

# Technifor Limited

## FINANCIAL STATEMENTS

for the year ended

31 December 2003



# Technifor Limited

## DIRECTORS AND OFFICERS

---

### DIRECTORS

Gerard Guerin  
Mathieu Boisard

### SECRETARY

Castlegate Secretaries Limited

### REGISTERED OFFICE

Sussex House  
North Street  
Horsham  
West Sussex  
RH12 1BJ

### AUDITORS

Baker Tilly  
Chartered Accountants  
City Plaza  
Temple Row  
Birmingham  
B2 5AF

# Technifor Limited

## DIRECTORS' REPORT

---

The directors submit their report and the financial statements of Technifor Limited for the year ended 31 December 2003.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the sale of micro – percussion indent and laser marking systems.

### REVIEW OF THE BUSINESS

The directors consider the position of the company to be satisfactory and that the principal activity will continue.

### DIRECTORS

The following directors have held office during the year:

Gerard Guerin  
Denis E Ledoux (resigned 27 June 2003)  
Marcel Therond (resigned 27 June 2003)  
Mark G M Worlidge (resigned 26 January 2004)

Mathieu C R Boisard was appointed a director on 27 February 2004.

### DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

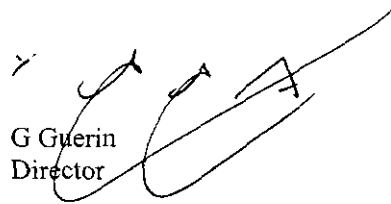
	Ordinary shares of £1 each	
	31.12.03	31.12.02
Gerard Guerin	-	-
Mark G M Worlidge	6,500	6,500

Since the year end Technifor S.A. has purchased the 6,500 shares held by MGM Worlidge. The company is now a wholly owned subsidiary undertaking of Technifor S.A.

### AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

On behalf of the board

  
G Guerin  
Director

15 July 2004

# Technifor Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF 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 period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent; and
- c. 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 requirements of 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 THE MEMBERS OF TECHNIFOR LIMITED

We have audited the financial statements on pages 5 to 14.

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' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### BASIS OF 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 at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY

Registered Auditor  
Chartered Accountants  
City Plaza  
Temple Row  
Birmingham B2 5AF

22 July 2004

# Technifor Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2003

	<i>Notes</i>	2003 £	2002 £
TURNOVER	1	1,170,644	1,096,459
Cost of sales		(527,652)	(524,471)
GROSS PROFIT		642,992	571,988
Other operating expenses (net)	2	(526,891)	(544,909)
OPERATING PROFIT		116,101	27,079
Investment income	3	856	705
Interest payable	4	(7,633)	(7,106)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	109,324	20,678
Taxation	7	(31,310)	(6,803)
RETAINED PROFIT FOR THE YEAR	15	78,014	13,875

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

# Technifor Limited

## BALANCE SHEET

31 December 2003

	Notes	2003 £	2002 £
<b>FIXED ASSETS</b>			
Tangible assets	8	37,023	68,110
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Stocks	9	151,354	115,737
Debtors	10	471,845	338,469
Cash at bank and in hand		12,518	14,450
		<hr/>	<hr/>
		635,717	468,656
<b>CREDITORS: Amounts falling due within one year</b>	11	(343,981)	(283,729)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		291,736	184,927
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		328,759	253,037
<b>CREDITORS: Amounts falling due after more than one year</b>	12	-	(2,292)
		<hr/>	<hr/>
		328,759	250,745
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	65,000	65,000
Profit and loss account	15	263,759	185,745
		<hr/>	<hr/>
<b>SHAREHOLDERS' FUNDS</b>	16	328,759	250,745
		<hr/>	<hr/>

Approved by the board on 15 July 2004

G Guérin - Director

M C R Boisard - Director

# Technifor Limited

## ACCOUNTING POLICIES

---

### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

### TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Fixtures, fittings and equipment	over 3 and 4 years
Motor vehicles	over 4 years.

### STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling prices less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items.

