

**PRIMAGRAPHS (HOLDINGS) LIMITED**

**Report and Financial Statements**

**31 December 2005**



# **PRIMAGRAPHICS (HOLDINGS) LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2005**

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# **PRIMAGRAPHS (HOLDINGS) LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2005**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

D C Adams  
B M Freeman  
R Shaw  
A E Symonds

#### **SECRETARIES**

Crowell & Moring Secretaries Limited  
M Denton  
H Jakubowitz  
R Shaw  
G Tynan  
J Verney

#### **REGISTERED OFFICE**

New Cambridge House  
Litlington  
Royston  
Hertfordshire  
SG8 0SS

#### **BANKERS**

Barclays Bank Plc  
10 Bene't Street Business Centre  
PO Box No 2  
Cambridge CB2 3PZ

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
Cambridge, England

# PRIMAGRAPHS (HOLDINGS) LIMITED

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

## PRINCIPAL ACTIVITY

The company's principal activity is a holding company.

## REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The level of activity is expected to continue at its present rate in the year ahead.

The company's financial risk is disclosed in note 15 to the financial statements.

## DIVIDENDS

An interim dividend amounting to £850,000 (2004 - £nil) was paid during the year to the holding company. The directors do not recommend the payment of a final dividend (2004 - £nil).

## DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year and their interests in the shares of the company were as follows:

		31 December 2005	31 December 2004
D C Adams	- ordinary shares	-	-
B M Freeman	- ordinary shares	-	-
R H Shaw	- ordinary shares	-	-
A E Symonds	- ordinary shares	-	-

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

United Kingdom company law requires the directors to prepare such financial statements for each financial year which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. 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;
- prepare the financial statements on a 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.

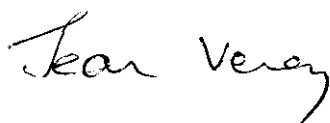
# PRIMAGRAPHS (HOLDINGS) LIMITED

## DIRECTORS' REPORT

### AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

A handwritten signature in cursive script, reading "Jean Verney".

Secretary

J VERNEY

18 July 2006

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRIMAGRAPHS (HOLDINGS) LIMITED**

We have audited the financial statements of Primagraphics (Holdings) Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 in accordance with the relevant financial reporting framework 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 other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **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 as at 31 December 2005 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
Cambridge, England

24 July 2006

# PRIMAGRAPHS (HOLDINGS) LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 December 2005

	Note	Year to 31 December 2005 £	18 months to 31 December 2004 £
Dividends received		2,062,000	500,000
Other operating charges		(1,561)	(43,662)
<b>OPERATING PROFIT</b>	3	2,060,439	456,338
Interest payable and similar charges	4	(9,357)	(56,593)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		2,051,082	399,745
Tax on profit on ordinary activities	5	3,276	17,147
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	11	2,054,358	416,892

All activities derive from continuing operations.

There are no recognised gains and losses for the current financial period and preceding financial year other than as shown in the profit and loss account. Accordingly no statement of total recognised gains and losses has been provided.

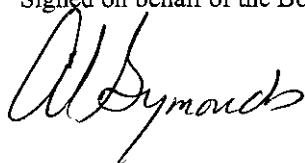
# PRIMAGRAPHS (HOLDINGS) LIMITED

## BALANCE SHEET 31 December 2005

	Note	2005 £	2004 £
<b>FIXED ASSETS</b>			
Investments	7	<u>3,539,737</u>	<u>3,539,737</u>
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		396	52
<b>CREDITORS: amounts falling due within one year</b>	8	<u>1,500</u>	<u>1,817</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,104)</u>	<u>(1,765)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,538,633	3,537,972
<b>CREDITORS: amounts falling due after more than one year</b>	9	<u>550</u>	<u>1,204,247</u>
		<u>3,538,083</u>	<u>2,333,725</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	225,894	225,894
Share premium account	11	271,500	271,500
Profit and loss account	11	<u>3,040,689</u>	<u>1,836,331</u>
<b>SHAREHOLDERS' FUNDS</b>	12	<u>3,538,083</u>	<u>2,333,725</u>

These financial statements were approved by the Board of Directors on 18 July 2006

Signed on behalf of the Board of Directors



Director

A E SYMONDS



# PRIMAGRAPHS (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2005

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Group accounts

Group accounts are not prepared as the company and its subsidiary are included in the group accounts of the ultimate parent company.

#### Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

#### Deferred taxation

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### Capital instruments

Shares are included in shareholders' funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in shareholders' funds. The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

#### Cash flow statement

The company has taken advantage of the exemption afforded to subsidiary companies not to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the company in its own publicly available consolidated financial statements.

### 2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees other than the directors throughout the year and preceding period. The directors did not receive any remuneration in the period or preceding year.

### 3. OPERATING PROFIT

	Year to 31 December 2005 £	18 months to 31 December 2004 £
Operating profit is after charging:		
Auditors' remuneration *	1,500	-
Loss on foreign exchange	34	709
Loss on disposal of fixed asset investment	-	2
	<hr/>	<hr/>

Auditors' remuneration costs were borne by the company's subsidiary undertaking in the prior period.

