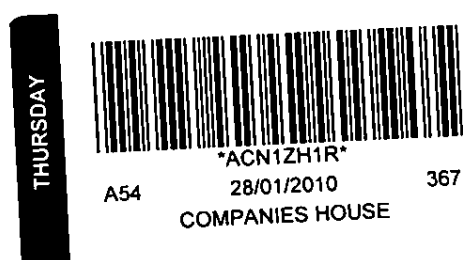


LASERTECH UK LIMITED
FINANCIAL STATEMENTS
31 MARCH 2009



AGP
Chartered Accountants & Registered Auditor
Sterling House
810 Mandarin Court
Centre Park
Warrington
Cheshire
WA1 1GG

LASERTECH UK LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

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LASERTECH UK LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2009

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of toner recycling.

The KPI of the company is sales.

During the year franchise sales have reduced, however head office sales have increased by 22.5%.

Despite operating in a difficult economic climate the Company has performed well. Looking forward it is looking to continue to grow both its franchisee network sales and head office sales further. New product lines including significant additions to own range of compatible products have been introduced and again emphasis will be placed on this activity going forward.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £238,343. Particulars of dividends paid are detailed in note 8 to the financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company used various financial instruments, these include cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks. The main risk arising from the company financial instruments is credit risk.

Credit risk

The company's principle financial assets are cash and trade debtors. The credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principle credit risk arises therefore from its trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

DIRECTORS

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

Mr J Williams

Mr J Williams

LASERTECH UK LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 MARCH 2009

DIRECTORS' RESPONSIBILITIES

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:

- 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 proper accounting records that 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 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.

In so far as the directors are aware:

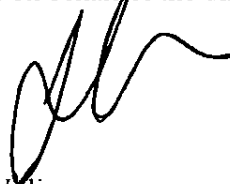
- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

AGP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
Unit 1 Easter Court
Gemini Retail Park
Warrington
Cheshire
WA5 7ZB

Signed on behalf of the directors



Mr J Williams
Director

Approved by the directors on 26 January 2010

LASERTECH UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LASERTECH UK LIMITED

YEAR ENDED 31 MARCH 2009

We have audited the financial statements of Lasertech UK Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Reconciliation of Shareholders' Funds, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 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 AUDITOR

The directors' responsibilities for preparing 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.

LASERTECH UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LASERTECH UK LIMITED *(continued)*

YEAR ENDED 31 MARCH 2009

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 March 2009 and of its profit for the year then ended;
- the financial statements 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.

Sterling House
810 Mandarin Court
Centre Park
Warrington
Cheshire
WA1 1GG

26 January 2010



AGP
Chartered Accountants
& Registered Auditor

LASERTECH UK LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2009

| | Note | 2009 £ | 2008 £ |
|--|----------|-----------------------|-----------------------|
| TURNOVER | 2 | 6,137,476 | 6,278,360 |
| Cost of sales | | <u>3,995,926</u> | <u>4,107,970</u> |
| GROSS PROFIT | | 2,141,550 | 2,170,390 |
| Administrative expenses | | 1,861,072 | 1,938,610 |
| Other operating income | 3 | <u>(9,046)</u> | <u>(275,156)</u> |
| OPERATING PROFIT | 4 | 289,524 | 506,936 |
| Attributable to: | | | |
| Operating profit before exceptional items | | 289,524 | 303,842 |
| Exceptional items | 4 | <u>—</u> | <u>203,094</u> |
| | | 289,524 | 506,936 |
| Interest receivable | | <u>18,726</u> | <u>30,787</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 308,250 | 537,723 |
| Tax on profit on ordinary activities | 7 | <u>69,907</u> | <u>72,720</u> |
| PROFIT FOR THE FINANCIAL YEAR | | <u>238,343</u> | <u>465,003</u> |

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 17 form part of these financial statements.

LASERTECH UK LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

YEAR ENDED 31 MARCH 2009

| | 2009 | 2008 |
|---------------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Profit for the financial year | 238,343 | 465,003 |
| New ordinary share capital subscribed | — | 1 |
| Equity dividends | (70,000) | (270,000) |
| Net addition to shareholders' funds | 168,343 | 195,004 |
| Opening shareholders' funds | 780,323 | 585,319 |
| Closing shareholders' funds | <u>948,666</u> | <u>780,323</u> |

The notes on pages 9 to 17 form part of these financial statements.