### 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax assets are recognised to the extent that they are recoverable. They are considered to be recoverable on the basis that it is more likely than not that there will be suitable taxable profits from which the future reversal of timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### FOREIGN CURRENCIES

Transactions expressed in foreign currencies have been translated into sterling at the rates of exchange approximately to those ruling at the date of the transaction. Monetary assets and liabilities have been translated at rates ruling at the balance sheet date. All differences are taken to the profit and loss account.

### LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

### PENSIONS CONTRIBUTIONS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.



# Technifor Limited

## ACCOUNTING POLICIES (continued)

---

### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

# Technifor Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2003

### 1 TURNOVER

The company's turnover was derived from its principal activity. Sales were made in the following geographical markets:

	2003 £	2002 £
United Kingdom	1,047,962	1,072,451
Other EC	122,682	24,008
	<u>1,170,644</u>	<u>1,096,459</u>

### 2 OTHER OPERATING EXPENSES (NET)

	2003 £	2002 £
Distribution costs	109,617	88,901
Administration expenses	417,274	456,008
	<u>526,891</u>	<u>544,909</u>

### 3 INVESTMENT INCOME

	2003 £	2002 £
Bank interest receivable	407	693
Other interest receivable	449	12
	<u>856</u>	<u>705</u>

### 4 INTEREST PAYABLE

	2003 £	2002 £
Interest payable to parent undertaking	7,108	6,710
Interest paid under hire purchase agreement	525	396
	<u>7,633</u>	<u>7,106</u>

# Technifor Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

5	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2003 £	2002 £
	Profit on ordinary activities before taxation is stated after charging/(crediting):		
	Depreciation and amounts written off tangible fixed assets:		
	Charge for the year		
	owned assets	33,680	31,232
	leased assets	3,439	1,719
	Profit on disposal of fixed assets	(3,176)	(175)
	Auditors' remuneration		
	- audit	5,750	4,800
	- other services	2,350	3,175
	Profit on exchange	(4,242)	-
		<u>          </u>	<u>          </u>

6	EMPLOYEES	2003 No.	2002 No.
---	-----------	-------------	-------------

The average monthly number of persons (including directors) employed by the company during the year was:

Office and management		
- directors	4	4
- sales and administration	8	8
	<u>          </u>	<u>          </u>
	12	12
	<u>          </u>	<u>          </u>

	2003 £	2002 £
Staff costs for above persons:		
Wages and salaries	214,732	222,050
Social security costs	24,211	21,349
Other pension costs	8,484	8,135
	<u>          </u>	<u>          </u>
	247,427	251,534
	<u>          </u>	<u>          </u>

### DIRECTORS' REMUNERATION

Emoluments	69,483	64,375
	<u>          </u>	<u>          </u>
	2003 No.	2002 No.

The number of directors to whom relevant benefits are accruing under:

Money purchase pension schemes was	1	1
	<u>          </u>	<u>          </u>

# Technifor Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

7	TAXATION	2003 £	2002 £
	Current tax:		
	UK corporation tax on profits for the year	38,000	8,299
	Under/(over) provision in respect of prior year	265	(1,496)
		<hr/>	<hr/>
		38,265	6,803
	Deferred tax	(6,955)	-
		<hr/>	<hr/>
		31,310	6,803
		<hr/>	<hr/>
		2003 £	2002 £
	Factors affecting tax charge for the year:		
	The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:		
	Profit on ordinary activities before tax	109,324	20,678
		<hr/>	<hr/>
	Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002: 30%)	32,797	6,203
	Effects of:		
	Expenses not deductible for tax purposes	(133)	1,069
	Capital allowances less than depreciation	5,114	1,365
	Other adjustments	222	(338)
	Adjustments in respect of prior year	265	(1,496)
		<hr/>	<hr/>
	Current tax charge for the year	38,265	6,803
		<hr/>	<hr/>

# Technifor Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

### 8 TANGIBLE FIXED ASSETS

	<i>Fixture and fittings</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost or valuation			
31 December 2002	138,340	88,166	226,506
Additions	6,806	-	6,806
Disposals	(1,753)	(8,260)	(10,013)
	<hr/>	<hr/>	<hr/>
31 December 2003	143,393	79,906	223,299
	<hr/>	<hr/>	<hr/>
Depreciation			
31 December 2002	95,252	63,144	158,396
Charged in the year	27,171	9,948	37,119
Disposals	(1,753)	(7,486)	(9,239)
	<hr/>	<hr/>	<hr/>
31 December 2003	120,670	65,606	186,276
	<hr/>	<hr/>	<hr/>
Net book value			
31 December 2003	22,723	14,300	37,023
	<hr/>	<hr/>	<hr/>
31 December 2002	43,088	25,022	68,110
	<hr/>	<hr/>	<hr/>

The net book value of motor vehicles includes £8,594 (2002: £12,031) in respect of assets held under finance leases.

