

**Linde Trifik Limited**

**Directors' report and consolidated  
financial statements**

**Registered number 2791930**

**31 December 2004**



## Contents

|  |   |
|--|---|
| Directors' report  | 1 |
| Statement of directors' responsibilities                             | 2 |
| Independent auditors' report to the members of Linde Triflik Limited | 3 |
| Consolidated profit and loss account                                 | 4 |
| Consolidated balance sheet   | 5 |
| Company balance sheet  | 6 |
| Consolidated cash flow statement                                     | 7 |
| Consolidated statement of total recognised gains and losses          | 4 |
| Reconciliation of movements in shareholders' deficit                 | 8 |
| Note of consolidated historical cost profits and losses              | 4 |
| Notes  | 4 |

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

### Principal activities and future developments

The principal activity of the company and the group during the year was dealing in and undertaking specialised servicing and maintenance of mechanical handling equipment. The company will continue to develop its business in line with current activities.

### Business review

The directors are of the opinion that the trading results for the year under review reflect a combination of difficult trading conditions and investment made in sales personnel.

The results are detailed on page 4.

### Dividend

The directors do not recommend the payment of a dividend (2003: *£nil*).

### Directors

The directors who held office during the year were as follows:

RL Burt  
GR Smith  
FC Whitby  
WD Geuecke  
SG Moule

### Directors' interests

The interests of RL Burt and FC Whitby in the share capital of Trifik Services Limited are disclosed in the directors' report of that company. Trifik Services Limited holds 68% of the share capital of the company.

According to the register of directors' interests, none of the directors who held office at the year end had any disclosable interest in the shares of the company or rights to subscribe for shares in, or debentures of, the company.


### Political and charitable contributions

The company made no political or charitable contributions during the year (2003: *£nil*).

### Auditors

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

By order of the board

  
PJ Simmonds  
Secretary

Kingsclere Road  
Basingstoke  
Hampshire  
RG21 6XJ

## 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 group 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 group 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 group and to prevent and detect fraud and other irregularities.



**KPMG LLP**

Aquis Court  
31 Fishpool Street  
St Albans  
AL3 4RF  
United Kingdom

**Independent auditors' report to the members of Linde Triflik Limited**

We have audited the financial statements on pages 4 to 21.

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 auditors**

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 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 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 group 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 group'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 affairs of the company and the group as at 31 December 2004 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG LLP**

**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

9 May 2005

**Consolidated profit and loss account**  
*for the year ended 31 December 2004*

|   | <i>Note</i> | <b>2004</b><br><b>£000</b> | 2003<br>£000 |
|---|-------------|----------------------------|--------------|
| <b>Turnover</b>   |             | <b>23,497</b>              | 23,296       |
| Cost of sales   |             | <b>(18,217)</b>            | (16,680)     |
| <b>Gross profit</b>   |             | <b>5,280</b>               | 6,616        |
| Selling and distribution costs                              |             | <b>(4,208)</b>             | (4,401)      |
| Administrative expenses                                     |             | <b>(1,768)</b>             | (1,764)      |
| <b>Operating (loss)/profit</b>                              | 2-5         | <b>(696)</b>               | 451          |
| Profit on sale of fixed assets                              | 3           | -                          | 219          |
| Interest receivable and similar income                      | 6           | 12                         | 18           |
| Interest payable and similar charges                        | 7           | <b>(623)</b>               | (598)        |
| <b>(Loss)/profit on ordinary activities before taxation</b> |             | <b>(1,307)</b>             | 90           |
| Tax on (loss)/profit on ordinary activities                 | 8           | <b>25</b>                  | 29           |
| <b>(Loss)/profit for the financial year</b>                 |             | <b>(1,282)</b>             | 119          |
| Retained loss brought forward                               |             | <b>(2,529)</b>             | (2,648)      |
| <b>Retained loss carried forward</b>                        | 18          | <b>(3,811)</b>             | (2,529)      |

The results for the current and preceding year represent the results of continuing operations.