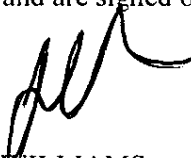
LASERTECH UK LIMITED

BALANCE SHEET

31 MARCH 2009

| | Note | 2009 £ | 2008 £ |
|---|------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 9 | 74,630 | 103,764 |
| CURRENT ASSETS | | | |
| Stocks | 10 | 603,585 | 500,895 |
| Debtors | 11 | 1,032,542 | 833,315 |
| Cash at bank and in hand | | 630,300 | 611,028 |
| | | <u>2,266,427</u> | <u>1,945,238</u> |
| CREDITORS: Amounts falling due within one year | 12 | <u>1,390,032</u> | <u>1,263,487</u> |
| NET CURRENT ASSETS | | <u>876,395</u> | <u>681,751</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>951,025</u> | <u>785,515</u> |
| PROVISIONS FOR LIABILITIES | | | |
| Deferred taxation | 13 | 2,359 | 5,192 |
| | | <u>948,666</u> | <u>780,323</u> |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 16 | 11 | 11 |
| Profit and loss account | 17 | 948,655 | 780,312 |
| SHAREHOLDERS' FUNDS | | <u>948,666</u> | <u>780,323</u> |

These financial statements were approved by the directors and authorised for issue on 26 January 2010, and are signed on their behalf by:


MR J WILLIAMS
Director

Company Registration Number: 4190675

The notes on pages 9 to 17 form part of these financial statements.

LASERTECH UK LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2009

| | Note | 2009 £ | £ | 2008 £ | £ |
|--|-----------|-----------|-----------------------|-----------|-------------------------|
| NET CASH INFLOW FROM OPERATING ACTIVITIES | 18 | | 129,854 | | 475,932 |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | 18 | | 18,726 | | 30,439 |
| TAXATION | 18 | | (80,326) | | (303,432) |
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | 18 | | (1,065) | | (71,579) |
| EQUITY DIVIDENDS PAID | | | (70,000) | | (270,000) |
| CASH OUTFLOW BEFORE FINANCING | | | (2,811) | | (138,640) |
| FINANCING | 18 | | - | | 1 |
| DECREASE IN CASH | 18 | | <u>(2,811)</u> | | <u>(138,639)</u> |

The notes on pages 9 to 17 form part of these financial statements.

LASERTECH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES

Basis of accounting

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

Turnover

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

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:

| | |
|---------------------|--|
| Leasehold | - 25% Straight Line |
| Plant & Machinery | - 25% Reducing balance |
| Fixtures & Fittings | - 25% Reducing balance |
| Motor Vehicles | - 25% Straight line |
| Equipment | - 33% Straight line/50% reducing balance |

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

LASERTECH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES *(continued)*

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

| | 2009 £ | 2008 £ |
|----------------|------------------|------------------|
| United Kingdom | <u>6,137,476</u> | <u>6,278,360</u> |

3. OTHER OPERATING INCOME

| | 2009 £ | 2008 £ |
|------------------------------------|--------------|----------------|
| Other operating income | 9,046 | 72,062 |
| Exceptional other operating income | — | 203,094 |
| | <u>9,046</u> | <u>275,156</u> |

Other operating income relates to the van rebates received by Lasertech UK Limited during the year. The exceptional other operating income is due to the van rebates receivable by the company, not previously recognised in the profit and loss account.

LASERTECH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

| | 2009 | 2008 |
|------------------------------------|-------------------|-------------------|
| | £ | £ |
| Depreciation of owned fixed assets | 30,199 | 36,960 |
| Loss on disposal of fixed assets | — | 11,709 |
| Auditor's remuneration | | |
| - as auditor | 7,000 | 6,500 |
| Operating lease costs: | | |
| - Plant and equipment | 1,293 | 427 |
| Exceptional other operating income | — | (203,094) |
| | <u> </u> | <u> </u> |

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

| | 2009 | 2008 |
|--------------------------------|---------------|---------------|
| | No | No |
| Number of administrative staff | 51 | 49 |
| Number of management staff | 3 | 2 |
| | <u> </u> | <u> </u> |
| | 54 | 51 |

The aggregate payroll costs of the above were:

| | 2009 | 2008 |
|-----------------------------------|-------------------|-------------------|
| | £ | £ |
| Wages and salaries | 1,120,194 | 1,035,188 |
| Social security costs | 8,490 | 16,566 |
| Pensions paid to former employees | 3,614 | 3,243 |
| | <u> </u> | <u> </u> |
| | 1,132,298 | 1,054,997 |

