

Company Registration No. 4344679

# Nipson UK Limited

## REPORT AND FINANCIAL STATEMENTS

Year ended

31 December 2008

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COMPANIES HOUSE

# Nipson UK Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

K Lalo	(Resigned 23/11/08)
R Cahill	
R Ben-Shaoul	(Resigned 23/11/08)
G Dumarey	(Appointed 24/11/08)
D Mooney	(Appointed 24/11/08)

### SECRETARY

Peter Wilcock	(Resigned 27/11/08)
Sally Ellis	(Appointed 28/11/08)

### REGISTERED OFFICE

Unit 1C Harwood Rd.,  
Northminster Business Park  
York  
YO26 6QU

### AUDITORS

RSM Bentley Jennison  
45 Moorfields  
London  
EC2Y 9AE

# Nipson UK Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of Nipson UK Limited for the year ended 31 December 2008

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the sale and maintenance of high-speed continuous digital printers.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

During the year the company made a loss of £735,267 and had a negative balance sheet total of £1,016,815. The company is dependent on the support of Nipson SAS not calling for payment of outstanding purchases. Under these conditions it is able to trade as it has minimal UK creditors. At the 31st of December 2008, intercompany loans totalled £1,806,197. The group's cash flow forecast for the period to 31<sup>st</sup> December 2009 indicates that the group will be able to meet its debts as they fall due with the continued support of Nipson SAS and the group's bankers.

The announcement that Nipson SAS had come out of "Redressment Judiciaire", the French equivalent of administration, means that it can now resume its activities under the full control of the Main Board.

Nipson SAS, 100% owners of Nipson UK, have recently undergone restructuring, as outlined in the consolidated accounts for the Group with-in Nipson PLC's annual report and accounts 2008. The reorganisation of the production facilities, including the transfer of machine assembly to a specialised plant in Germany, has resulted in a more efficient operation. Group Research and development continued throughout 2008 at a cost of £3 million. The projects covered the development of a new generation of writing heads and technology advancements relating to speed and the introduction of spot colour. These developments will allow inroads to be made into new business markets but against a sluggish economic background.

Nipson UK continues to be supported by Nipson SAS, and there is no indication that this support will be withdrawn. Nipson UK relocated from Dartford, to York, and are now sharing facilities with Punch Graphix UK Ltd (a subsidiary of Punch International). The move has resulted in a decrease in operational costs. No Field service personnel were lost in the move and customer support has been maintained at a high level.

The company's ultimate parent company, Nipson Digital Printing Systems PLC, was placed into administration on 24 November 2009. The Group situation suggests that a material uncertainty exists potentially casting a doubt upon the company's ability to continue as a going concern and that, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business. This information has been made available through a number of announcements to the stock exchange which appear also under the investors section of the Nipson Group's web site : [www.nipson.com](http://www.nipson.com).

After making enquiries and considering the uncertainties and the ongoing efforts at PLC level to secure a resolution to the liquidity issues affecting Nipson Digital Printing Solutions PLC as noted above, Nipson UK Limited's directors believe that the company is a going concern and the accounts are prepared on this basis. The accounts do not include any adjustments which may arise should these issues result in the ongoing business and financial support from Nipson SAS not continuing.

### DIVIDENDS

The directors do not recommend the payment of a final dividend. (2007 £nil)

### DONATIONS

A donation of £50 was made to a charity during the year. (2007 £nil). Political party donations were £nil (2007 £nil)

### DIRECTORS

The following directors have held office since 1 January 2008:

K Lalo	(Resigned 23/11/08)
R Ben-Shaou	(Resigned 23/11/08)
R Cahill	
G Dumarey	(Appointed 24/11/08)
D Mooney	(Appointed 24/11/08)

None of the directors has an interest in the shares of the company. Their interests in the shares of the parent company are disclosed in the financial statements of that company.

# Nipson UK Limited

## DIRECTORS' REPORT

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### DISCLOSURE OF INFORMATION TO AUDITORS

At the date of making this report each of the company's directors, as set out on page 1, confirm the following:

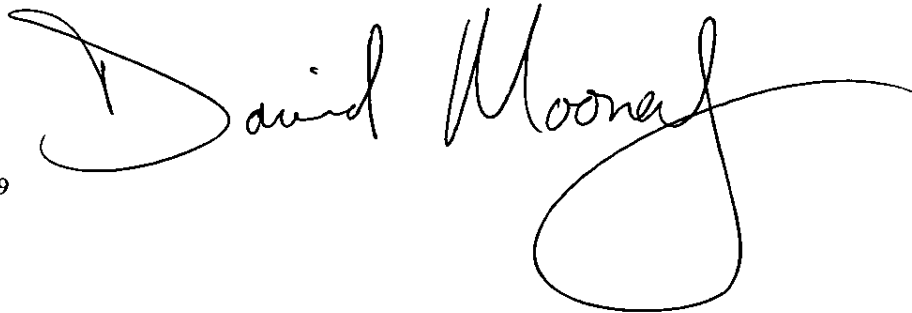
- So far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware;
- and
- Each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

### AUDITORS

A resolution to reappoint RSM Bentley Jennison as auditors of the company will be proposed at the forthcoming Annual General Meeting.