**Consolidated balance sheet**  
*at 31 December 2004*

|   | Note | 2004           |                | 2003           |               |
|---|------|----------------|----------------|----------------|---------------|
|   |      | £000           | £000           | £000           | £000          |
| <b>Tangible fixed assets</b>  | 9    |                | 8,012          |                | 7,787         |
| <b>Current assets</b>   |      |                |                |                |               |
| Residual interest in assets transferred for only part of their life | 11   | 3,611          |                | 4,157          |               |
| Stocks  | 12   | 3,692          |                | 3,944          |               |
| Debtors   | 13   | 3,669          |                | 4,500          |               |
| Cash at bank and in hand  |      | 103            |                | 129            |               |
|   |      | <u>11,075</u>  |                | <u>12,730</u>  |               |
| <b>Creditors: amounts falling due within one year</b>               | 14   | <u>(6,578)</u> |                | <u>(5,495)</u> |               |
| <b>Net current assets</b>   |      |                |                |                |               |
| Due within one year   |      |                | 2,052          |                | 3,981         |
| Due after more than one year  |      |                | 2,445          |                | 3,254         |
|   |      |                | <u>4,497</u>   |                | <u>7,235</u>  |
| <b>Total assets less current liabilities</b>                        |      |                | <u>12,509</u>  |                | <u>15,022</u> |
| <b>Creditors: amounts falling due after more than one year</b>      | 15   |                | (13,904)       |                | (15,135)      |
| <b>Provisions for liabilities and charges</b>                       | 16   |                | -              |                | -             |
| <b>Net liabilities</b>  |      |                | <u>(1,395)</u> |                | <u>(113)</u>  |
| <b>Capital and reserves</b>   |      |                |                |                |               |
| Called up share capital   | 17   |                | 1,433          |                | 1,433         |
| Property revaluation reserve  | 18   |                | 983            |                | 983           |
| Profit and loss account   | 18   |                | (3,811)        |                | (2,529)       |
| <b>Equity shareholders' deficit</b>                                 |      |                | <u>(1,395)</u> |                | <u>(113)</u>  |

These financial statements were approved by the board of directors on 14/04/05 and were signed on its behalf by:



**RL Burt**  
Director

**Company balance sheet**  
*at 31 December 2004*

|   | Note | 2004           |                | 2003           |               |
|---|------|----------------|----------------|----------------|---------------|
|   |      | £000           | £000           | £000           | £000          |
| <b>Tangible fixed assets</b>  | 9    |                | 8,012          |                | 7,787         |
| <b>Current assets</b>   |      |                |                |                |               |
| Residual interest in assets transferred for only part of their life | 11   | 3,611          |                | 4,157          |               |
| Stocks  | 12   | 3,692          |                | 3,944          |               |
| Debtors   | 13   | 3,733          |                | 4,500          |               |
| Cash at bank and in hand  |      | 93             |                | 129            |               |
|   |      | <u>11,129</u>  |                | <u>12,730</u>  |               |
| <b>Creditors: amounts falling due within one year</b>               | 14   | <u>(6,574)</u> |                | <u>(5,495)</u> |               |
| <b>Net current assets</b>   |      |                |                |                |               |
| Due within one year   |      |                | 2,110          |                | 3,981         |
| Due after more than one year  |      |                | 2,445          |                | 3,254         |
|   |      |                | <u>4,555</u>   |                | <u>7,235</u>  |
| <b>Total assets less current liabilities</b>                        |      |                | <u>12,567</u>  |                | <u>15,022</u> |
| <b>Creditors: amounts falling due after more than one year</b>      | 15   |                | (13,904)       |                | (15,135)      |
| <b>Provisions for liabilities and charges</b>                       | 16   |                | -              |                | -             |
| <b>Net liabilities</b>  |      |                | <u>(1,337)</u> |                | <u>(113)</u>  |
| <b>Capital and reserves</b>   |      |                |                |                |               |
| Called up share capital   | 17   |                | 1,433          |                | 1,433         |
| Property revaluation reserve  | 18   |                | 983            |                | 983           |
| Profit and loss account   | 18   |                | (3,753)        |                | (2,529)       |
| <b>Equity shareholders' deficit</b>                                 |      |                | <u>(1,337)</u> |                | <u>(113)</u>  |

These financial statements were approved by the board of directors on 14/04/05 and were signed on its behalf by:



