

FORGITAL UK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2010

Company Registration Number 06631472

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FORGITAL UK LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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FORGITAL UK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

J C Chainier
R Spezzapria

Company secretary

DLC Company Services Ltd

Registered office

Davenport Lyons
30 Old Burlington Street
London
W1S3NL

Auditors

F W Smith, Riches & Co
Chartered Accountants
& Statutory Auditor
18 Pall Mall
London
SW1Y 5LU

FORGITAL UK LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and the financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was to market and promote the Forgital products in the UK and to directly serve and support all UK based customers of Forgital Group

DIRECTORS

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

J C Chainier
R Spezzapria

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

AUDITORS

F W Smith, Riches & Co are deemed to be re-appointed under section 487(2) of the Companies Act 2006

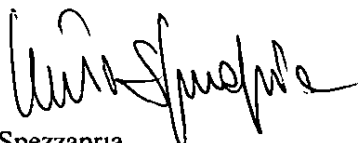
FORGITAL UK LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010** *(continued)*

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed on behalf of the directors



R Spezzapria
DIRECTOR

Company Registration Number 06631472

1st April 2011

FORGITAL UK LIMITED**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2010**

We have audited the financial statements of Forgital UK Limited for the year ended 31 December 2010. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

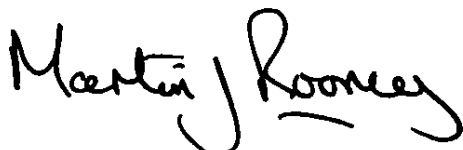
FORGITAL UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2010 *(continued)*

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



Martin J Rooney (Senior Statutory Auditor)

For and on behalf of
F W Smith, Riches & Co
Chartered Accountants & Statutory Auditors
18 Pall Mall
London
SW1Y 5LU

1st April 2011

FORGITAL UK LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

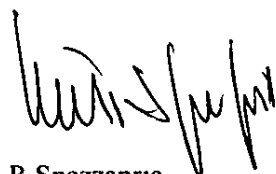
	Note	2010 £	2009 £
TURNOVER		71,585	39,404
Cost of sales		—	55,455
GROSS PROFIT/(LOSS)		71,585	(16,051)
Administrative expenses		217,328	279,412
OPERATING LOSS	2	(145,743)	(295,463)
Interest receivable		2	1
Interest payable and similar charges		(6,011)	(239)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(151,752)	(295,701)
Tax on loss on ordinary activities	4	—	—
LOSS FOR THE FINANCIAL YEAR	11	(151,752)	(295,701)

FORGITAL UK LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2010**

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible assets	5	<u>23,037</u>	<u>2,282</u>
CURRENT ASSETS			
Debtors	6	34,203	44,320
Cash at bank		<u>131,207</u>	<u>242,484</u>
		165,410	286,804
CREDITORS: Amounts falling due within one year	7	<u>20,010</u>	<u>68,897</u>
NET CURRENT ASSETS		<u>145,400</u>	<u>217,907</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>168,437</u>	<u>220,189</u>
CREDITORS: Amounts falling due after more than one year	8	600,000	500,000
		<u>(431,563)</u>	<u>(279,811)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	100,000	100,000
Profit and loss account	11	<u>(531,563)</u>	<u>(379,811)</u>
SHAREHOLDER'S FUNDS - DEFICIT		<u>(431,563)</u>	<u>(279,811)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements on pages 6 to 12 were approved by the directors on 1st April 2011 and were signed on their behalf by



R Spezzapria
Director

FORGITAL UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. ACCOUNTING POLICIES**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Going concern

The directors have reviewed the company's likely future funding requirements in the light of post year end trading, forecasts for future trading and a commitment from their ultimate parent undertaking to provide such financial support as is necessary to enable the company to meet its financial obligations as they fall due. The parent undertaking has agreed to defer claim to repayment of all amounts due to group companies at 31 December 2010 in favour of the outside creditors of the company, and to continue to provide financial support to the company for the foreseeable future. The accounts have therefore been prepared on a going concern basis.

