

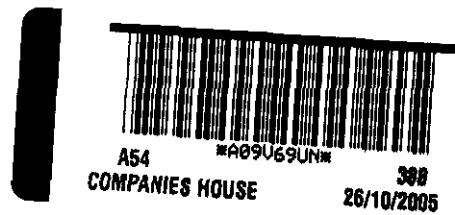
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TYPOLAC LIMITED

Abbreviated Accounts

31 December 2004

 **ERNST & YOUNG**



Typolac Limited

Registered number 2443090

DIRECTORS

V Flören
J R Hare
J D Jamieson
J Newton

SECRETARY

J Keeley

REGISTERED OFFICE

9 Sandy Lane
Skelmersdale
Lancashire
WN8 8LA

ACCOUNTANTS

Hollows & Hesketh
9 Sandy Lane
Skelmersdale
Lancashire
WN8 8LA

AUDITORS

Ernst & Young LLP
Silkhouse Court
Tithebarn Street
Liverpool
L2 2LE

BANKERS

National Westminster Bank Plc
15 The Concourse
Skelmersdale
Lancashire
WN8 6LD

SOLICITORS

Brighouse Wolff
28 Derby Street
Ormskirk
Lancashire
L39 2BY

Typolac Limited

DIRECTORS' REPORT

The directors submit their report and the accounts for the period from 1 September 2003 to 31 December 2004. The company's previous accounting reference date was 31 March and was changed to be coterminous with the holding company.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £542,821 (2003: loss £210,311).

The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the period continued to be the printing and supply of colour cards for the paint and cosmetic industries.

The directors are satisfied with the results for the period in the light of the downturn in trade.

DIRECTORS AND THEIR INTERESTS

The directors at 31 December 2004 and their interests in the issued ordinary shares of the company throughout the year were as follows:

	<i>Number</i>
V Flören	-
J D Jamieson	-
J R Hare	14
J Newton	10

None of the directors have any disclosable interests in the share capital of any other group company.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming annual general meeting.

By order of the board


J Keeley
Secretary

21.10.2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts 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 accounts 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 accounts 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.

INDEPENDENT AUDITORS' REPORT TO TYPOLAC LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the company's abbreviated accounts for the period ended 31 December 2004 which comprise Profit and Loss Account, Balance Sheet, and the related notes 1 to 14, which have been prepared in accordance with applicable United Kingdom law, together with the company's financial statements for the period ended 31 December 2004 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 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

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A 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 246A(3) 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.

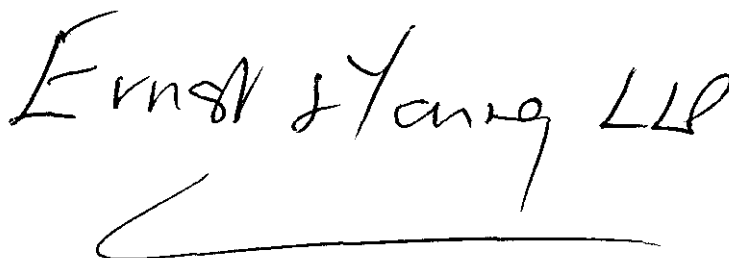
Basis of opinion

We have carried out the procedures we consider 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 246A(3) of the Companies Act 1985, and the abbreviated accounts are properly prepared in accordance with that provision.

Ernst & Young LLP
Registered Auditor
Liverpool



Date 24 October 2005

Typolac Limited

ABBREVIATED PROFIT AND LOSS ACCOUNT

for the period 1 September 2003 to 31 December 2004

	Notes	2004 £	2003 £
GROSS PROFIT		914,795	857,443
Distribution costs		261,990	204,902
Administrative expenses		1,139,071	928,237
		<u>1,401,061</u>	<u>1,133,139</u>
OPERATING LOSS	2	(486,266)	(275,696)
Interest receivable		2,897	940
Interest payable	4	-	(5)
		<u>2,897</u>	<u>935</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(483,369)	(274,761)
Tax on loss on ordinary activities	5	(59,452)	64,450
LOSS RETAINED FOR THE FINANCIAL PERIOD		<u>(542,821)</u>	<u>(210,311)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than as shown by the above profit and loss account.

Typolac Limited

ABBREVIATED BALANCE SHEET at 31 December 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible assets	6	-	3,281
CURRENT ASSETS			
Stocks	7	290,419	491,961
Debtors	8	620,633	683,389
Cash at bank and in hand		315,934	-
CREDITORS: amounts falling due within one year	9	1,226,986 1,280,348	1,175,350 689,172
NET CURRENT (LIABILITIES)/ASSETS		(53,362)	486,178
TOTAL ASSETS LESS CURRENT LIABILITIES		(53,362)	489,459
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account	11	(53,462)	489,359
EQUITY SHAREHOLDERS' FUNDS		(53,362)	489,459

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

V Flören
Director

21.10.05

NOTES TO THE ABBREVIATED ACCOUNTS
at 31 December 2004

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write down the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset, over its expected useful life as follows:

Plant and machinery - 15% reducing balance

Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

Costs incurred in bringing each product to its present location and condition:

Raw materials - purchase cost on a first-in, first-out basis
Work in progress and finished goods - cost of direct materials and labour plus attributable overheads based on normal level of activity

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred taxation 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.

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.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate 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 the profit and loss account.

NOTES TO THE ABBREVIATED ACCOUNTS
at 31 December 2004

1. ACCOUNTING POLICIES (Continued)

Leasing commitments

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

Pensions

The company operates two defined contribution schemes. The contributions to these schemes are charged in the period in which they become payable.

