

Billion UK Limited

Report and Financial Statements

30 September 2003



Deloitte & Touche LLP
St Albans

REPORT AND FINANCIAL STATEMENTS 2003

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REPORT AND FINANCIAL STATEMENTS 2003

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P.G.J. Jordery
P.R. Kirkham
D. Bohm

SECRETARY

P.R. Kirkham

REGISTERED OFFICE

2 Fitzhamon Court
Featherstone Road
Wolverton Mill
Milton Keynes
MK12 6LB

BANKERS

National Westminster Bank Plc.
501 Silbury Boulevard
Saxon Gate East
Central Milton Keynes
Bucks
MK9 3ER

SOLICITORS

Franklins
14 Castilian Street
Northampton
NN1 1JX

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
St Albans

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2003.

ACTIVITIES

The company distributes and provides servicing of plastic moulding machinery.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

Billion UK Ltd has succeeded in controlling the trend of compound losses over the past year through much improved trading. The company has increased sales of machine units, service and spares revenue compared to the previous trading period with an increase in sales margin. The market remains in decline having decreased by 15% over the last year, although Billion UK is growing in this climate having moved from a market share of 1.6% in 2001 to 3.6% today.

On the strength of this success we have strengthened our sales force with a new salesman from 1 October 2003 and have also invested additional human resource in customer support and finance management. This represents a positive trend and one which is greatly encouraging the investment of Billion SA towards the UK market.

DIVIDENDS

No dividends have been paid or proposed in the year (2002: nil).

DIRECTORS AND THEIR INTERESTS

The directors of the company throughout the year were as follows:

P.G.J. Jordery

P.R. Kirkham

D. Bohm

The directors did not hold any beneficial interest in the company during the period.

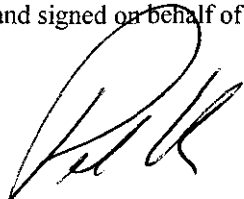
DIRECTORS' AND OFFICERS' LIABILITY

Directors' and officers' liability insurance has been purchased by the company during the year.

AUDITORS

Deloitte & Touche LLP have been appointed to fill a vacancy in the year and 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



P.R. Kirkham

4/12/03

Managing Director

2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed; and
- 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 Companies Act. They are also responsible for the system of internal control, 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 BILLION UK LIMITED

We have audited the financial statements of Billion UK Limited for the year ended 30 September 2003 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 16. 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 as at 30 September 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
St Albans

8 December 2003

PROFIT AND LOSS ACCOUNT
Year ended 30 September 2003

		Year Ended 30 September 2003 £	9 Months to 30 September 2002 £
TURNOVER		2,601,776	2,303,712
Cost of sales		(1,947,358)	(1,900,617)
Gross profit		<u>654,418</u>	<u>403,095</u>
Distribution costs		(452,434)	(463,202)
Administrative expenses		(139,340)	(44,413)
		<u> </u>	<u> </u>
OPERATING PROFIT/(LOSS)	3	62,644	(104,520)
Other interest receivable and similar income		1,074	824
Interest payable and similar charges	4	<u>(41,167)</u>	<u>(17,046)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		22,551	(120,742)
Tax on profit/(loss) on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR		22,551	(120,742)
 Retained loss brought forward		 <u>(673,005)</u>	 <u>(552,263)</u>
Retained loss carried forward		<u><u>(650,454)</u></u>	<u><u>(673,005)</u></u>

All turnover and expenses have been derived from continuing operations.

There are no recognised gains and losses other than the losses for the financial year and the previous period. Accordingly, no Statement of Total Recognised Gains and Losses is given.

BALANCE SHEET
30 September 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	6	<u>91,927</u>	<u>108,429</u>
CURRENT ASSETS			
Stocks	7	157,182	85,632
Debtors	8	1,667,349	1,267,303
Cash at bank and in hand		<u>241,800</u>	<u>6,405</u>
		2,066,331	1,359,340
CREDITORS: amounts falling due within one year	9	<u>(2,477,621)</u>	<u>(1,840,774)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(319,363)	(340,013)
CREDITORS: amounts falling due after one year	10	<u>(31,091)</u>	<u>-</u>
NET LIABILITIES		<u>(350,454)</u>	<u>(373,005)</u>
CAPITAL AND RESERVES			
Called up share capital	11	300,000	300,000
Profit and loss account	12	<u>(650,454)</u>	<u>(673,005)</u>
EQUITY SHAREHOLDERS' DEFICIT		<u>(350,454)</u>	<u>(373,005)</u>

These financial statements were approved by the Board of Directors on 4 July

Signed on behalf of the Board of Directors

P.R. Kirkham
Managing Director



TRADING PROFIT AND LOSS ACCOUNT
Year ended 30 September 2003

1. ACCOUNTING POLICIES

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

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents the value of work performed by the company, excluding Value Added Tax, for goods and services provided to customers. All turnover related to the UK.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling on that date. The translation differences are dealt with in the profit and loss account.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Short-term leasehold improvements	Over the term of the lease
Plant and machinery	15-25% per annum

Stocks

Stocks and work-in-progress, other than on long-term contracts, are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Deferred taxation

Deferred taxation is provided on timing differences that 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 the 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 reversed. Deferred tax assets and liabilities are not discounted.

Leases

Operating lease rentals are charged to income in equal annual amounts over the lease term.

Cashflow

The company has taken advantage of the exemption available in FRS1 (revised) for small companies.

Pensions

The company pays contributions on behalf of its employees to a defined benefit pension scheme. Pension costs for the company's employees are charged to the profit and loss account as payable by the employer.