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

| | 2009 | 2008 |
|-----------------------|---------------|----------------|
| | £ | £ |
| Emoluments receivable | <u>80,813</u> | <u>148,343</u> |

LASERTECH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

| | 2009 £ | 2008 £ |
|---|----------------|----------------|
| Current tax: | | |
| In respect of the year: | | |
| UK Corporation tax based on the results for the year at 28% (2008 - 30%) | <u>72,740</u> | <u>75,082</u> |
| Total current tax | <u>72,740</u> | <u>75,082</u> |
| Deferred tax: | | |
| Origination and reversal of timing differences | <u>(2,833)</u> | <u>(2,362)</u> |
| Tax on profit on ordinary activities | <u>69,907</u> | <u>72,720</u> |

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 - 30%).

| | 2009 £ | 2008 £ |
|--|-----------------|-----------------|
| Profit on ordinary activities before taxation | <u>308,250</u> | <u>537,723</u> |
| Profit on ordinary activities by rate of tax | 86,310 | 161,317 |
| Expenses not deductible for tax purposes | 3,168 | (38,506) |
| Capital allowances for period in excess of depreciation | 3,689 | (2,937) |
| Marginal relief | <u>(20,427)</u> | <u>(44,792)</u> |
| Total current tax (note 7(a)) | <u>72,740</u> | <u>75,082</u> |

8. DIVIDENDS

Equity dividends

| | 2009 £ | 2008 £ |
|-------------------------------------|---------------|----------------|
| Paid during the year: | | |
| Equity dividends on ordinary shares | <u>70,000</u> | <u>270,000</u> |

LASERTECH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

9. TANGIBLE FIXED ASSETS

| | Leasehold property improve £ | Plant & Machinery £ | Fixtures & Fittings £ | Motor Vehicles £ | Equipment £ | Total £ |
|------------------------|---------------------------------------|---------------------------|-----------------------------|------------------------|----------------|----------------|
| COST | | | | | | |
| At 1 Apr 2008 | 81,031 | 31,532 | 39,564 | 15,897 | 30,634 | 198,658 |
| Additions | 680 | 385 | — | — | — | 1,065 |
| At 31 Mar 2009 | <u>81,711</u> | <u>31,917</u> | <u>39,564</u> | <u>15,897</u> | <u>30,634</u> | <u>199,723</u> |
| DEPRECIATION | | | | | | |
| At 1 Apr 2008 | 30,443 | 14,101 | 21,567 | 7,327 | 21,456 | 94,894 |
| Charge for the year | 13,550 | 5,195 | 4,591 | 2,188 | 4,675 | 30,199 |
| At 31 Mar 2009 | <u>43,993</u> | <u>19,296</u> | <u>26,158</u> | <u>9,515</u> | <u>26,131</u> | <u>125,093</u> |
| NET BOOK VALUE | | | | | | |
| At 31 Mar 2009 | <u>37,718</u> | <u>12,621</u> | <u>13,406</u> | <u>6,382</u> | <u>4,503</u> | <u>74,630</u> |
| At 31 Mar 2008 | <u>50,588</u> | <u>17,431</u> | <u>17,997</u> | <u>8,570</u> | <u>9,178</u> | <u>103,764</u> |

10. STOCKS

| | 2009 £ | 2008 £ |
|-------|----------------|----------------|
| Stock | <u>603,585</u> | <u>500,895</u> |

11. DEBTORS

| | 2009 £ | 2008 £ |
|--------------------------------|------------------|----------------|
| Trade debtors | 768,534 | 672,185 |
| Other debtors | 51,809 | 50,785 |
| Prepayments and accrued income | 212,199 | 110,345 |
| | <u>1,032,542</u> | <u>833,315</u> |

LASERTECH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

12. CREDITORS: Amounts falling due within one year

| | 2009 £ | 2008 £ |
|---|-------------------------|-------------------------|
| Overdrafts | 22,083 | — |
| Trade creditors | 933,574 | 873,308 |
| Other creditors including taxation and social security: | | |
| Corporation tax | 52,496 | 60,082 |
| Other taxation and social security | 170,143 | 100,309 |
| Other creditors | 150,288 | 168,106 |
| Directors current accounts | 6,906 | 6,906 |
| | <u>1,335,490</u> | <u>1,208,711</u> |
| Accruals and deferred income | 54,542 | 54,776 |
| | <u><u>1,390,032</u></u> | <u><u>1,263,487</u></u> |

13. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

| | 2009 £ | 2008 £ |
|--|--------------|--------------|
| Provision brought forward | 5,192 | 7,554 |
| Profit and loss account movement arising during the year | (2,833) | (2,362) |
| Provision carried forward | <u>2,359</u> | <u>5,192</u> |

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

| | 2009 £ | 2008 £ |
|--------------------------|--------------|--------------|
| Other timing differences | 2,359 | 5,192 |
| | <u>2,359</u> | <u>5,192</u> |

14. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2009 the company had annual commitments under non-cancellable operating leases as set out below.

| | Assets other than Land and buildings 2009 £ | 2008 £ |
|--------------------------------|---|--------------|
| Operating leases which expire: | | |
| Within 1 year | - | 3,120 |
| Within 2 to 5 years | 2,223 | 2,223 |
| | <u>2,223</u> | <u>5,343</u> |

LASERTECH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

15. RELATED PARTY TRANSACTIONS

The company was under the control of Mr Jason Williams throughout the current and previous year.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

16. SHARE CAPITAL

Authorised share capital:

| | 2009 | 2008 |
|--------------------------------------|--------------|--------------|
| | £ | £ |
| 2,000 Ordinary shares of £1 each | 2,000 | 2,000 |
| 1 Ordinary Class A shares of £1 each | 1 | - |
| | <u>2,001</u> | <u>2,000</u> |

Allotted, called up and fully paid:

| | 2009 | | 2008 | |
|--------------------------------------|-----------|-----------|-----------|-----------|
| | No | £ | No | £ |
| 10 Ordinary shares of £1 each | 10 | 10 | 10 | 10 |
| 1 Ordinary Class A shares of £1 each | 1 | 1 | 1 | 1 |
| | <u>11</u> | <u>11</u> | <u>11</u> | <u>11</u> |

17. PROFIT AND LOSS ACCOUNT

| | 2009 | 2008 |
|-------------------------------|----------------|----------------|
| | £ | £ |
| Balance brought forward | 780,312 | 585,309 |
| Profit for the financial year | 238,343 | 465,003 |
| Equity dividends | (70,000) | (270,000) |
| Balance carried forward | <u>948,655</u> | <u>780,312</u> |

LASERTECH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

18. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2009 £ | 2008 £ |
|---|----------------|----------------|
| Operating profit | 289,524 | 506,936 |
| Interest payable | – | 348 |
| Depreciation | 30,199 | 36,960 |
| Loss on disposal of fixed assets | – | 11,709 |
| Increase in stocks | (102,690) | (94,759) |
| Increase in debtors | (199,227) | (23,711) |
| Increase in creditors | 112,048 | 38,449 |
| Net cash inflow from operating activities | <u>129,854</u> | <u>475,932</u> |

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

| | 2009 £ | 2008 £ |
|--|---------------|---------------|
| Interest received | 18,726 | 30,787 |
| Interest paid | – | (348) |
| Net cash inflow from returns on investments and servicing of finance | <u>18,726</u> | <u>30,439</u> |

TAXATION

| | 2009 £ | 2008 £ |
|----------|-----------------|------------------|
| Taxation | <u>(80,326)</u> | <u>(303,432)</u> |

CAPITAL EXPENDITURE

| | 2009 £ | 2008 £ |
|---|----------------|-----------------|
| Payments to acquire tangible fixed assets | (1,065) | (71,750) |
| Receipts from sale of fixed assets | – | 171 |
| Net cash outflow from capital expenditure | <u>(1,065)</u> | <u>(71,579)</u> |

FINANCING

| | 2009 £ | 2008 £ |
|--------------------------------|-----------|-----------|
| Issue of equity share capital | – | 1 |
| Net cash inflow from financing | <u>–</u> | <u>1</u> |

LASERTECH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

18. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

| | 2009 £ | 2008 £ |
|-------------------------------------|-----------|-----------|
| Decrease in cash in the period | (2,811) | (138,639) |
| Movement in net funds in the period | (2,811) | (138,639) |
| Net funds at 1 April 2008 | 611,028 | 749,667 |
| Net funds at 31 March 2009 | 608,217 | 611,028 |

