

Technifor Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2007

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COMPANIES HOUSE

Company Registration No 3161058

Technifor Limited

DIRECTORS AND OFFICERS

DIRECTORS

Gerard Guerin
Mathieu C G Boisard

SECRETARY

Castlegate Secretaries Limited

REGISTERED OFFICE

Unit 3
Trojan Business Centre
Tachbrook Park
Leamington Spa
Warwickshire
CV34 6RH

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
St Philips Point
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 2007

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

During the year the company experienced staff turnover in key sales positions. This has been a major contributor towards the lower level of sales activity in 2007 compared to the prior year.

The Directors are working closely with Management and have taken various steps to increase the level of sales in 2008. It was decided that in order to reduce costs and remain competitive the business will be combined with its related party Gravograph Limited in 2008. The two businesses combined, will create a stronger entity in the United Kingdom.

The directors do not recommend payment of a dividend (2006: £Nil). The retained loss of £214,045 (2006 retained loss: £81,578) has been transferred to reserves.

PRINCIPAL RISKS AND UNCERTAINTIES

Our business, financial condition and results of operations will be influenced by a range of factors, many of which are beyond the control of Technifor Limited and its Board. The risk factors set out below and other information in this report should be considered carefully.

Changes in Economic conditions

The demand for many of our products is closely linked to economic conditions in the UK. As a result, depressed economic conditions could have an adverse effect in demand for, and pricing of, our products, which could result in reduced sales and reduced profits.

Competitive market

Technifor Limited operates in an extremely competitive market. The pricing policy of competitors can have an adverse effect on the demand for, and the pricing of, our products. Consequently, the results of our operations and profitability may be affected.

Risk management

The board of Technifor Limited reviews the effectiveness of the system of internal control covering, financial, operational, compliance and risk management, at least annually.

Price risk

The company is exposed to some commodity price risk as a result of its operations. However, as the company has a fixed annual transfer price agreement with its parent, this risk is substantially reduced.

Credit risk

The company has implemented policies that ensure appropriate credit checks on all potential and existing customers before any transfer of goods. The amount of exposure to any individual counterparty is subject to a limit which is reassessed annually.

Technifor Limited

DIRECTORS' REPORT (continued)

DIRECTORS

The following directors have held office during the year

Gerard Guerin
Mathieu C G Boisard

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

On behalf of the board

G Guerin
Director

20 June 2008



Technifor Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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,
- 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 6 to 17

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 (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2007 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.


BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

11 July 2008

Technifor Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2007

	<i>Notes</i>	2007 £	2006 £
TURNOVER	1	1,037,057	1,243,499
Cost of sales		(523,299)	(633,401)
		<hr/>	<hr/>
GROSS PROFIT		513,758	610,098
Other operating expenses (net)	2	(708,816)	(715,456)
		<hr/>	<hr/>
OPERATING LOSS		(195,058)	(105,358)
Investment income	3	285	1,047
Interest payable	4	(17,608)	(8,156)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(212,381)	(112,467)
Taxation	7	(1,664)	30,889
		<hr/>	<hr/>
SUSTAINED LOSS FOR THE YEAR	15	(214,045)	(81,578)
		<hr/> <hr/>	<hr/> <hr/>

The operating loss for each year arises from the company's operations which were discontinued on 1 January 2008

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

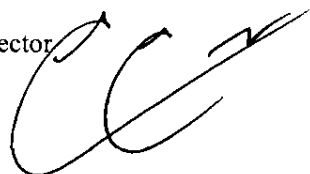
BALANCE SHEET

31 December 2007

	<i>Notes</i>	2007 £	2006 £
FIXED ASSETS			
Tangible assets	8	55,167	56,384
CURRENT ASSETS			
Stocks	9	246,893	128,753
Debtors	10	478,702	570,607
Cash at bank and in hand		77,190	63,373
		802,785	762,733
CREDITORS Amounts falling due within one year	11	(751,685)	(491,490)
NET CURRENT ASSETS		51,100	271,243
TOTAL ASSETS LESS CURRENT LIABILITIES		106,267	327,627
CREDITORS Amounts falling due after one year	12	(719)	(8,034)
		105,548	319,593
CAPITAL AND RESERVES			
Called up share capital	14	65,000	65,000
Profit and loss account	15	40,548	254,593
SHAREHOLDERS' FUNDS	16	105,548	319,593

Approved by the board and authorised for issue on 20 June 2008

G Guerin - Director



Technifor Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No 1 on the grounds that it is a small company

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 5 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 that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised 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.