TRADING PROFIT AND LOSS ACCOUNT
Year ended 30 September 2003

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year Ended 30 September 2003 £	9 Months to 30 September 2002 £
Directors' remuneration		
Directors' emoluments	36,400	30,937
Pension contributions	1,924	1,837
	<u> </u>	<u> </u>
	No.	No.
Average number of persons employed		
Sales and distribution	5	6
Administration	1	1
Spares and services	5	5
	<u> </u>	<u> </u>
	11	12
	<u> </u>	<u> </u>
	£	£
Staff costs during the year (including directors)		
Wages and salaries	240,802	235,042
Social security costs	31,548	24,601
Pension costs	12,620	16,914
	<u> </u>	<u> </u>
	284,970	276,557
	<u> </u>	<u> </u>

During the year one director (2002: one) had benefit accruing to him under money purchase pension schemes.

3. OPERATING PROFIT/(LOSS)

	Year Ended 30 September 2003 £	9 Months to 30 September 2002 £
Operating profit/(loss) is after charging		
Depreciation – owned assets	17,854	14,272
Operating lease rentals - other	52,739	77,131
Auditors' remuneration	6,500	5,000
	<u> </u>	<u> </u>

TRADING PROFIT AND LOSS ACCOUNT
Year ended 30 September 2003

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 30 September 2003 £	9 Months to 30 September 2002 £
Bank interest	<u>41,167</u>	<u>17,046</u>

5. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

i) Tax charge on ordinary activities

	Year Ended 30 September 2003 £	9 Months to 30 September 2002 £
United Kingdom corporation tax at 30% (prior year 30%)	<u>-</u>	<u>-</u>

ii) Factors affecting tax charge for the current period

The tax assessed for the period is different than that resulting from applying the standard rate of corporation tax in the UK: 30% (last period 30%). The differences are explained below:

	Year Ended 30 September 2003 £	9 Months to 30 September 2002 £
Profit/(loss) on ordinary activities before tax	<u>22,551</u>	<u>(120,742)</u>
Tax at 30% thereon:	(6,765)	36,223
Effects of:		
- Expenses not deductible for tax purposes	(1,579)	-
- Capital allowances in excess of depreciation	(1,873)	-
- Utilisation of tax losses	<u>10,217</u>	<u>(36,223)</u>
Current tax charge for the year/period	<u>-</u>	<u>-</u>

A deferred tax asset has not been recognised in respect of timing differences relating to capital allowances in excess of depreciation and revenue losses carried forward as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £133,502. The asset would be recovered if suitable profits were to arise in future periods against which this asset could be offset.

TRADING PROFIT AND LOSS ACCOUNT
Year ended 30 September 2003

6. TANGIBLE FIXED ASSETS

	Short term leasehold improvements £	Plant and machinery £	Total £
Cost			
At 1 October 2002	114,636	165,877	280,513
Additions	1,351	-	1,351
At 30 September 2003	115,987	165,877	281,864
Accumulated depreciation			
At 1 October 2002	55,040	117,044	172,084
Charge for the year	4,587	13,267	17,853
At 30 September 2003	59,627	130,311	189,937
Net book value			
At 30 September 2003	56,360	35,568	91,927
At 30 September 2002	59,596	48,833	108,429

7. STOCKS

	2003 £	2002 £
Raw materials and consumables	157,182	85,632

8. DEBTORS

	2003 £	2002 £
Trade debtors		
- due within one year	1,598,296	1,222,582
- due after one year	11,880	-
Other debtors	10,500	8,937
Prepayments and accrued income	46,673	35,784
	1,667,349	1,267,303

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank overdrafts	266,414	270,707
Trade creditors	54,052	91,628
Amounts owed to group undertakings	2,001,065	1,302,163
Other taxes and social security	121,406	120,357
Accruals and deferred income	34,684	55,919
	2,477,621	1,840,774

TRADING PROFIT AND LOSS ACCOUNT

Year ended 30 September 2003

10. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2003 £	2002 £
Trade Creditors	<u>41,167</u>	<u>17,046</u>

11. CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised 500,000 ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Called up, allotted and fully paid 300,000 ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2003 £	2002 £
Profit/(loss) for the year/period	22,551	(120,742)
Opening shareholders' deficit	<u>(373,005)</u>	<u>(252,263)</u>
Closing shareholders' deficit	<u>(350,454)</u>	<u>(373,005)</u>

13. OPERATING LEASE COMMITMENTS

At 30 September 2003 the company was committed to making the following payments during the next year in respect of operating leases:

	2003 Land and Buildings £	2002 Land and Buildings £
After more than 5 years	<u>52,739</u>	<u>52,739</u>

14. DEFINED CONTRIBUTION PENSION SCHEME

The company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charged in respect of this scheme amounted to £12,620 (2002: £16,914).

15. PROFIT AND LOSS ACCOUNT

	2003 £
Balance brought forward	(673,005)
Retained profit/(loss) for the period	<u>22,551</u>
Balance carried forward	<u>(650,454)</u>

TRADING PROFIT AND LOSS ACCOUNT

Year ended 30 September 2003

16. ULTIMATE PARENT COMPANY

The immediate parent company is Billion S.A. incorporated in France and the ultimate parent company is MPM Consulting & Services GmbH incorporated in Germany.

A copy of the group accounts which represent the smallest group in which Billion (UK) Limited are consolidated can be obtained from 1 Avenue Victor Hugo, BP 4007 Bellignat, F01104 Oyannax Cedex, France. A copy of the group accounts which represent the largest group in which Billion (UK) Limited are consolidated can be obtained from Krauss-Maffei-Strabe 2, 80997 Munchen, Germany.