ANALYSIS OF CHANGES IN NET FUNDS

| | At 1 Apr 2008 £ | Cash flows £ | At 31 Mar 2009 £ |
|--------------------------|-----------------------|-----------------|------------------------|
| Net cash: | | | |
| Cash in hand and at bank | 611,028 | 19,272 | 630,300 |
| Overdrafts | — | (22,083) | (22,083) |
| Net funds | 611,028 | (2,811) | 608,217 |

LASERTECH UK LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31 MARCH 2009

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 3 to 4.**

LASERTECH UK LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2009

| | 2009 | 2008 |
|--------------------------------------|-----------------------|-----------------------|
| | £ | £ |
| TURNOVER | 6,137,476 | 6,278,360 |
| COST OF SALES | | |
| Opening stock and work-in-progress | 500,895 | 406,136 |
| Purchases | 4,098,616 | 4,198,400 |
| Repairs to customer printers | — | 4,329 |
| | <u>4,599,511</u> | <u>4,608,865</u> |
| Closing stock and work-in-progress | <u>(603,585)</u> | <u>(500,895)</u> |
| | <u>3,995,926</u> | <u>4,107,970</u> |
| GROSS PROFIT | 2,141,550 | 2,170,390 |
| OVERHEADS | | |
| Administrative expenses | 1,861,072 | 1,938,610 |
| | <u>280,478</u> | <u>231,780</u> |
| OTHER OPERATING INCOME | 9,046 | 275,156 |
| OPERATING PROFIT | 289,524 | 506,936 |
| Bank interest receivable | 18,726 | 30,787 |
| PROFIT ON ORDINARY ACTIVITIES | <u>308,250</u> | <u>537,723</u> |

LASERTECH UK LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2009

| | 2009 | | 2008 |
|--|-----------|------------------|------------------|
| | £ | £ | £ |
| ADMINISTRATIVE EXPENSES | | | |
| Personnel costs | | | |
| Directors salaries | 77,199 | | 145,100 |
| Directors national insurance contributions | 8,490 | | 16,566 |
| Directors pensions | 3,614 | | 3,243 |
| Wages and salaries | 1,042,995 | | 890,088 |
| | | 1,132,298 | 1,054,997 |
| Establishment expenses | | | |
| Rent, rates and water | 198,828 | | 167,652 |
| Light and heat | 27,573 | | 13,247 |
| Insurance | 14,661 | | 15,531 |
| Repairs and maintenance | 6,374 | | 27,064 |
| | | 247,436 | 223,494 |
| General expenses | | | |
| Motor expenses | 13,557 | | 10,031 |
| Travel and subsistence | 4,781 | | 8,644 |
| Telephone | 18,751 | | 13,945 |
| Web hosting | 2,703 | | 22,351 |
| Printing, stationery and postage | 9,857 | | 18,963 |
| Call centre costs | — | | 37,379 |
| BUPA Medical Insurance | 4,028 | | 4,185 |
| Staff welfare | 619 | | 2,905 |
| Sundry expenses | 12,963 | | 19,569 |
| Laundry and cleaning | 8,032 | | 13,440 |
| Franchise costs | 77,995 | | 208,102 |
| Advertising | 104,612 | | 96,548 |
| Entertaining | 11,314 | | 6,777 |
| Legal and professional fees | 23,090 | | 37,233 |
| Accountancy fees | 2,081 | | 5,913 |
| Auditors remuneration | 7,000 | | 6,500 |
| Depreciation | 30,199 | | 36,960 |
| Loss on disposal of fixed assets | — | | 11,709 |
| | | 331,582 | 561,154 |
| Financial costs | | | |
| Bad debts written off | 48,503 | | 6,414 |
| Provision for doubtful debts | 90,389 | | 84,485 |
| Operating lease: Equipment | 1,293 | | 427 |
| Bank charges | 9,571 | | 7,291 |
| Interest Payable | — | | 348 |
| | | 149,756 | 98,965 |
| | | <u>1,861,072</u> | <u>1,938,610</u> |

LASERTECH UK LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2009

| | 2009 | 2008 |
|------------------------------------|----------------------|-----------------------|
| | £ | £ |
| OTHER OPERATING INCOME | | |
| Other operating income | 9,046 | 72,062 |
| Exceptional other operating income | — | 203,094 |
| | <u>9,046</u> | <u>275,156</u> |
| INTEREST RECEIVABLE | | |
| Bank interest receivable | <u>18,726</u> | <u>30,787</u> |