Technifor Limited

ACCOUNTING POLICIES (continued)

PENSIONS CONTRIBUTIONS

The company makes contributions to personal pension plans for employees. The contributions payable are charged to the profit and loss account as they fall due.

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 2007

1 TURNOVER

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

	2007 £	2006 £
United Kingdom	984,114	1,220,641
Other EC	52,943	22,858
	<u>1,037,057</u>	<u>1,243,499</u>

2 OTHER OPERATING EXPENSES (NET)

	2007 £	2006 £
Distribution costs	49,196	49,126
Administration expenses	659,620	666,330
	<u>708,816</u>	<u>715,456</u>

3 INVESTMENT INCOME

	2007 £	2006 £
Bank interest receivable	285	899
Other interest receivable	-	148
	<u>285</u>	<u>1,047</u>

4 INTEREST PAYABLE

	2007 £	2006 £
Interest payable to parent undertaking	17,608	8,156

Technifor Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

5	LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2007 £	2006 £
	Loss on ordinary activities before taxation is stated after charging		
	Depreciation and amounts written off tangible fixed assets		
	Charge for the year		
	owned assets	23,319	19,545
	leased assets	5,224	5,264
	Operating lease rentals		
	- land and buildings	31,187	23,443
	- other	35,172	41,796
	Auditors' remuneration		
	- audit	11,004	9,000
	- other services	-	4,903
	Loss on exchange	-	788
		<u> </u>	<u> </u>
6	EMPLOYEES	2007 No	2006 No
	The average monthly number of persons (including directors)		
	employed by the company during the year was		
	Office and management		
	- directors	2	2
	- sales and administration	12	13
		<u> </u>	<u> </u>
		14	15
		<u> </u>	<u> </u>
		2007 £	2006 £
	Staff costs for above persons		
	Wages and salaries	314,232	322,199
	Social security costs	39,115	37,602
	Other pension costs	3,919	1,617
		<u> </u>	<u> </u>
		357,266	361,418
		<u> </u>	<u> </u>

Neither director received any remuneration during the year or the prior year

Technifor Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

7	TAXATION	2007 £	2006 £
	Current tax		
	UK corporation tax on loss for the year	164	(30,889)
		<hr/>	<hr/>
	Current tax charge/(credit) for the year	164	(30,889)
	Deferred tax - current year	1,500	-
		<hr/>	<hr/>
		1,664	(30,889)
		<hr/>	<hr/>
		2007 £	2006 £
	Factors affecting tax charge for the year		
	The tax assessed for the year is higher (2006 higher) than the standard rate of corporation tax in the UK (30%) The differences are explained below		
	Loss on ordinary activities before tax	212,381	(112,467)
		<hr/>	<hr/>
	Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	(63,714)	(33,740)
	Effects of		
	Expenses not deductible for tax purposes	11,135	3,685
	Capital allowances in excess of depreciation	(275)	(669)
	Other adjustments	-	(165)
	Adjustments in respect of prior year	164	-
	Tax losses carried forward	52,854	-
		<hr/>	<hr/>
	Current tax charge/(credit) for the year	164	(30,889)
		<hr/>	<hr/>

The company has tax losses of approximately £176,000 (2006 £Nil), which are being carried forward to offset against future trading profits. The deferred tax asset of £50,000 (2006 £Nil) has not been provided in respect of these losses since there is deemed to be sufficient uncertainty as to their recoverability against future profits.

Technifor Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

8 TANGIBLE FIXED ASSETS

	<i>Fixture and fittings £</i>	<i>Motor vehicles £</i>	<i>Total £</i>
Cost			
31 December 2006	230,860	22,316	253,176
Additions	27,327	-	27,327
	<hr/>	<hr/>	<hr/>
31 December 2007	258,187	22,316	280,503
	<hr/>	<hr/>	<hr/>
Depreciation			
31 December 2006	174,477	22,316	196,793
Charged in the year	28,543	-	28,543
	<hr/>	<hr/>	<hr/>
31 December 2007	203,020	22,316	225,336
	<hr/>	<hr/>	<hr/>
Net book value			
31 December 2007	55,167	-	55,167
	<hr/>	<hr/>	<hr/>
31 December 2006	56,384	-	56,384
	<hr/>	<hr/>	<hr/>

The net book value of assets held under finance leases is £12,189 (2006 £21,717)