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 10% straight line
Motor Vehicles	- 25% straight line
Office Equipment	- 33% straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

FORGITAL UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010****1. ACCOUNTING POLICIES** *(continued)***Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

2. OPERATING LOSS

Operating loss is stated after charging

	2010	2009
	£	£
Depreciation of owned fixed assets	6,635	900
Loss on disposal of fixed assets	147	–
Auditors' remuneration	4,500	4,500
Net loss on foreign currency translation	<u>2,699</u>	<u>3,100</u>

3. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2010	2009
	£	£
Aggregate remuneration	<u>81,507</u>	<u>79,925</u>

4. TAXATION ON ORDINARY ACTIVITIES

The company has losses carried forward for tax purposes of £532,788 (2009 £382,093) on which no deferred tax asset has been recognised.

FORGITAL UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010****5. TANGIBLE FIXED ASSETS**

	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST				
At 1 January 2010	511	–	2,768	3,279
Additions	–	27,265	272	27,537
Disposals	–	–	(241)	(241)
At 31 December 2010	511	27,265	2,799	30,575
DEPRECIATION				
At 1 January 2010	51	–	946	997
Charge for the year	51	5,680	904	6,635
On disposals	–	–	(94)	(94)
At 31 December 2010	102	5,680	1,756	7,538
NET BOOK VALUE				
At 31 December 2010	409	21,585	1,043	23,037
At 31 December 2009	460	–	1,822	2,282

6. DEBTORS

	2010 £	2009 £
Amounts owed by group undertakings	4,194	129
VAT recoverable	946	1,958
Other debtors	29,063	42,233
	34,203	44,320

7. CREDITORS: Amounts falling due within one year

	2010 £	2009 £
Trade creditors	1,056	3,431
Amounts owed to group undertakings	6,011	51,882
Other taxation and social security	2,901	3,272
Other creditors	10,042	10,312
	20,010	68,897

8. CREDITORS: Amounts falling due after more than one year

	2010 £	2009 £
Amounts owed to group undertakings	600,000	500,000

FORGITAL UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010****9. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2010 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2010 £	2009 £
Operating leases which expire: Within 1 year	<u>2,496</u>	<u>24,000</u>

10. SHARE CAPITAL**Authorised share capital:**

	2010 £	2009 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2010 No	£	2009 No	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

11. PROFIT AND LOSS ACCOUNT

	2010 £	2009 £
Balance brought forward	(379,811)	(84,110)
Loss for the financial year	<u>(151,752)</u>	<u>(295,701)</u>
Balance carried forward	<u>(531,563)</u>	<u>(379,811)</u>

12. ULTIMATE PARENT COMPANY

The company's immediate parent company is Forgital SA, a company registered in Luxembourg. The ultimate parent company is FINSPE SA, a company incorporated in Luxembourg. The company has no ultimate controlling party.

FORGITAL UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010****13. RELATED PARTY TRANSACTIONS**

During the year the company generated sales income and purchased services from related parties as follows

	Sales 2010	Sales 2009	Purchases 2010	Purchases 2009
	£	£	£	£
Forgital Italy SPA (a fellow subsidiary incorporated in Italy)	56,311	19,299	1,848	20,499
Forgital FMDL SAS (a fellow subsidiary, incorporated in France)	6,947	4,728	22,189	70,228
Forgital Dembiermont SAS (a fellow subsidiary, incorporated in France)	8,328	15,377	—	—

In addition the company received finance of £100,000 (2009 £400,000) from Forgital SA Interest of £6,011 (2009 £148) was charged by Forgital SA

Balances with related parties at the year end were as follows

	Owed by and accrued income 2010	Owed by and accrued income 2009	Owed to 2010	Owed to 2009
	£	£	£	£
Forgital Italy SPA	18,514	11,661	—	898
Forgital FMDL SAS	2,538	3,257	—	5,902
Forgital Dembiermont SAS	5,651	7,215	—	—
Forgital SA	—	—	606,011	545,082