

COMPANY REGISTRATION NUMBER 3788221

True Manufacturing UK Limited

Report and Abbreviated Financial Statements

31 December 2002



True Manufacturing UK Limited

Registered No: 3788221

Directors

R J Trulaske
R J Trulaske Jnr
S L Trulaske

Secretary

S L Trulaske

Auditors

Ernst & Young LLP
Cloth Hall Court
14 King Street
Leeds
LS1 2JN

Registered office

Fields End Road
Goldthorpe
Rotherham
S63 9EU

Directors' report

The directors present their report and financial statements for the year ended 31 December 2002.

Results and dividends

The profit for the year amounted to £809,458. The directors do not recommend the payment of any dividends.

Principal activities and review of the business

The principal activity of the company during the year was the manufacture of commercial refrigerated units.

The company has benefitted from favourable movement in the exchange rate which has resulted in a large profit on retranslation of foreign currency balances.

Directors

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

R J Trulaske
R J Trulaske Jnr
S L Trulaske

There are no directors' interests requiring disclosure under the Companies Act 1985.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board



S L Trulaske
Secretary

15 OCTOBER 2003

Statement of directors' responsibilities in respect of the financial statements

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 of the company for that year. 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; and
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 profit and loss account, , balance sheet, statement of cash flows and the related notes 1 to 14, together with the financial statements of the company for the year ended 2002 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 those matters we are required to state 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

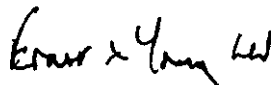
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of 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 section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 13 are properly prepared in accordance with those provisions.



Ernst & Young LLP
Registered Auditor
Leeds

20 OCTOBER 2003

Abbreviated profit and loss account

for the year ended 31 December 2002

	Notes	2002 £	2001 £
Gross profit		539,043	38,632
Administrative expenses		(268,259)	1,033,071
Operating profit/(loss)	2	807,302	(994,439)
Bank interest receivable	4	2,156	1,198
Profit/(loss) on ordinary activities before taxation		809,458	(993,241)
Tax on profit/(loss) on ordinary activities	5	—	—
Profit retained/(loss) for the financial year		809,458	(993,241)

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £809,458 attributable to the shareholders for the year ended 31 December 2002 (2001 - loss of £993,241).

Abbreviated balance sheet

at 31 December 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	6	4,934,707	5,033,399
Current assets			
Stocks	7	2,459,367	2,339,545
Debtors	8	748,394	1,201,777
Cash at bank and in hand		284,472	42,654
		3,492,233	3,583,976
Creditors: amounts falling due within one year	9	10,778,948	11,772,441
Net current liabilities		(7,286,715)	(8,188,465)
Total assets less current liabilities		(2,352,008)	(3,155,066)
Accruals and deferred income			
Deferred government grants	10	307,200	313,600
		(2,659,208)	(3,468,666)
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account	12	(2,659,210)	(3,468,668)
Equity shareholder's funds	12	(2,659,208)	(3,468,666)

These accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.



S L Trulaske
Director

15 October 2003

Statement of cash flows for the year ended 31 December 2002

	<i>Notes</i>	<i>2002</i> £	<i>2001</i> £
<i>Net cash inflow/(outflow) from operating activities</i>	13 (a)	322,059	(77,412)
<i>Returns on investments and servicing of finance</i>	13 (b)	2,156	1,198
<i>Capital expenditure and financial investment</i>	13 (c)	(82,397)	118,618
<i>Increase in cash</i>		<u>241,818</u>	<u>42,404</u>

Reconciliation of net cash flow to movement in net funds

		<i>2002</i> £	<i>2001</i> £
Increase in cash		<u>241,818</u>	<u>42,404</u>
Movement in net funds		<u>241,818</u>	<u>42,404</u>
Net funds at 1 January	13 (d)	<u>42,654</u>	<u>250</u>
Net funds at 31 December	13 (d)	<u>284,472</u>	<u>42,654</u>

Notes to the abbreviated financial statements

at 31 December 2002

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.

1. 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, other than freehold land, 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;
- 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

Notes to the abbreviated financial statements

at 31 December 2002

1. Accounting policies (continued)

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.

2. Operating profit/(loss)

This is stated after charging/(crediting):

	2002 £	2001 £
Auditors' remuneration - audit services	8,500	8,000
- non-audit services	—	—
	<u>8,500</u>	<u>8,000</u>
Directors' emoluments	<u>—</u>	<u>—</u>
Depreciation of owned fixed assets	<u>181,386</u>	<u>177,196</u>
	<u>181,386</u>	<u>177,196</u>
Profit on disposal of fixed assets	(297)	—
Government grants released	6,400	(6,400)
Government grants released re fixed assets	(12,800)	—
Profit/(loss) on exchange	<u>(931,884)</u>	<u>276,397</u>

3. Staff costs

	2002 £	2001 £
Wages and salaries	754,404	993,439
Social security costs	64,790	76,679
Other pension costs	8,270	7,150
	<u>827,464</u>	<u>1,077,268</u>

The monthly average number of employees during the year amounted to 44 (2001 - 50).