**RL Burt**  
Director



**Consolidated cash flow statement**  
*for the year ended 31 December 2004*

|   | <i>Note</i> | <b>2004</b><br><b>£000</b> | 2003<br>£000    |
|---|-------------|----------------------------|-----------------|
| <b>Reconciliation of operating (loss)/profit to net cash flow from operating activities</b> |             |                            |                 |
| Operating (loss)/profit   |             | (696)                      | 451             |
| Depreciation charges  | 9           | 1,146                      | 1,260           |
| Decrease in stocks  |             | 252                        | 910             |
| Decrease in debtors   |             | 831                        | 865             |
| Increase/(decrease) in creditors  |             | 820                        | (1,484)         |
|   |             | <hr/>                      | <hr/>           |
| <b>Net cash inflow from operating activities</b>  |             | <b>2,353</b>               | <b>2,002</b>    |
|   |             | <hr/>                      | <hr/>           |
| <b>Cash flow statement</b>  |             |                            |                 |
| Cash flow from operating activities   |             | 2,353                      | 2,002           |
| Returns on investments and servicing of finance   | 20(a)       | (611)                      | (580)           |
| Taxation  |             | 25                         | 29              |
| Capital expenditure   | 20(b)       | (1,371)                    | (425)           |
|   |             | <hr/>                      | <hr/>           |
| Cash inflow before financing  |             | 396                        | 1,026           |
| Financing   | 20(c)       | (422)                      | (917)           |
|   |             | <hr/>                      | <hr/>           |
| <b>(Decrease)/increase in cash in the year</b>  |             | <b>(26)</b>                | <b>109</b>      |
|   |             | <hr/>                      | <hr/>           |
| <b>Reconciliation of net cash flow to movement in net debt</b>                              |             |                            |                 |
| <b>(Decrease)/increase in cash in the year</b>  |             | <b>(26)</b>                | <b>109</b>      |
| Cash to repay loans   |             | 422                        | 719             |
| Finance lease repayment   |             | -                          | 199             |
|   |             | <hr/>                      | <hr/>           |
| <b>Change in net debt resulting from cash flows and movement in net debt in the year</b>    |             | <b>396</b>                 | <b>1,027</b>    |
| <b>Net debt at the start of the year</b>  |             | <b>(11,752)</b>            | <b>(12,779)</b> |
|   |             | <hr/>                      | <hr/>           |
| <b>Net debt at the end of the year</b>  | 21          | <b>(11,356)</b>            | <b>(11,752)</b> |
|   |             | <hr/>                      | <hr/>           |

**Consolidated statement of total recognised gains and losses**  
*for the year ended 31 December 2004*

|   | 2004<br>£000   | 2003<br>£000 |
|---|----------------|--------------|
| (Loss)/profit for the financial year                                    | (1,282)        | 119          |
| Unrealised surplus on revaluation of properties                         | -              | 567          |
|   | <hr/>          | <hr/>        |
| <b>Total recognised gains and losses relating to the financial year</b> | <b>(1,282)</b> | <b>686</b>   |
|   | <hr/>          | <hr/>        |

**Reconciliation of movements in shareholders' deficit**  
*for the year ended 31 December 2004*

|   | 2004<br>£000   | 2003<br>£000 |
|---|----------------|--------------|
| (Loss)/profit for the financial year                        | (1,282)        | 119          |
| Unrealised surplus on revaluation of properties             | -              | 567          |
|   | <hr/>          | <hr/>        |
| <b>Net (reduction in)/addition to shareholders' deficit</b> | <b>(1,282)</b> | <b>686</b>   |
| Opening shareholders' deficit                               | (113)          | (799)        |
|   | <hr/>          | <hr/>        |
| <b>Closing shareholders' deficit</b>                        | <b>(1,395)</b> | <b>(113)</b> |
|   | <hr/>          | <hr/>        |

**Note of consolidated historical cost profits and losses**  
*for the year ended 31 December 2004*

|   | 2004<br>£000   | 2003<br>£000 |
|---|----------------|--------------|
| <b>Reported (loss)/profit on ordinary activities before taxation</b>  | <b>(1,307)</b> | <b>90</b>    |
| Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount | 25             | 25           |
|   | <hr/>          | <hr/>        |
| <b>Historical cost (loss)/profit on ordinary activities before taxation</b>   | <b>(1,282)</b> | <b>115</b>   |
|   | <hr/>          | <hr/>        |
| <b>Historical cost (loss)/profit for the year retained after taxation</b>   | <b>(1,257)</b> | <b>144</b>   |
|   | <hr/>          | <hr/>        |

## 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 group's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention (modified to include the revaluation of land and buildings).

The financial statements have been prepared under the going concern basis. The group is reliant for its working capital on funds provided through a loan account by Linde Holdings Limited, a 32% shareholder in the company. The directors believe that the group will continue to have access to adequate funding via this loan account to enable it to continue to operate as a going concern.

#### *Basis of consolidation*

The consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings (see note 10) made up to 31 December 2004. The acquisition method of consolidation has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under section 230(4) of the Companies Act 1985 the company is exempt from the requirement to present its own profit and loss account. The company made a loss of £1,224,000 in the year (2003: £119,000 profit).

