

Nipson UK Limited

Report and Financial Statements

Year Ended

31 December 2009

Company Number 4344679



Nipson UK Limited

Report and financial statements for the year ended 31 December 2009

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Directors

G Dumarey
D Mooney

Secretary and registered office

S Ellis, Unit 1C Harwood Road, Northminster Business Park, York, YO26 6QU

Company number

4344679

Auditors

BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU

Nipson UK Limited

Report of the directors for the year ended 31 December 2009

The directors present their report together with the audited financial statements for the year ended 31 December 2009

Results and dividends

The profit and loss account is set out on page 5 and shows the loss for the year

Principal activities

The company's principal activity is the sale and manufacture of high-speed continuous digital printers

Review of business and future developments

During the year, the company made a loss of £338,076 (2008 £735,267) and had a negative balance sheet total of £1,354,891. The company is dependent on the support of Nipson SAS, its immediate parent company, not calling for payment of outstanding purchases. Under these conditions it is able to trade, as it has minimal UK creditors. At 31 December 2009 intercompany loans totalled £1,970,066.

Early in 2009 the company relocated from Dartford to York, this had a very positive effect on the operating costs.

Nipson SAS has guaranteed its long term, strategic plans with the announcement on 20 April 2010 of a new shareholding structure. Creacorp, a major shareholder, who has been reorganising the company since 2008, has sold its stake to Loic Dufeil, Director of the company ADT and to Guillaume Dumarey, currently Marketing and Sales director of Nipson SAS. Ghislain Segard who has been instrumental in the reorganisation remains as President Nipson Digital Printing Systems (NDPS) which entered administration in 2009 now has no involvement with the new organisation. Nipson SAS is now the parent company to all the worldwide subsidiaries.

Nipson UK continues to be supported by Nipson SAS, and there is no indication that this support will be withdrawn.

After a challenging 2009, the first quarter of 2010 has seen encouraging signs of recovery for Nipson SAS and the UK. Increases in worldwide orders and customer production, along with new product launches has created a solid foundation for the continuation of the company's long term plans.

After making enquiries, and being aware of the restructured Nipson SAS, Nipson's UK Ltd 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 the financial support from the Nipson SAS not continue.

Directors

The directors of the company during the year were

G Dumarey
D Mooney
R Cahill (resigned 29 January 2010)

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and exist at the date of this report.

Nipson UK Limited

Report of the directors for the year ended 31 December 2009 (continued)

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

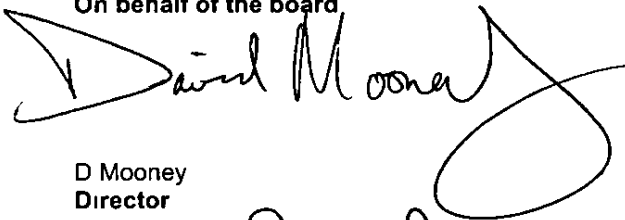
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board



D Mooney
Director

Date

7th Sept 2010

Nipson UK Limited

Independent auditor's report

TO THE MEMBER OF NIPSON UK LIMITED

We have audited the financial statements of Nipson UK Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member 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 member 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 member, 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 statement of directors' responsibilities, 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 the 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 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Nipson UK Limited

Independent auditor's report (*continued*)

Opinion on other matter 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

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



Nicholas Giles Wharton (*senior statutory auditor*)
For and on behalf of BDO LLP, statutory auditor
Leeds
United Kingdom

Date 14 September 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Nipson UK Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 £	2008 £
Turnover	2	1,654,968	2,300,885
Cost of sales		1,591,352	2,509,094
Gross profit/(loss)		63,616	(208,209)
Selling costs		157,542	176,666
Administrative expenses		244,150	351,469
Operating loss	3	(338,076)	(736,344)
Other interest receivable and similar income	6	-	1,077
Loss on ordinary activities before and after taxation for the financial year		(338,076)	(735,267)