2. OPERATING LOSS

(a) This is stated after charging/(crediting):

	<i>16 months to 31 December 2004 £</i>	<i>Year to 31 August 2003 £</i>
Directors' remuneration (see below)	188,081	111,452
Auditors' remuneration	9,200	9,200
Depreciation of owned fixed assets	3,281	579
Hire of plant and machinery	89,284	267,852
Foreign exchange differences	9,283	(12,963)
(b) Directors' remuneration:		
Emoluments in respect of qualifying services	176,882	103,110
Pension contributions	11,199	8,342
	<u>188,081</u>	<u>111,452</u>

The company paid pension contribution of £11,199 (2002:£8,342) into a defined contribution scheme for the benefit of two directors.

NOTES TO THE ABBREVIATED ACCOUNTS
at 31 December 2004

3. STAFF COSTS

	<i>16 months to 31 December 2004 £</i>	<i>Year to 31 August 2003 £</i>
Wages and salaries	1,155,561	991,911
Social security costs	109,508	93,608
Other pension costs	83,623	69,967
	<u>1,348,692</u>	<u>1,155,486</u>

The average monthly number of employees during the year was as follows:

	<i>2004 No.</i>	<i>2003 No.</i>
Office and management	16	17
Manufacturing	33	34
	<u>49</u>	<u>51</u>

4. INTEREST PAYABLE

	<i>16 months to 31 December 2004 £</i>	<i>Year to 31 August 2003 £</i>
Bank overdraft	-	5
	<u>-</u>	<u>5</u>

5. TAX ON LOSS ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the year

	<i>16 months to 31 December 2004 £</i>	<i>Year to 31 August 2003 £</i>
Current tax:		
UK corporation tax	-	(64,450)
Tax under provided in previous periods	59,452	-
Total current tax (note 8(b))	<u>59,452</u>	<u>(64,450)</u>

NOTES TO THE ABBREVIATED ACCOUNTS
at 31 December 2004

5. TAX ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)

(b) Factors affecting tax charge for the period

The tax assessed on the loss on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 30% (2003: 30%).

The differences are reconciled below:

	<i>16 months to 31 December 2004 £</i>	<i>Year to 31 August 2003 £</i>
Loss on ordinary activities	(483,369)	(274,761)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003:30%)	(145,011)	(82,428)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	11,278	4,935
Depreciation in excess of capital allowances	846	70
Corporation tax losses carried forward	97,328	12,973
Corporation tax losses group relieved for nil payment	35,559	-
Prior year under provision of corporation tax	59,452	-
	<u>59,452</u>	<u>(64,450)</u>
(c) Deferred tax		
	<i>Deferred tax asset unprovided 2004 £</i>	<i>2003 £</i>
Capital allowances in advance of depreciation	(276)	672
Trade losses	(108,215)	(12,974)
	<u>(108,491)</u>	<u>(12,302)</u>

The deferred tax asset of £108,491 (2003: £12,302) has not been recognised on the basis that it is not considered more likely than not that it will be utilised in the foreseeable future.

Typolac Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 31 December 2004

6. TANGIBLE FIXED ASSETS

	<i>Plant and Machinery</i>
	£
Cost:	
At 1 September 2003 and 31 December 2004	12,361
Depreciation:	
At 1 September 2003	9,080
Provided during the period	3,281
At 31 December 2004	12,361
Net book value:	
At 31 December 2004	-
At 31 August 2003	3,281

7. STOCKS

	2004	2003
	£	£
Raw materials and consumables	150,760	136,786
Work in progress	139,659	355,175
	290,419	491,961

8. DEBTORS

	2004	2003
	£	£
Trade debtors	578,484	595,864
Other debtors	-	50,390
Prepayments	42,149	37,135
	620,633	683,389

9. CREDITORS: amounts falling due within one year

	2004	2003
	£	£
Bank overdraft	223,462	40,845
Trade creditors	129,595	91,790
Other taxes and social security	44,680	63,959
Amount owed to group undertakings	290,080	177,957
Amount owed to fellow subsidiary undertakings	349,580	94,818
Amounts owed to associated undertaking	17,846	8,420
Other creditors and accruals	113,105	61,383
Proposed dividend	112,000	150,000
	1,280,348	689,172

NOTES TO THE ABBREVIATED ACCOUNTS
at 31 December 2004

10. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	100	100	100	100

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share Capital</i>	<i>Profit and loss account</i>	<i>Total</i>
At 1 September 2002	100	669,670	669,670
Loss for the year	-	(210,311)	(210,311)
At 31 August 2002	100	489,359	489,459
Loss for the year	-	(542,821)	(542,821)
At 31 August 2003	100	(53,462)	(53,362)

12. PENSION COMMITMENTS

The company operates two defined contribution schemes, funded by the payment of contributions to independently administered trust funds. The pension accrual at the year end was £4,647 (2003: £6,077).

13. ULTIMATE HOLDING COMPANY

In the directors' opinion, the ultimate parent undertaking and controlling party at the year end was Willhelm Floren Verwaltungs – Und Beteiligungsgesellschaft m.b.H, an entity registered in Germany.

14. RELATED PARTY TRANSACTIONS

The company made sales and purchased goods and services totalling £91,560 and £762,140 (2003: £nil and £1,124,506) respectively from other group companies. Amounts owing to group companies are disclosed in the notes to the accounts.

Secretarial fees of £59,034 were paid to Hollows & Hesketh, a firm in which the secretary of the company, J Keeley, is a Partner.