#### *Depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

|                                      |   |                           |
|--------------------------------------|---|---------------------------|
| Freehold property                    | - | 50 years                  |
| Leasehold improvements               | - | 10 years                  |
| Plant & machinery & office equipment | - | 5 years                   |
| Motor vehicles                       | - | 4 to 5 years              |
| Hire fleet                           | - | 7 years to a 10% residual |

#### *Post-retirement benefits*

The group contributes to two defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension charge to the profit and loss account for the year represents contributions payable by the group to the schemes.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value.

#### *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 Financial Reporting Standard 19 'Deferred Tax'.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year. The turnover and pre-tax loss is all attributable to the principal activity of the group and all goods have been sold and services provided in the United Kingdom.

#### *Leases*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### *Sale and repurchase agreements*

Where the group has entered into an arrangement whereby fork lift trucks and ancillary equipment are sold to a finance house which leases them on to the end user, and on termination of the lease the group repurchases the equipment, the group has treated the transaction as having disposed of the equipment for only part of its life.

The group's residual interest in the value of the equipment together with related obligations to repurchase them at a guaranteed residual value is therefore recognised in the balance sheet. In addition, the profit on sale is deferred in proportion to the residual value retained. This is recognised on the ultimate sale of the equipment following its repurchase from the finance house or, in the event that the equipment is not repurchased, on termination of the lease arrangement between the finance house and the end user.

#### *Tax liabilities on future sale of properties*

The surplus on revaluation of properties is included in reserves. No provision has been made for any tax which might be payable in the event of future sales of assets at book values. However, as the properties are held for the long term, it is not anticipated that a significant proportion of this contingent liability will become payable in the near future. The potential liability is quantified in note 23 to the financial statements.

### 2 Operating (loss)/profit

|  | 2004<br>£000 | 2003<br>£000 |
|--|--------------|--------------|
| <i>The operating (loss)/profit is stated after charging:</i> |              |              |
| Auditors' remuneration:                                      |              |              |
| Audit work   | 32           | 26           |
| Other  | 7            | 6            |
| Depreciation   | 1,146        | 1,260        |
| Plant hire   | 274          | 171          |
| Hire of other assets - operating leases                      | 399          | 535          |

The auditor's remuneration in respect of the company's audit was £28,000 (2003: £26,000) and in respect of other services was £6,000 (2003: £6,000).

## Notes (continued)

### 3 Profit on sale of fixed asset

During the prior year the group entered into a sale and leaseback agreement for their motor vehicle fleet, excluding the Heavy Goods Vehicles. This transaction resulted in a profit on disposal of £219,000. The directors do not believe that any tax will need to be paid in relation to this transaction.

### 4 Remuneration of directors

|   | 2004<br>£000 | 2003<br>£000 |
|---|--------------|--------------|
| Directors' emoluments                                   | 355          | 339          |
| Company contributions to money purchase pension schemes | 60           | 60           |
|   | <u>415</u>   | <u>399</u>   |

The aggregate of emoluments of the highest paid director was £156,505 (2003: £148,737) and company pension contributions of £29,434 (2003: £29,780) were made to a money purchase scheme on his behalf.

#### Number of directors

| 2004 | 2003 |
|------|------|
|------|------|

Retirement benefits are accruing to the following number of directors under:

|                        |          |          |
|------------------------|----------|----------|
| Money purchase schemes | <u>3</u> | <u>3</u> |
|------------------------|----------|----------|

### 5 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

|                        | 2004       | 2003       |
|------------------------|------------|------------|
| Office and management  | 29         | 25         |
| Service and production | 189        | 198        |
|                        | <u>218</u> | <u>223</u> |

## Notes (continued)

### 5 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

|                       | 2004<br>£000 | 2003<br>£000 |
|-----------------------|--------------|--------------|
| Wages and salaries    | 5,283        | 5,053        |
| Social security costs | 579          | 544          |
| Pension contributions | 193          | 171          |
|                       | <u>6,055</u> | <u>5,768</u> |

### 6 Interest receivable and similar income

|                       | 2004<br>£000 | 2003<br>£000 |
|-----------------------|--------------|--------------|
| Bank deposit interest | <u>12</u>    | <u>18</u>    |

### 7 Interest payable and similar charges

|   | 2004<br>£000 | 2003<br>£000 |
|---|--------------|--------------|
| On hire purchase and finance lease agreements | -            | 11           |
| On loan interest                              | 623          | 587          |
|   | <u>623</u>   | <u>598</u>   |