9 STOCKS

	2007 £	2006 £
Consumables	36,172	25,387
Finished goods and goods for resale	210,721	103,366
	<hr/>	<hr/>
	246,893	128,753
	<hr/>	<hr/>

Technifor Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

10	DEBTORS	2007 £	2006 £
	Due within one year		
	Trade debtors	264,522	370,966
	Corporation tax recoverable	-	30,889
	Amounts owed by parent undertaking	12,107	9,747
	Amounts owed by fellow subsidiary	22,272	22,272
	Amounts owed by related undertaking	109,095	65,162
	Other debtors	5,000	7,034
	Prepayments	65,706	64,537
		<u>478,702</u>	<u>570,607</u>

Included within other debtors is £5,000 (2006 £6,500) in respect of deferred taxation (see note 13)

11	CREDITORS Amounts falling due within one year	2007 £	2006 £
	Amounts owed to parent undertaking	585,411	289,259
	Trade creditors	58,345	68,197
	Corporation tax	1,809	-
	Other taxation and social security	51,407	66,149
	Obligations under finance leases	8,184	12,255
	Accruals and deferred income	46,529	55,630
		<u>751,685</u>	<u>491,490</u>

12	CREDITORS Amounts falling due after one year	2007 £	2006 £
	Obligations under finance leases	719	8,034
		<u>719</u>	<u>8,034</u>
	Due in one to two years	719	8,034
		<u>719</u>	<u>8,034</u>

Technifor Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

13	DEFERRED TAXATION	2007		2006	
		Potential (asset) £	Amount provided £	Potential (asset) £	Amount provided £
	Taxation deferred by capital allowances at 28% (2006 30%)	(5,000)	(5,000)	(6,500)	(6,500)
	The deferred tax asset provided for of £5,000 (2006 £6,500) is shown within other debtors (see note 10)				
					£
	Balance as at 1 January 2007				6,500
	Profit and loss account				(1,500)
	Balance as at 31 December 2007				5,000
14	SHARE CAPITAL	2007		2006	
		£		£	
	Authorised				
	Ordinary shares of £1 each – equity		100,000		100,000
	Allotted, issued and fully paid				
	Ordinary shares of £1 each – equity		65,000		65,000
15	PROFIT AND LOSS ACCOUNT	2007		2006	
		£		£	
	1 January 2007		254,593		336,171
	Loss for the financial year		(214,045)		(81,578)
	31 December 2007		40,548		254,593
16	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2007		2006	
		£		£	
	Loss for the financial year		(214,045)		(81,578)
	Opening shareholders' funds		319,593		401,171
	Closing shareholders' funds		105,548		319,593

Technifor Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

17 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking at 31 December 2007 was LBO France, a company incorporated in France

18 PARENT UNDERTAKING

The parent undertaking is Technifor S A , a company incorporated in France

19 RELATED PARTIES

During the year the company purchased and sold goods and services from its parent undertaking, Technifor S A , amounting to £607,612 net (2006 £651,733)

The company was charged interest of £ 17,608 (2006 £8,156) by Technifor S A together with a management charge of £21,195 (2006 £39,779)

At 31 December 2007 there was a balance owing to Technifor S A of £585,411 (2006 £289,259) and a balance due from Technifor S A of £12,107 (2006 £9,747)

During the year the company recharged staff related costs to Technifor HKS, a fellow subsidiary undertaking amounting to £Nil (2006 £22,272) At 31 December 2007 the amount due from Technifor HKS was £22,272 (2006 £22,272)

During the year the company recharged expenses amounting to £196,569 (2006 £193,372) to Gravograph Limited, a related undertaking under common control At 31 December 2007, the amount due from Gravograph Limited was £109,095 (2006 £65,162)

20 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2007, the company was committed to making the following payments during the next year under non-cancellable operating leases

	2007		2006	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiring within 1 year	69,350	7,989	68,950	13,322
Expiring between 2 and 5 years	-	86,988	-	11,660
	<u>69,350</u>	<u>94,997</u>	<u>68,950</u>	<u>24,982</u>

Amounts due under non-cancellable operating leases for land and buildings relate to premises leased by the company but shared with a related undertaking, Gravograph Limited Part of the above cost will be recharged to Gravograph Limited

Technifor Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

21 POST BALANCE SHEET EVENTS

As described in the Directors' report, it is intended that the sale of the Technifor Limited business for a total consideration of £105,548 to Gravograph Limited, a related party with the same ultimate parent company will be completed during 2008

However, the company has not traded since 1 January 2008 and all transactions since that date have been accounted for in Gravograph Limited