Director

15 December 2009

A large, stylized handwritten signature in black ink, appearing to read 'David Mooney', is written over the signature line.

# Nipson UK Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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UK 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 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.

# Nipson UK Limited

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIPSON UK LIMITED (Registration no. 4344679) for the year ended 31 December 2008

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We have audited the financial statements of Nipson UK Limited for the year ended 31 December 2008 set out on pages 7 to 15. These financial statements have been prepared in accordance with 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 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 on page 3, the company's directors are responsible for the preparation of 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 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 transactions with the company 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 an 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.

# Nipson UK Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIPSON UK LIMITED  
(Registration no. 4344679)  
for the year ended 31 December 2008

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## 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 2008 and of its loss 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.

## Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, concerning the Company's ability to continue as a going concern, which is reliant on support of the group's shareholders and creditors. This support, which includes agreements to write off and restructure certain loans and provide further finance to the group, is contingent on negotiations between the parties involved. These conditions indicate a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

*RSM Bentley Jennison*

RSM Bentley Jennison  
Chartered Accountants & Registered Auditors

15 December 2009

45 Moorfields  
London  
EC2Y 9AE

**Nipson UK Limited**  
**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 2008**

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	<i>Notes</i>	2008 £	2007 £
TURNOVER	<i>1</i>	2,300,885	2,055,039
Cost of sales		(2,509,094)	(2,014,839)
Gross profit		<u>(208,209)</u>	<u>40,200</u>
Selling costs		(176,666)	(174,911)
Administrative expenses		(351,469)	(152,724)
OPERATING LOSS		<u>(736,344)</u>	<u>(287,435)</u>
Interest receivable	<i>2</i>	1,077	4,899
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	<i>4</i>	<u>(735,267)</u>	<u>(282,536)</u>
Taxation	<i>5</i>	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	<i>11</i>	<u><u>(735,267)</u></u>	<u><u>(282,536)</u></u>

The operating loss for the year arises from the company's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as the company has not recognised such gains and losses other than the results above.



# Nipson UK Limited

## BALANCE SHEET

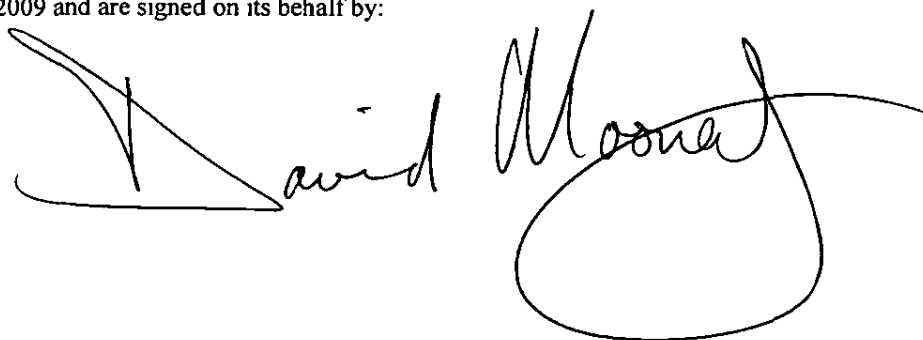
(Registration no. 4344679)

31 December 2008

	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	6	-	7,416
<b>CURRENT ASSETS</b>			
Stocks	7	162,293	277,022
Debtors	8	688,668	569,757
Cash at bank and in hand		137,984	108,958
		<u>988,945</u>	<u>955,737</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	(2,005,760)	(1,244,701)
<b>NET CURRENT LIABILITIES</b>		<u>(1,016,815)</u>	<u>(288,964)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(1,016,815)</u>	<u>(281,548)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	1	1
Profit and loss account	11	(1,016,816)	(281,549)
<b>SHAREHOLDERS' FUNDS</b>	12	<u>(1,016,815)</u>	<u>(281,548)</u>

The financial statements on pages 7 to 15 were approved by the board of directors and authorised for issue on 15 December 2009 and are signed on its behalf by:

Director

A handwritten signature in black ink, appearing to read 'David Mason', with a large, stylized loop at the end.