### 8 Taxation

Analysis of tax credit in the year

|  | 2004<br>£000 | 2003<br>£000 |
|--|--------------|--------------|
| <i>UK corporation tax</i>                                      |              |              |
| Credit from transfer of tax losses to other group undertakings | (25)         | (29)         |
|  | <u>(25)</u>  | <u>(29)</u>  |
| Total current tax credit                                       | <u>(25)</u>  | <u>(29)</u>  |
| Deferred tax credit (see note 16)                              | -            | -            |
| Tax on loss on ordinary activities                             | <u>(25)</u>  | <u>(29)</u>  |

## Notes (continued)

### 8 Taxation (continued)

#### *Factors affecting the tax charge for the current year*

The tax charge for the year is lower (2003: lower) than the standard rate of corporation tax in the UK (30% , 2003: 30%). The differences are explained below.

|   | 2004<br>£000 | 2003<br>£000 |
|---|--------------|--------------|
| <i>Current tax reconciliation</i>               |              |              |
| (Loss)/Profit on ordinary activities before tax | (1,307)      | 90           |
|   | <hr/>        | <hr/>        |
| Current tax at 30% (2003: 30%)                  | (392)        | 27           |
| <i>Effects of:</i>                              |              |              |
| Income not taxable                              | -            | (268)        |
| Movement in accelerated capital allowances      | (110)        | 73           |
| Increase in losses carried forward              | 539          | 136          |
| Losses surrendered to group companies           | (25)         | (29)         |
| Items treated as disallowable                   | 9            | 34           |
| Other timing differences                        | (46)         | (2)          |
|   | <hr/>        | <hr/>        |
| Total current tax credit (see above)            | (25)         | (29)         |
|   | <hr/> <hr/>  | <hr/> <hr/>  |

## Notes (continued)

### 9 Tangible fixed assets

| Group                    | Freehold<br>property | Leasehold<br>improvements | Plant and<br>machinery<br>and office<br>equipment | Motor<br>vehicles | Hire<br>fleet | Total   |
|--------------------------|----------------------|---------------------------|---|-------------------|---------------|---------|
|                          | £000                 | £000                      | £000  | £000              | £000          | £000    |
| <b>Cost or valuation</b> |                      |                           |   |                   |               |         |
| At 1 January 2004        | 2,380                | 30                        | 1,292   | 220               | 8,143         | 12,065  |
| Additions in the year    | 2                    | -                         | 218   | 112               | 1,679         | 2,011   |
| Disposals in the year    | -                    | -                         | (15)  | (52)              | (1,562)       | (1,629) |
|                          | <hr/>                | <hr/>                     | <hr/>   | <hr/>             | <hr/>         | <hr/>   |
| At 31 December 2004      | 2,382                | 30                        | 1,495   | 280               | 8,260         | 12,447  |
|                          | <hr/>                | <hr/>                     | <hr/>   | <hr/>             | <hr/>         | <hr/>   |
| <b>Depreciation</b>      |                      |                           |   |                   |               |         |
| At 1 January 2004        | -                    | 25                        | 1,031   | 190               | 3,032         | 4,278   |
| Provided during year     | 36                   | 2                         | 177   | 27                | 904           | 1,146   |
| Disposals in the year    | -                    | -                         | (15)  | (52)              | (922)         | (989)   |
|                          | <hr/>                | <hr/>                     | <hr/>   | <hr/>             | <hr/>         | <hr/>   |
| At 31 December 2004      | 36                   | 27                        | 1,193   | 165               | 3,014         | 4,435   |
|                          | <hr/>                | <hr/>                     | <hr/>   | <hr/>             | <hr/>         | <hr/>   |
| <b>Net book value</b>    |                      |                           |   |                   |               |         |
| At 31 December 2004      | 2,346                | 3                         | 302   | 115               | 5,246         | 8,012   |
|                          | <hr/>                | <hr/>                     | <hr/>   | <hr/>             | <hr/>         | <hr/>   |
| At 31 December 2003      | 2,380                | 5                         | 261   | 30                | 5,111         | 7,787   |
|                          | <hr/>                | <hr/>                     | <hr/>   | <hr/>             | <hr/>         | <hr/>   |



