as the holding company has agreed to provide sufficient funds for the company to meet its liabilities as they fall due for a period of at least one year from the date of signing of the accounts

2. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows

Long leasehold property	-	50 years
Plant and machinery	-	3 to 15 years
Equipment	-	3 to 10 years

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets by equal annual instalments Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate

Stocks

Stocks are stated at the lower of cost and net realisable value Cost includes all costs incurred in bringing each product to its present location and condition, as follows

Consumables and spare parts	-	purchase cost on a first-in, first-out basis
Finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

Notes to the abbreviated accounts
at 31 December 2007

2. Accounting policies (continued)
Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

• provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

• deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

The company's foreign currency is the US Dollar Accordingly, the directors believe it is more appropriate to present the financial statements in that currency The exchange rate as of 31 December 2007 was USD \$1 = £0 5024

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date All exchange gains of losses shall be taken to the profit and loss account as part of profit or loss for the year from ordinary activities

Notes to the abbreviated accounts
at 31 December 2007

3 Fixed assets

	Tangible Assets $
Cost	
At 1 January 2007	8,868,182
Additions	57,870
Disposals	(71,520)
At 31 December 2007	8,854,532
Depreciation	
At 1 January 2007	1,520,991
Charge for year	209,281
On disposals	(58,031)
At 31 December 2007	1,672,241
Net book value	
At 31 December 2007	7,182,291
At 31 December 2006	7,347,191

4. Government grants

	2007 $	2006 $
Balance as at 1 January	551,133	494,424
Exchange differences	9,489	68,501
Released during the year	(12,809)	(11,792)
Balance as at 31 December	547,813	551,133

5. Share capital

	Authorised 2007 $	2006 $
Ordinary shares of £1 each	1,610,000	1,610,000

	Allotted, called up and fully paid			
	2007		2006	
	No	$	No	$
Ordinary shares of £1 each	2	3	2	3

6. Ultimate parent company

The company's parent company and the ultimate controlling party is True UK LLC, a company registered in the United States of America Copies of the financial statements of the parent company are not available for public viewing