

COMPANY REGISTRATION NUMBER 3788221

# **True Manufacturing UK Limited**

## **Report and Abbreviated Accounts**

31 December 2004



## **Independent auditors' report**

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

We have examined the abbreviated accounts which comprise the Balance Sheet and the related notes 1 to 6, together with the financial statements of the company for the year ended 31 December 2004 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 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 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 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 auditors**

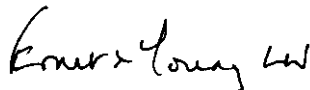
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and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

### **Basis of opinion**

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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



Ernst & Young LLP  
Registered Auditor  
Leeds

28 October 2005

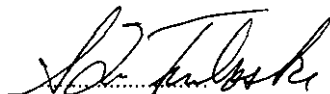
# True Manufacturing UK Limited

## Abbreviated balance sheet at 31 December 2004

	Notes	2004 £	2003 £
<b>Fixed assets</b>	3		
Tangible assets		4,639,757	4,791,055
<b>Current assets</b>			
Stocks		2,241,862	2,439,665
Debtors		556,181	556,485
Cash at bank and in hand		370,326	53,829
		3,168,369	3,049,979
<b>Creditors: amounts falling due within one year</b>		10,028,099	9,926,590
<b>Net current liabilities</b>		(6,859,730)	(6,876,611)
<b>Total assets less current liabilities</b>		(2,219,973)	(2,085,556)
<b>Government grants</b>	4	294,400	300,800
		(2,514,373)	(2,386,356)
<b>Capital and reserves</b>			
Called-up equity share capital	5	2	2
Profit and loss account		(2,514,375)	(2,386,358)
<b>Shareholder's funds</b>		(2,514,373)	(2,386,356)

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 2005 and are signed on their behalf by:

  
S L Trulaske  
Director

OCTOBER 21, 2005

## Notes to the abbreviated accounts at 31 December 2004

### 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.

#### **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:

Raw materials, consumables and goods for resale	-	purchase cost on a first-in, first-out basis.
Work in progress and 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.

#### **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;

## Notes to the abbreviated accounts

at 31 December 2004

### 2. Accounting policies (continued)

#### *Deferred taxation* (continued)

- 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*

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 differences are taken to the profit and loss account.

#### *Operating lease agreements*

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

### 3. Fixed assets

	<i>Tangible Assets £</i>
<i>Cost</i>	
At 1 January 2004	5,438,325
Additions	20,986
At 31 December 2004	<u>5,459,311</u>
<i>Depreciation</i>	
At 1 January 2004	647,270
Charge for year	172,284
At 31 December 2004	<u>819,554</u>
<i>Net book value</i>	
At 31 December 2004	<u>4,639,757</u>
At 31 December 2003	<u>4,791,055</u>

### 4. Government grants

	<i>2004 £</i>	<i>2003 £</i>
Received and receivable	320,000	320,000
Amortisation	<u>(25,600)</u>	<u>(19,200)</u>
	<u>294,400</u>	<u>300,800</u>

## Notes to the abbreviated accounts

at 31 December 2004

### 5. Share capital

	<i>Authorised</i>	
	2004	2003
	£	£
Ordinary shares of £1 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

	<i>Allotted, called up and fully paid</i>			
	2004		2003	
	No.	£	No.	£
Ordinary shares of £1 each	2	2	2	2
		<u>2</u>		<u>2</u>

### 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.