# Nipson UK Limited

## DETAILED TRADING PROFIT AND LOSS ACCOUNT

### for the year ended 31 December 2008

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#### 1 ACCOUNTING POLICIES

##### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

##### CASH FLOW STATEMENT

The company is exempt under FRS 1 from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary of a company which prepares a consolidated cash flow statement.

##### TURNOVER

Turnover represents the total value, excluding value added tax, of goods sold and services rendered during the year. In the normal course of business, revenue is generated through the sale of equipment, services and supplies. More specifically revenue related to sales of products and services is recognised as follows:

- **Equipment:** Direct equipment sales are recognised on shipment and transfer of title and when installation and collectability of revenues can reasonably be assured. Sales to distributors are recognised upon shipment or receipt according to the sales terms.
- **Services:** Service revenue is derived primarily from maintenance contracts on equipment sold to customers. Revenue on maintenance contracts is recognised on a straight-line basis over the life of the related contract, and is recorded as service revenues.
- **Supplies:** Supplies revenue generally is recognised upon shipment or utilisation by the customer in accordance with sales terms.

##### GOING CONCERN

During the year the company made a loss of £735,267 and had a negative balance sheet total of £1,016,815. The company is dependent on the support of other group companies, and also the group's ultimate controlling party, Creacorp nv, to be able to meet its debts as they fall due. At 31 December 2008 intercompany loans totalled £1,806,197 for which no charges have been made on any of the Company's assets. The continuing support of Creacorp nv via Nipson SAS, the shareholder of Nipson UK Ltd (100%), will be necessary for the Company to meet its obligations as they fall due.

The company's ultimate parent company, Nipson Digital Printing Systems PLC, was placed into administration on 24 November 2009. The Group situation suggests that a material uncertainty exists potentially casting a doubt upon the company's ability to continue as a going concern and that, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business. This information has been made available through a number of announcements to the stock exchange which appear also under the investors section of the Nipson Group's web site : [www.nipson.com](http://www.nipson.com).

After making enquiries and considering the uncertainties and the ongoing efforts at group level to secure a resolution to the liquidity issues affecting the group as noted above, Nipson UK Limited's directors believe that the company is a going concern and the accounts are prepared on this basis. The accounts do not include any adjustments which may arise should these issues result in the ongoing business and financial support from Nipson SAS not continuing.

##### DEPRECIATION

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rate:

Fixtures, fittings and equipment      -      33% per annum

##### STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less additional costs to completion and disposal. Provision is made for obsolete and slow moving items.

# Nipson UK Limited

## DETAILED TRADING PROFIT AND LOSS ACCOUNT

### for the year ended 31 December 2008

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#### LEASED ASSETS AND OBLIGATIONS

All leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

#### FOREIGN CURRENCY

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rate of exchange prevailing at that date.

#### PENSION COSTS

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 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 Group'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 it is regarded as more likely than not that they will be recovered.

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.

**Nipson UK Limited**  
**DETAILED TRADING PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 2008**

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**2      TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

3 % of the company's turnover is attributable to geographical markets outside the UK (2007: 5%).

<b>3</b>	<b>INTEREST RECEIVABLE</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Bank interest	1,077	4,899
		<hr/>	<hr/>
<b>4</b>	<b>EMPLOYEES</b>	<b>2008</b>	<b>2007</b>
		<b>No.</b>	<b>No.</b>
	The average monthly number of persons (including directors) employed by the company during the year was:		
	Sales and maintenance	10	11
	Administration	3	3
		<hr/>	<hr/>
		13	14
		<hr/>	<hr/>
		<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Staff costs for above persons:		
	Wages and salaries	438,684	469,910
	Social security costs	51,146	56,543
	Other pension costs	26,080	16,999
		<hr/>	<hr/>
		515,910	543,452
		<hr/>	<hr/>

**DIRECTORS**

None of the directors received remuneration from the company in respect of the year (2007: £Nil) nor do any directors accrue pension benefits in this company.

# Nipson UK Limited

## DETAILED TRADING PROFIT AND LOSS ACCOUNT for the year ended 31 December 2008

5	LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2008 £	2007 £
	Profit on ordinary activities before taxation is stated after charging:		
	Depreciation		
	Owned assets	7,416	10,423
	Operating lease rentals:		
	Land and buildings	25,000	25,000
	Other assets	37,698	77,750
	Auditors' remuneration		
	Fees payable to the company's auditor for the audit of the financial statements	10,000	10,000
	Other services relating to taxation	1,500	1,500
		<hr/>	<hr/>
6	TAXATION	2008 £	2007 £
	Current tax:		
	UK corporation tax on profits of the period	-	-
		<hr/>	<hr/>
	Deferred taxation:		
	Origination and reversal of timing differences	-	-
		<hr/>	<hr/>
	Tax on profit on ordinary activities	-	-
		<hr/>	<hr/>
	Factors affecting tax charge for period:	2008 £	2007 £
	The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:		
	Profit/(loss) on ordinary activities before tax	(735,267)	(282,536)
		<hr/>	<hr/>
	Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK 28.5% (2007: 30%)	(209,551)	(84,761)
	Effects of:		
	Expenses not deductible for tax purposes	4,349	3,624
	Depreciation for year in excess of capital allowances	3,600	1,247
	Losses to carry forward	201,602	79,890
		<hr/>	<hr/>
	Tax charge for period	-	-
		<hr/>	<hr/>