## Notes (continued)

### 9 Tangible fixed assets (continued)

| Company                  | Freehold<br>property | Leasehold<br>improvements | Plant and<br>machinery<br>and office<br>equipment | Motor<br>vehicles | Hire<br>fleet | Total   |
|--------------------------|----------------------|---------------------------|---|-------------------|---------------|---------|
|                          | £000                 | £000                      | £000  | £000              | £000          | £000    |
| <b>Cost or valuation</b> |                      |                           |   |                   |               |         |
| At 1 January 2004        | 2,380                | 30                        | 1,292   | 220               | 8,143         | 12,065  |
| Additions in the year    | 2                    | -                         | 218   | 112               | 1,679         | 2,011   |
| Disposals in the year    | -                    | -                         | (15)  | (52)              | (1,562)       | (1,629) |
|                          | <hr/>                | <hr/>                     | <hr/>   | <hr/>             | <hr/>         | <hr/>   |
| At 31 December 2004      | 2,382                | 30                        | 1,495   | 280               | 8,260         | 12,447  |
|                          | <hr/>                | <hr/>                     | <hr/>   | <hr/>             | <hr/>         | <hr/>   |
| <b>Depreciation</b>      |                      |                           |   |                   |               |         |
| At 1 January 2004        | -                    | 25                        | 1,031   | 190               | 3,032         | 4,278   |
| Provided during year     | 36                   | 2                         | 177   | 27                | 904           | 1,146   |
| Disposals in the year    | -                    | -                         | (15)  | (52)              | (922)         | (989)   |
|                          | <hr/>                | <hr/>                     | <hr/>   | <hr/>             | <hr/>         | <hr/>   |
| At 31 December 2004      | 36                   | 27                        | 1,193   | 165               | 3,014         | 4,435   |
|                          | <hr/>                | <hr/>                     | <hr/>   | <hr/>             | <hr/>         | <hr/>   |
| <b>Net book value</b>    |                      |                           |   |                   |               |         |
| At 31 December 2004      | 2,346                | 3                         | 302   | 115               | 5,246         | 8,012   |
|                          | <hr/>                | <hr/>                     | <hr/>   | <hr/>             | <hr/>         | <hr/>   |
| At 31 December 2003      | 2,380                | 5                         | 261   | 30                | 5,111         | 7,787   |
|                          | <hr/>                | <hr/>                     | <hr/>   | <hr/>             | <hr/>         | <hr/>   |

## Notes (continued)

### 10 Fixed asset investments

| Company                        | Shares in group undertakings<br>£ |
|--------------------------------|-----------------------------------|
| <i>Cost and net book value</i> |                                   |
| At beginning of year           | -                                 |
| Additions                      | 2                                 |
|                                | <hr/>                             |
| At end of year                 | 2                                 |
|                                | <hr/>                             |

The historic cost of investments held is £2 (2003: £nil).

The undertaking in which the company's interest at the year end is more than 20% is as follows:

| Subsidiary undertaking     | Principal activity                      | Country of incorporation | Class and percentage of shares held |
|----------------------------|---|--------------------------|-------------------------------------|
|                            |   |                          | Class %                             |
| Cardinal Forklifts Limited | Sale and maintenance of forklift trucks | England & Wales          | Ordinary 100                        |

### 11 Residual interest in assets transferred for only part of their life

|  | Group        |              | Company      |              |
|--|--------------|--------------|--------------|--------------|
|  | 2004<br>£000 | 2003<br>£000 | 2004<br>£000 | 2003<br>£000 |
| <i>Fork lift trucks and ancillary equipment:</i> |              |              |              |              |
| Due within one year (note 14)                    | 1,166        | 903          | 1,166        | 903          |
| Due within two to five years (note 15)           | 2,436        | 3,241        | 2,436        | 3,241        |
| Due in more than five years (note 15)            | 9            | 13           | 9            | 13           |
|  | <hr/>        | <hr/>        | <hr/>        | <hr/>        |
|  | 3,611        | 4,157        | 3,611        | 4,157        |
|  | <hr/>        | <hr/>        | <hr/>        | <hr/>        |

### 12 Stocks

|                        | Group        |              | Company      |              |
|------------------------|--------------|--------------|--------------|--------------|
|                        | 2004<br>£000 | 2003<br>£000 | 2004<br>£000 | 2003<br>£000 |
| New and used equipment | 1,060        | 981          | 1,060        | 981          |
| Spares and consumables | 2,632        | 2,963        | 2,632        | 2,963        |
|                        | <hr/>        | <hr/>        | <hr/>        | <hr/>        |
|                        | 3,692        | 3,944        | 3,692        | 3,944        |
|                        | <hr/>        | <hr/>        | <hr/>        | <hr/>        |

In the opinion of the directors, the replacement cost of stocks is not materially different from the above amounts.