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

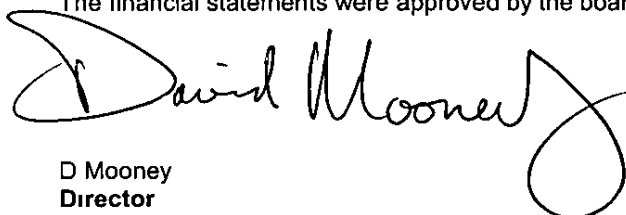
The notes on pages 7 to 14 form part of these financial statements

Nipson UK Limited

Balance sheet at 31 December 2009

Company number 4344679	Note	2009	2009	2008	2008
		£	£	£	£
Fixed assets					
Tangible assets	8		-		-
Current assets					
Stocks	9	294,412		162,293	
Debtors	10	545,123		688,668	
Cash at bank and in hand		65,116		137,984	
		<u>904,651</u>		<u>988,945</u>	
Creditors, amounts falling due within one year	11	<u>2,259,542</u>		<u>2,005,760</u>	
Total assets less current liabilities			<u>(1,354,891)</u>		<u>(1,016,815)</u>
Capital and reserves					
Called up share capital	13		1		1
Profit and loss account	14		<u>(1,354,892)</u>		<u>(1,016,816)</u>
Shareholder's deficit	15		<u>(1,354,891)</u>		<u>(1,016,815)</u>

The financial statements were approved by the board of directors and authorised for issue on



D Mooney
Director

7th Sept 2010

The notes on pages 7 to 14 form part of these financial statements

Nipson UK Limited

Notes forming part of the financial statements for the year ended 31 December 2009

1 Accounting policies

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

The following principal accounting policies have been applied

Going concern

During the year the company had net liabilities of £1,354,891 (2008 £1,016,815), comprising £1,970,066 (2008 £1,806,197) owing to other group undertakings, and made a loss of £338,076 (2008 £735,267) in the year

The group structure is subject to continuing changes and is constantly reviewed by group management in order to maximise shareholder return. This has led to the announcement of a new shareholding structure which included Nipson Digital Printing Systems (the former parent company) going into administration. The changes to the group structure suggest that a material uncertainty potentially exists which would cast doubt over the company's ability to realise its assets and discharge its liabilities in the normal course of business. Further information is available on the group website

The company's parent undertaking, Nipson SAS, has indicated its willingness to provide continuing financial and operational support to the company for the foreseeable future. The directors, therefore, after making enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Nipson SAS and the company is included in consolidated financial statements

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax

Equipment sales are recognised on delivery and completion of installation

Service revenue on maintenance contracts is recognised on a straight line basis over the life of the related contract

Supplies revenue is recognised upon delivery or utilisation by the customer in accordance with sales terms

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal

Long-term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract

Nipson UK Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (continued)

1 Accounting policies (continued)

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that

- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leased assets

Operating lease annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

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.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating loss

	2009 £	2008 £
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	-	7,416
Hire of plant and machinery - operating leases	40,328	37,698
Hire of other assets - operating leases	4,190	25,000
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	11,500	10,000
Exchange differences	(10,234)	-
	<u> </u>	<u> </u>

Nipson UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (continued)

4 Employees

Staff costs (including directors) consist of

	2009 £	2008 £
Wages and salaries	390,300	438,684
Social security costs	45,656	51,146
Other pension costs	13,182	26,080
	<u>449,138</u>	<u>515,910</u>

The average number of employees (including directors) during the year was as follows

	2009 Number	2008 Number
Sales and maintenance	7	10
Administration	3	3
	<u>10</u>	<u>13</u>

5 Directors' remuneration

	2009 £	2008 £
Directors' emoluments	<u>62,600</u>	<u>-</u>

6 Other interest receivable and similar income

	2009 £	2008 £
Bank deposits	<u>-</u>	<u>1,077</u>

Nipson UK Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (continued)