The company has losses of approximately £1,015,625 (2007 - £295,000) available to carry forward to utilise against future trading profits.

# Nipson UK Limited

## DETAILED TRADING PROFIT AND LOSS ACCOUNT for the year ended 31 December 2008

### 7 TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £
Cost or valuation:	
At 1 January 2008 and 31 December 2008	49,408
Depreciation:	
At 1 January 2008	41,992
Provided in the year	7,416
At 31 December 2008	49,408
Net book value:	
At 31 December 2008	-
At 31 December 2007	7,416

8	STOCKS	2008 £	2007 £
	Parts and consumables	162,293	277,022
		<u>162,293</u>	<u>277,022</u>
8	DEBTORS	2008 £	2007 £
	Trade debtors	548,908	422,757
	Amount due from Related Undertaking	104,750	104,750
	Prepayments and accrued income	35,010	39,250
		<u>688,668</u>	<u>569,757</u>

# Nipson UK Limited

## DETAILED TRADING PROFIT AND LOSS ACCOUNT for the year ended 31 December 2008

9	CREDITORS: Amounts falling due within one year	2008 £	2007 £
	Trade creditors	40,378	26,175
	Taxation and social security	58,039	77,410
	Owed to parent undertaking	1,720,526	704,276
	Due to related undertaking	85,671	377,620
	Accruals and deferred income	89,146	47,220
	Provision for loss making contracts	12,000	12,000
		<u>2,005,760</u>	<u>1,244,701</u>
10	SHARE CAPITAL	2008 £	2007 £
	Authorised:		
	1 Ordinary share of £1	<u>1</u>	<u>1</u>
	Allotted, issued and fully paid:		
	1 Ordinary share of £1	<u>1</u>	<u>1</u>
11	PROFIT AND LOSS ACCOUNT	2008 £	2007 £
	At 1 January 2008	(281,549)	987
	Loss for the financial year	(735,267)	(282,536)
	At 31 December 2008	<u>(1,016,816)</u>	<u>(281,549)</u>
12	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS	2008 £	2007 £
	Loss for the financial year	<u>(735,267)</u>	<u>(282,536)</u>
	Net reduction to shareholders funds	(735,267)	(282,536)
	Opening shareholders funds	<u>(281,548)</u>	<u>988</u>
	Closing shareholders funds	<u>(1,016,815)</u>	<u>(281,548)</u>

# Nipson UK Limited

## DETAILED TRADING PROFIT AND LOSS ACCOUNT for the year ended 31 December 2008

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### 13 COMMITMENTS UNDER OPERATING LEASES

As at 31 December 2008, the company had annual commitments under non-cancellable operating leases as set out below:

	2008 £	2007 £
Operating leases as follows:		
Plant and machinery		
expiring within 1 year	24,296	-
expiring between 2 and 5 years	9,917	34,213
	<u>34,213</u>	<u>34,213</u>

### 14 PENSION COSTS

The company operates a defined contribution scheme. The pension cost for the year was £ 26,080 (2007 - £16,499). At the year end there were outstanding contributions due to the scheme of £2,115 (2007 - £5,256).

### 15 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, 'Related Party Disclosures', not to disclose any transactions with entities that are included in the consolidated financial statements of Nipson Digital Printing Systems PLC.

Owed to Nipson Digital Printing Systems PLC at 31 <sup>st</sup> December 2008	£ 85,670.90
Owed to Nipson SAS at 31 <sup>st</sup> December 2008	£1,720,525.60

### 16 ULTIMATE PARENT COMPANY

At 31 December 2008 the company's immediate parent company was Nipson SAS, a company incorporated in France.

The smallest group for which consolidated financial statements are drawn up is Nipson Digital Printing Systems PLC which can be obtained from their company secretary:

Gravitas Company Secretarial Services Limited  
110 Canon Street  
London  
EC4N 6AR

The ultimate parent undertaking is Creacorp nv, a company incorporated and registered in Belgium, which is the largest group for which consolidated financial statements are drawn up and which can be obtained from : Koperstraat 1A  
Sint- Martens-Latem  
Belgium 9830