## Notes (continued)

### 13 Debtors

|                                    | Group        |              | Company      |              |
|------------------------------------|--------------|--------------|--------------|--------------|
|                                    | 2004<br>£000 | 2003<br>£000 | 2004<br>£000 | 2003<br>£000 |
| Trade debtors                      | 3,472        | 3,807        | 3,458        | 3,807        |
| Amounts owed by group undertakings | -            | -            | 78           | -            |
| Prepayments and accrued income     | 197          | 681          | 197          | 681          |
| Corporation tax recoverable        | -            | 12           | -            | 12           |
|                                    | <u>3,669</u> | <u>4,500</u> | <u>3,733</u> | <u>4,500</u> |

### 14 Creditors: amounts falling due within one year

|   | Group        |              | Company      |              |
|---|--------------|--------------|--------------|--------------|
|   | 2004<br>£000 | 2003<br>£000 | 2004<br>£000 | 2003<br>£000 |
| Obligations under repurchase agreements (notes 11 & 23) | 1,166        | 903          | 1,166        | 903          |
| Trade creditors   | 4,526        | 3,637        | 4,526        | 3,637        |
| Other creditors including tax and social security       | 407          | 541          | 403          | 541          |
| Accruals and deferred income                            | 479          | 414          | 479          | 414          |
|   | <u>6,578</u> | <u>5,495</u> | <u>6,574</u> | <u>5,495</u> |

### 15 Creditors: amounts falling due after more than one year

|   | Group         |               | Company       |               |
|---|---------------|---------------|---------------|---------------|
|   | 2004<br>£000  | 2003<br>£000  | 2004<br>£000  | 2003<br>£000  |
| Loan  | 11,459        | 11,881        | 11,459        | 11,881        |
| Obligations under repurchase agreements (notes 11 & 23) | 2,445         | 3,254         | 2,445         | 3,254         |
|   | <u>13,904</u> | <u>15,135</u> | <u>13,904</u> | <u>15,135</u> |

The loan of £11,459,000 is secured by a fixed and floating charge over the company's assets and is provided by a related party (see note 24). This loan bears interest at 1% above base rate and the term of the loan is to 31 May 2007.

## Notes (continued)

### 16 Provisions for liabilities and charges

The elements of unrecognised deferred tax are as follows:

|  | Group |       | Company |       |
|--|-------|-------|---------|-------|
|  | 2004  | 2003  | 2004    | 2003  |
|  | £000  | £000  | £000    | £000  |
| Tax losses carried forward                           | 941   | 506   | 924     | 506   |
| Accelerated capital allowances                       | (517) | (103) | (517)   | (103) |
| Other timing differences                             | (54)  | 8     | (54)    | 8     |
|  | <hr/> | <hr/> | <hr/>   | <hr/> |
| Undiscounted unrecognised provision for deferred tax | 370   | 411   | 353     | 411   |
|  | <hr/> | <hr/> | <hr/>   | <hr/> |

The directors do not believe it is prudent to recognise a deferred tax asset at the current time.

### 17 Called up share capital

|   | 2004   | 2003   |
|---|--------|--------|
|   | £000   | £000   |
| <i>Authorised</i>                         |        |        |
| Equity: Ordinary shares of £1 each        | 10,000 | 10,000 |
|   | <hr/>  | <hr/>  |
| <i>Allotted, called up and fully paid</i> |        |        |
| Equity: Ordinary shares of £1 each        | 1,433  | 1,433  |
|   | <hr/>  | <hr/>  |

### 18 Reserves

|                                    | Group               |                         | Company             |                         |
|------------------------------------|---------------------|-------------------------|---------------------|-------------------------|
|                                    | Revaluation Reserve | Profit and loss account | Revaluation Reserve | Profit and loss account |
|                                    | £000                | £000                    | £000                | £000                    |
| At beginning of year               | 983                 | (2,529)                 | 983                 | (2,529)                 |
| Movement during the financial year | -                   | (1,282)                 | -                   | (1,224)                 |
|                                    | <hr/>               | <hr/>                   | <hr/>               | <hr/>                   |
| At the end of the year             | 983                 | (3,811)                 | 983                 | (3,753)                 |
|                                    | <hr/>               | <hr/>                   | <hr/>               | <hr/>                   |

## Notes (continued)

### 19 Pension costs

The company contributes to two money purchase schemes in the UK, the assets of which are held in separate trustee administered funds. With effect from 31 January 2001 the group ceased its participation in a defined benefit scheme although existing members of that scheme could retain their accrued benefits in the scheme. Further information regarding this scheme, including Financial Reporting Standard 17 disclosure, may be found in the financial statements of Linde Materials Handling Limited (formerly Lansing Linde Limited).

The total pension cost for the group and the company was £193,000 (2003: £171,000).