### 9 STOCKS

	2003 £	2002 £
Consumables	7,147	7,915
Finished goods and goods for resale	144,207	107,822
	<hr/>	<hr/>
	151,354	115,737
	<hr/>	<hr/>

### 10 DEBTORS

	2003 £	2002 £
Due within one year:		
Trade debtors	453,505	330,212
Amounts owed by parent undertaking	-	1,638
Other debtors	18,340	6,619
	<hr/>	<hr/>
	471,845	338,469
	<hr/>	<hr/>

Included within other debtors is £6,955 in respect of deferred taxation (see note 13).

# Technifor Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2003

11	CREDITORS: Amounts falling due within one year	2003 £	2002 £
	Amounts owed to parent undertakings	148,201	149,363
	Obligations under finance leases	1,811	6,875
	Trade creditors	79,511	48,244
	Corporation tax	38,000	8,299
	Other taxation and social security	49,479	40,434
	Other creditors	2,950	1,043
	Accruals and deferred income	24,029	29,471
		<u>343,981</u>	<u>283,729</u>

Obligations under finance leases are secured on related assets.

12	CREDITORS: Amounts falling due after more than one year	2003 £	2002 £
	Obligations under finance leases	-	2,292
		<u>-</u>	<u>2,292</u>

Obligations under finance leases are secured on related assets.

13	DEFERRED TAXATION	2003	2002
		Potential provision/ (asset) £	Potential provision/ (asset) £
		Amount provided £	Amount provided £
	Taxation deferred by capital allowances at 30%	(6,955)	(2,795)
		<u>(6,955)</u>	<u>(2,795)</u>

The deferred tax asset of £6,955 is shown within other debtors (see note 10).

14	SHARE CAPITAL	2003 £	2002 £
	Authorised: Ordinary shares of £1 each	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
	Allotted, issued and fully paid: Ordinary shares of £1 each	65,000	65,000
		<u>65,000</u>	<u>65,000</u>

# Technifor Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2003

15	PROFIT AND LOSS ACCOUNT	2003 £	2002 £
	1 January 2003	185,745	171,870
	Profit for the financial year	78,014	13,875
		<hr/>	<hr/>
	31 December 2003	263,759	185,745
		<hr/>	<hr/>
16	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2003 £	2002 £
	Profit for the financial year	78,014	13,875
	Opening shareholders' funds	250,745	236,870
		<hr/>	<hr/>
	Closing shareholders' funds	328,759	250,745
		<hr/>	<hr/>
17	ULTIMATE PARENT UNDERTAKING		
	The ultimate parent undertaking is Castle Harlan Partners III LLC, a company incorporated in U.S.A.		
18	PARENT UNDERTAKING		
	The parent undertaking is Technifor S.A., a company incorporated in France.		
19	RELATED PARTIES		
	During the year the company purchased goods from its parent undertaking, Technifor S.A., amounting to £227,600 (2002: £426,521). Goods were recharged to Technifor S.A. amounting to £Nil (2001: £1,603).		
	The company was charged interest of £7,108 (2002: £6,710) by Technifor S.A.		
	The company was charged a management charge of £14,456 (2002: £Nil) by Technifor S.A.		
	At 31 December 2003 there was a balance owing to Technifor S.A. of £148,201 (2002: £149,363) and a balance owing from Technifor S.A. of £Nil (2002: £1,638).		
20	CAPITAL COMMITMENTS	2003 £	2002 £
	Capital expenditure contracted for but not provided in the financial statements	-	1,634
		<hr/>	<hr/>