# PRIMAGRAPHS (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2005

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 31 December 2005 £	18 months to 31 December 2004 £
Interest payable on other loans	<u>9,357</u>	<u>56,593</u>

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year to 31 December 2005 £	18 months to 31 December 2004 £
<b>Current tax</b>		
United Kingdom corporation tax for the period	<u>(3,276)</u>	<u>(17,147)</u>

The standard rate of corporation tax for the period, based on the UK standard rate of corporation tax is 30% (2004 - 30%). The actual tax charge for the current period and the previous year differs from the standard rate for the reasons set out in the following reconciliation:

	Year to 31 December 2005 £	18 months to 31 December 2004 £
Profit on ordinary activities before taxation	<u>2,051,082</u>	<u>399,745</u>
Tax on profit on ordinary activities at standard rate	615,324	119,923
Expenses not deductible for tax purposes (including goodwill amortisation)	-	12,930
Intercompany dividend (not taxable)	<u>(618,600)</u>	<u>(150,000)</u>
Total actual amount of current tax	<u>(3,276)</u>	<u>(17,147)</u>

### 6. DIVIDENDS

	Year to 31 December 2005 £	18 months to 31 December 2004 £
Equity dividends		
Ordinary dividends paid - £6.09 per share (2004 - nil)	<u>850,000</u>	<u>-</u>

# PRIMAGRAPHS (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2005

### 7. INVESTMENTS

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertaking			
Primagraphics Limited	Ordinary shares	100%	Design, development and manufacture of computerised equipment

The profit after tax for the year ended 31 December 2005 was £1,562,686 (2004 - £1,803,139) and the shareholders' funds at that date were £2,422,543 (2004 - £2,921,857).

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Amounts due to parent undertaking	-	1,817
Accruals and deferred income	1,500	-
	<u>1,500</u>	<u>1,817</u>

### 9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005 £	2004 £
Amounts due to group undertakings	-	505,707
Amounts due to subsidiary undertaking	550	698,540
	<u>550</u>	<u>1,204,247</u>

Amounts due to group undertakings represented an unsecured loan, that bore interest at available rates. The loan was fully repaid during the year.

Amounts due to subsidiary undertaking are unsecured, interest free with no fixed repayment date.

# PRIMAGRAPHS (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2005

### 10. CALLED UP SHARE CAPITAL

	2005 £	2004 £
<b>Authorised</b>		
150,000 ordinary shares of £1 each	150,000	150,000
86,394 deferred ordinary shares of £1 each	86,394	86,394
	<u>236,394</u>	<u>236,394</u>
<b>Called up, allotted and fully paid</b>		
139,500 ordinary shares of £1 each	139,500	139,500
86,394 deferred ordinary shares of £1 each	86,394	86,394
	<u>225,894</u>	<u>225,894</u>

A brief summary of the rights of each current class of shares is as follows:

#### Voting

Ordinary shares carry one vote per share. Deferred shares carry no voting rights.

#### Dividends

On a distribution, holders of the ordinary shares receive the first £100,000,000 so distributed in any financial year. Any amounts in excess of this value are distributed between holders of the ordinary shares and deferred shares in the ratio of 95:5.

#### Capital

On a return of assets on liquidation or capital reduction, the assets of the company are to be applied as follows:

- First in paying holders of the ordinary shares the issue price thereof plus any arrears of dividends;
- Second in paying holders of the deferred shares the issue price thereof plus any arrears of dividends; and
- The balance to be distributed equally amongst all classes of shares in proportion to the amounts paid up.

### 11. STATEMENT OF MOVEMENT ON RESERVES

	Share premium account £	Profit and loss account £	Total £
At 1 January 2005	271,500	1,836,331	2,107,831
Profit for the year	-	2,054,358	2,054,358
Dividends paid	-	(850,000)	(850,000)
At 31 December 2005	<u>271,500</u>	<u>3,040,689</u>	<u>3,312,189</u>

# PRIMAGRAPHICS (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2005

### 12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the financial year	2,054,358	416,892
Dividends	(850,000)	-
Net addition to shareholders' funds	1,204,358	416,892
Opening shareholders' funds	2,333,725	1,916,833
Closing shareholders' funds	3,538,083	2,333,725

### 13. PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Curtiss-Wright Controls (UK) Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is Curtiss-Wright Corporation, a company registered in the USA. It has included the company in its group financial statements, copies of which are available from its registered office.

The company has taken advantage of the exemptions in FRS8 and not disclosed transactions with group undertakings.

### 14. CONTINGENT LIABILITIES

The company has entered into cross guarantees for the bank borrowings of Primagraphics Limited. There were no outstanding bank borrowings as at 31 December 2005 or 31 December 2004.

### 15. CREDIT RISK

The company's principal financial assets are bank balances. The company's credit risk on these balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.