### 20 Analysis of cash flows

#### a) Returns on investments and servicing of finance

|   | 2004<br>£000 | 2003<br>£000 |
|---|--------------|--------------|
| Interest received                                 | 12           | 18           |
| Interest paid                                     | (623)        | (587)        |
| Interest element of finance lease rental payments | -            | (11)         |
|   | <u>(611)</u> | <u>(580)</u> |

#### b) Capital expenditure

|   | 2004<br>£000   | 2003<br>£000 |
|---|----------------|--------------|
| Payments to acquire tangible fixed assets | (2,011)        | (2,215)      |
| Sale of tangible fixed assets             | 640            | 1,790        |
|   | <u>(1,371)</u> | <u>(425)</u> |

#### c) Financing

|  | 2004<br>£000 | 2003<br>£000 |
|--|--------------|--------------|
| Capital element of finance lease rental payments | -            | (198)        |
| Repayment of amounts borrowed                    | (422)        | (719)        |
|  | <u>(422)</u> | <u>(917)</u> |

## Notes (continued)

### 21 Analysis of net debt

|                         | At beginning<br>of year<br>£000 | Cash flow<br>£000 | At end of year<br>£000 |
|-------------------------|---------------------------------|-------------------|------------------------|
| Cash in hand, at bank   | 129                             | (26)              | 103                    |
| Debt due after one year | (11,881)                        | 422               | (11,459)               |
| Total                   | (11,752)                        | 396               | (11,356)               |

### 22 Commitments

Annual commitments under non-cancellable operating leases are as follows:

| Group                                  | 2004                          |               | 2003                          |               |
|--|-------------------------------|---------------|-------------------------------|---------------|
|  | Land and<br>buildings<br>£000 | Other<br>£000 | Land and<br>buildings<br>£000 | Other<br>£000 |
| Operating leases which expire:         |                               |               |                               |               |
| Within one year                        | -                             | 287           | -                             | 248           |
| In the second to fifth years inclusive | 38                            | 223           | 38                            | 131           |
|  | <u>38</u>                     | <u>510</u>    | <u>38</u>                     | <u>379</u>    |

| Company                                | 2004                          |               | 2003                          |               |
|--|-------------------------------|---------------|-------------------------------|---------------|
|  | Land and<br>buildings<br>£000 | Other<br>£000 | Land and<br>buildings<br>£000 | Other<br>£000 |
| Operating leases which expire:         |                               |               |                               |               |
| Within one year                        | -                             | 287           | -                             | 248           |
| In the second to fifth years inclusive | 38                            | 223           | 38                            | 131           |
|  | <u>38</u>                     | <u>510</u>    | <u>38</u>                     | <u>379</u>    |

### 23 Obligations and contingent liabilities

The group is committed to buy back certain assets sold to a finance company who subsequently leased them to third parties, at guaranteed residual values which amounted to £4,481,000 (undiscounted) as at 31 December 2004 (2003: £5,246,000). These obligations are included within creditors in the accounts at their discounted values (see notes 14 and 15).

There is a contingent liability in respect of tax on property sales if these were to be made at current valuation. The maximum amount of such contingent liability would not exceed £211,000 at 31 December 2004 (2003: £230,000).

## Notes (continued)

### 24 Related party transactions

*Linde Trifik Limited is a main dealer solely for Linde forklift trucks.*

These forklift trucks, and the spare parts therefore, are supplied exclusively by wholly owned subsidiaries of Linde Holdings Limited.

Linde Holdings Limited owns 32% of the issued ordinary share capital of Linde Trifik Limited.

The transactions with Linde Holdings Limited and its wholly owned subsidiaries during the year were as follows:

|                              | 2004<br>£000 | 2003<br>£000 |
|------------------------------|--------------|--------------|
| Purchase of goods for resale | 13,177       | 9,481        |
| Interest payable on loans    | 623          | 587          |
|                              | <hr/> 13,800 | <hr/> 10,068 |
|                              | <hr/>        | <hr/>        |

The balances outstanding within these related parties at the year end were as follows:

|   | 2004<br>£000   | 2003<br>£000   |
|---|----------------|----------------|
| Trade debtors                             | 828            | 1,608          |
| Trade creditors due within one year       | (3,800)        | (2,795)        |
| Other debtors due within one year         | 435            | 244            |
| Other creditors due in more than one year | (11,459)       | (11,881)       |
|   | <hr/> (13,996) | <hr/> (12,824) |
|   | <hr/>          | <hr/>          |

### 25 Ultimate parent company

The ultimate parent company is Trifik Services Limited, registered in England and Wales. Copies of the accounts of Trifik Services Limited can be obtained from Linde Trifik Limited, Unit 1, Charlton Mead Lane, Hoddesdon, Hertfordshire, EN11 0DJ.