Notes to the abbreviated financial statements

at 31 December 2002

4. Interest receivable

	2002 £	2001 £
Bank interest receivable	<u>2,156</u>	<u>1,198</u>

5. Tax

Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2001 - 30%). The differences are reconciled below:

	2002 £	2001 £
Profit/(loss) on ordinary activities before taxation	<u>809,458</u>	<u>(993,241)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax	242,837	(297,972)
Disallowed expenses	16,710	46,803
Depreciation in excess of capital allowances	14,378	(8,513)
Tax losses (utilised)/carried forward	<u>(273,925)</u>	<u>259,682</u>
Total current tax	<u>-</u>	<u>-</u>

6. Tangible fixed assets

	<i>Long leasehold property</i> £	<i>Plant & machinery</i> £	<i>Equipment</i> £	<i>Total</i> £
Cost:				
At 1 January 2002	4,661,887	619,193	38,965	5,320,045
Additions	24,360	56,839	8,198	89,397
Disposals	-	-	(6,703)	(6,703)
At 31 December 2002	<u>4,686,247</u>	<u>676,032</u>	<u>40,460</u>	<u>5,402,739</u>
Depreciation:				
At 1 January 2002	147,657	125,900	13,089	286,646
Provided during the year	85,155	86,723	9,508	181,386
At 31 December 2002	<u>232,812</u>	<u>212,623</u>	<u>22,597</u>	<u>468,032</u>
Net book value:				
At 31 December 2002	<u>4,453,435</u>	<u>463,409</u>	<u>17,863</u>	<u>4,934,707</u>
At 1 January 2002	<u>4,514,230</u>	<u>493,293</u>	<u>25,876</u>	<u>5,033,399</u>

Notes to the abbreviated financial statements

at 31 December 2002

7. Stocks

	2002 £	2001 £
Raw materials	502,732	755,919
Work in progress	25,976	32,216
Finished goods	1,930,659	1,551,410
	<u>2,459,367</u>	<u>2,339,545</u>

8. Debtors

	2002 £	2001 £
Amounts owed by group undertakings	705,863	1,127,257
Other debtors	42,531	74,520
	<u>748,394</u>	<u>1,201,777</u>

9. Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	184,259	283,392
Amounts owed to group undertakings	10,575,751	11,390,119
Other taxation and social security	18,938	18,961
Other creditors	—	79,969
	<u>10,778,948</u>	<u>11,772,441</u>

10. Accruals and deferred income

	<i>Deferred government grants</i>	
	2002 £	2001 £
Balance as at 1 January	313,600	—
Received during the year	—	320,000
Released during the year	(6,400)	(6,400)
Balance as at 31 December	<u>307,200</u>	<u>313,600</u>

Notes to the abbreviated financial statements

at 31 December 2002

11. Share capital

	2002 £	Authorised 2001 £
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

	Allotted, called up and fully paid	
	2002	2001
	No.	No.
	£	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

12. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Profit and loss account £	Total share- holders' funds £
At 1 January 2001	2	(2,475,427)	(2,475,425)
Loss for the year	—	(993,241)	(993,241)
At 31 December 2001	<u>2</u>	<u>(3,468,668)</u>	<u>(3,468,666)</u>
Profit for the year	—	809,458	809,458
At 31 December 2002	<u>2</u>	<u>(2,659,210)</u>	<u>(2,659,208)</u>

13. Notes to the statement of cash flows

(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities

	2002 £	2001 £
Operating profit/(loss)	807,302	(994,439)
Depreciation	181,386	177,196
Profit on disposal of fixed assets	(297)	—
Deferred government grants released	(6,400)	(6,400)
Increase in stocks	(119,822)	(916,237)
Decrease/(increase) in debtors	453,383	(1,118,971)
(Decrease)/increase in creditors	(993,493)	2,781,439
Net cash inflow/(outflow) from operating activities	<u>322,059</u>	<u>(77,412)</u>

Notes to the abbreviated financial statements

at 31 December 2002

13. Notes to the statement of cash flows (continued)

(b) Returns on investments and servicing of finance

	2002 £	2001 £
Interest received	<u>2,156</u>	<u>1,198</u>

(c) Capital expenditure

	2002 £	2001 £
Payments to acquire tangible fixed assets	(89,397)	(201,382)
Receipts from sales of tangible fixed assets	7,000	—
Receipt of government grant	—	320,000
	<u>(82,397)</u>	<u>118,618</u>

(d) Analysis of changes in net funds

	At 1 January 2002 £	Cash flows £	At 31 December 2002 £
Cash at bank and in hand	42,654	241,818	284,472
	<u>42,654</u>	<u>241,818</u>	<u>284,472</u>

14. 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.