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Company Registration No. 2001521 (England and Wales)

**CHAUVIN ARNOUX UK LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2003**



# **CHAUVIN ARNOUX UK LIMITED**

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# **CHAUVIN ARNOUX UK LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO CHAUVIN ARNOUX UK LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts set out on pages 3 to 5, together with the financial statements of the company for the year ended 31 December 2003 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

### **Basis of audit opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 5 are properly prepared in accordance with those provisions.

### **Other information**

On we reported, as auditors of Chauvin Arnoux UK Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 2003, and our audit report was as follows:

"We have audited the financial statements of Chauvin Arnoux UK Limited on pages 4 to 10 for the year ended 31 December 2003. These financial statements have been prepared under the historical cost convention and 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

# CHAUVIN ARNOUX UK LIMITED

## INDEPENDENT AUDITORS' REPORT TO CHAUVIN ARNOUX UK LIMITED (CONTINUED) UNDER SECTION 247B OF THE COMPANIES ACT 1985

### Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you 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 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 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.

### Qualified opinion arising from disagreement about accounting treatment

The closing stock value shown on the balance sheet and included in calculating cost of sales is £311,832. In our opinion the method of valuation of stock is not in accordance with the accounting policies and the net realisable value of the stock is lower than the value included in the accounts.

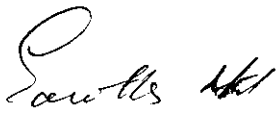
The company stock records are denominated in Euros and the stock value is obtained by revaluing at a single exchange rate rather than the rates ruling at the date the stock items were purchased. Also, there is a significant quantity of stock which is slow moving and obsolete in the markets in which the company operates.

In our opinion we estimate that the stock value is overstated by the net effect of exchange revaluation and the absence of provision against stock to reflect recoverable amounts. The exchange effect cannot be quantified but we believe that the total potential overstatement without a provision may be between £70,000 and £90,000, reducing profit before tax and net assets by that amount.

Except for the adjustment required to the stock value, in our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

Date 13/10/04

Grenville Court, Britwell Road  
Burnham, Buckinghamshire  
SL1 8DF

  
Eacotts Ltd  
Chartered Accountants  
Registered Auditor

# CHAUVIN ARNOUX UK LIMITED

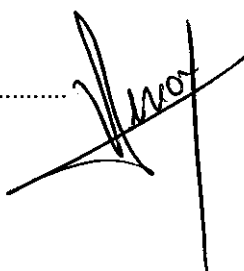
## ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2003

|                                                       | Notes | 2003<br>£        | £              | 2002<br>£        | £              |
|-------------------------------------------------------|-------|------------------|----------------|------------------|----------------|
| <b>Fixed assets</b>                                   |       |                  |                |                  |                |
| Tangible assets                                       | 2     |                  | 9,836          |                  | 51             |
| <b>Current assets</b>                                 |       |                  |                |                  |                |
| Stocks                                                |       | 311,832          |                | 230,293          |                |
| Debtors                                               |       | 166,847          |                | 165,168          |                |
| Cash at bank and in hand                              |       | 164,044          |                | 301,715          |                |
|                                                       |       | <u>642,723</u>   |                | <u>697,176</u>   |                |
| <b>Creditors: amounts falling due within one year</b> |       | <u>(256,144)</u> |                | <u>(307,578)</u> |                |
| <b>Net current assets</b>                             |       |                  | <u>386,579</u> |                  | <u>389,598</u> |
| <b>Total assets less current liabilities</b>          |       |                  | <u>396,415</u> |                  | <u>389,649</u> |
| <b>Capital and reserves</b>                           |       |                  |                |                  |                |
| Called up share capital                               | 3     | 45,000           |                | 45,000           |                |
| Profit and loss account                               |       | 351,415          |                | 344,649          |                |
| <b>Shareholders' funds - equity interests</b>         |       |                  | <u>396,415</u> |                  | <u>389,649</u> |

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 11/10/04.

.....  
A Arnoux  
Director



# CHAUVIN ARNOUX UK LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

|                                |                   |
|--------------------------------|-------------------|
| Fixtures, fittings & equipment | 20% straight line |
|--------------------------------|-------------------|

#### 1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.5 Stock

Stock is valued at the lower of cost and net realisable value. Cost includes all direct costs.

#### 1.6 Deferred taxation

The accounting policy in respect of deferred tax reflects the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

# CHAUVIN ARNOUX UK LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

### 2 Fixed assets

|                       | <b>Tangible<br/>assets<br/>£</b> |
|-----------------------|----------------------------------|
| <b>Cost</b>           |                                  |
| At 1 January 2003     | 74,447                           |
| Additions             | 10,730                           |
|                       | <hr/>                            |
| At 31 December 2003   | 85,177                           |
|                       | <hr/>                            |
| <b>Depreciation</b>   |                                  |
| At 1 January 2003     | 74,396                           |
| Charge for the year   | 945                              |
|                       | <hr/>                            |
| At 31 December 2003   | 75,341                           |
|                       | <hr/>                            |
| <b>Net book value</b> |                                  |
| At 31 December 2003   | 9,836                            |
|                       | <hr/>                            |
| At 31 December 2002   | 51                               |
|                       | <hr/>                            |

### 3 Share capital

|                                           | <b>2003<br/>£</b> | <b>2002<br/>£</b> |
|-------------------------------------------|-------------------|-------------------|
| <b>Authorised</b>                         |                   |                   |
| 100,000 Ordinary shares of £1 each        | 100,000           | 100,000           |
|                                           | <hr/>             | <hr/>             |
| <b>Allotted, called up and fully paid</b> |                   |                   |
| 45,000 Ordinary shares of £1 each         | 45,000            | 45,000            |
|                                           | <hr/>             | <hr/>             |