7 Taxation on loss on ordinary activities

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to loss before tax

	2009 £	2008 £
Loss on ordinary activities before tax	(338,076)	(735,267)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 28.00% (2008 - 28.50%)	(94,661)	(209,551)
Effect of		
Expenses not deductible for tax purposes	-	4,349
Capital allowances for period in (excess)/deficit of depreciation	(968)	3,600
Tax losses available to carry forward	-	201,602
Other	95,629	-
Current tax charge for the year	-	-

The company had unutilised tax losses available to carry forward of £1,339,587 (2008 £1,015,625). No deferred tax asset has been recognised on these losses as their future recoverability is uncertain.

Nipson UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (*continued*)

8 Tangible fixed assets

	Fixtures and fittings £
<i>Cost or valuation</i>	
At 1 January 2009	49,408
Disposals	(49,408)
	<hr/>
At 31 December 2009	-
	<hr/>
<i>Depreciation</i>	
At 1 January 2009	49,408
Disposals	(49,408)
	<hr/>
At 31 December 2009	-
	<hr/>
<i>Net book value</i>	
At 31 December 2009	-
	<hr/>
At 31 December 2008	-
	<hr/>

9 Stocks

	2009 £	2008 £
Parts and consumables	294,412	162,293
	<hr/>	<hr/>

There is no material difference between the replacement cost of stocks and the amounts stated above

10 Debtors

	2009 £	2008 £
Trade debtors	406,193	548,908
Other debtors	-	104,750
Prepayments and accrued income	138,930	35,010
	<hr/>	<hr/>
	545,123	688,668
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year

Nipson UK Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (continued)

11 Creditors amounts falling due within one year

	2009 £	2008 £
Trade creditors	25,829	40,378
Amounts owed to group undertakings	1,970,066	1,806,197
Taxation and social security	45,888	58,039
Provisions for loss making contracts	-	12,000
Other creditors	20,725	-
Accruals and deferred income	197,034	89,146
	<u>2,259,542</u>	<u>2,005,760</u>

12 Pensions

The company 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 charge amounted to £13,182 (2008 - £26,080). Contributions amounting to £7,499 (2008 - £2,115) were payable to the fund and are included in creditors.

13 Share capital

	2009 £	2008 £
<i>Allotted, called up and fully paid</i>		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

14 Reserves

	Profit and loss account £
At 1 January 2009	(1,016,816)
Loss for the year	(338,076)
	<u> </u>
At 31 December 2009	<u>(1,354,892)</u>

Nipson UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (*continued*)

15 Reconciliation of movements in shareholder's deficit

	2009 £	2008 £
Loss for the year	(338,076)	(735,267)
Opening shareholder's deficit	(1,016,815)	(281,548)
Closing shareholder's deficit	(1,354,891)	(1,016,815)

16 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	Other 2009 £	Other 2008 £
Operating leases which expire		
Within one year	8,762	24,296
In two to five years	7,285	9,917
	16,047	34,213

17 Related party disclosures

The company is a wholly owned subsidiary of Nipson SAS and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Nipson SAS or other wholly owned subsidiaries within the group

Related party transactions and balances

	Recharge of premises and other related overheads £	Amounts owed to related parties £
2009		
Punch Graphix UK Limited	56,178	4,098
2008		
Punch Graphix UK Limited	-	-

During the year Punch Graphix UK Limited and Nipson UK Limited had common ownership

Nipson UK Limited

**Notes forming part of the financial statements
for the year ended 31 December 2009 (*continued*)**

18 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of Nipson SAS which is the ultimate parent company incorporated in France

The largest and smallest group in which the results of the company are consolidated is that headed by Nipson SAS, incorporated in France. The consolidated accounts of this company are available to the public and may be obtained from 28 Rue E. Thierry Mieg, BP 257, 90005 Belfort Cedex, France. No other group accounts include the results of the company.