


TYPOLAC LIMITED

Abbreviated Accounts

31 August 2002

 ERNST & YOUNG



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COMPANIES HOUSE

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27/06/03

Typolac Limited

Registered number 2443090

DIRECTORS

V Flören
J R Hare
J D Jamieson
J Newton

SECRETARY

J D Jamieson

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

Kennedys
15 Railway Road
Ormskirk
Lancashire
L39 2DW

DIRECTORS' REPORT

The directors submit their report and the accounts for the year ended 31 August 2002.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £76,799 (2001: profit of £81,040).

The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the year 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 year in the light of the downturn in trade.

DIRECTORS AND THEIR INTERESTS

The directors at 31 August 2002 and their interests in the issued ordinary shares of the company throughout the year were as follows:

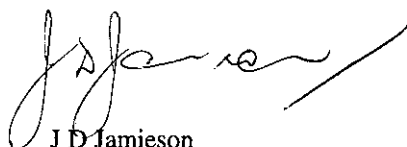
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V Flören	-
J D Jamieson	-
J R Hare	14
J Newton	10

The interests of V Flören and J D Jamieson in the share capital of other group companies are disclosed in the Directors' Report of Color-Label Limited. Neither J R Hare or J Newton have any 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 D Jamieson
Secretary

27/6/03

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 year ended 31 August 2002 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 year ended 31 August 2002 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 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 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.

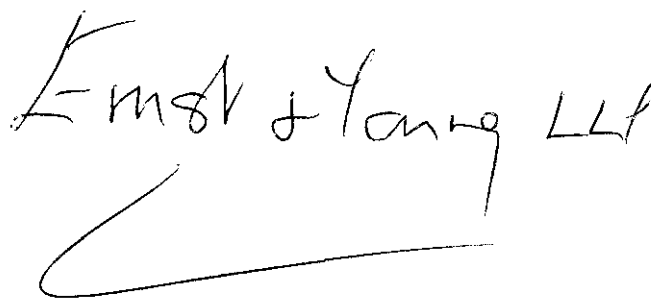
Basis of opinion

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



27 JUN 2003

Typolac Limited

ABBREVIATED PROFIT AND LOSS ACCOUNT for the year ended 31 August 2002

	Notes	2002 £	2001 £
GROSS PROFIT		1,027,167	1,260,486
Distribution costs		217,536	221,049
Administrative expenses		908,834	915,588
		<u>1,126,370</u>	<u>1,136,637</u>
OPERATING (LOSS)/PROFIT	2	<u>(99,203)</u>	<u>123,849</u>
Interest receivable		5,386	473
Interest payable	4	(16)	(82)
		<u>5,370</u>	<u>391</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(93,833)</u>	<u>124,240</u>
Tax on (loss)/profit on ordinary activities	5	17,034	(43,200)
(LOSS)/PROFIT RETAINED FOR THE FINANCIAL YEAR		<u>(76,799)</u>	<u>81,040</u>

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 August 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible assets	6	3,860	4,541
CURRENT ASSETS			
Stocks	7	523,879	602,100
Debtors	8	751,328	1,041,891
Cash at bank and in hand		229,185	86,448
		1,504,392	1,730,439
CREDITORS: amounts falling due within one year	9	808,482	958,411
NET CURRENT ASSETS		695,910	772,028
TOTAL ASSETS LESS CURRENT LIABILITIES		699,770	776,569
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account	11	699,670	776,469
EQUITY SHAREHOLDERS' FUNDS		699,770	776,569

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

27/6/03.

ERNST & YOUNG

NOTES TO THE ABBREVIATED ACCOUNTS
at 31 August 2002

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, 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.
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- 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.

Typolac Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 31 August 2002

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)/PROFIT

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

	2002 £	2001 £
Directors' remuneration (see below)	96,872	60,268
Auditors' remuneration	8,750	8,500
Depreciation of owned fixed assets	681	800
Hire of plant and machinery	267,852	267,852
Foreign exchange differences	(5,814)	9,682
	<hr/>	<hr/>
(b) Directors' remuneration:		
Emoluments in respect of qualifying services	89,729	56,518
Pension contributions	7,143	3,750
	<hr/>	<hr/>
	96,872	60,268
	<hr/>	<hr/>

The company paid pension contribution of £7,143 into a defined contribution scheme for the benefit of two directors (2001: £3,750 for the benefit of one director).

3. STAFF COSTS

	2002 £	2001 £
Wages and salaries	1,009,762	1,005,339
Social security costs	78,888	80,454
Other pension costs	68,870	70,980
	<hr/>	<hr/>
	1,157,520	1,156,773
	<hr/>	<hr/>

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

	2002 No.	2001 No.
Office and management	17	17
Manufacturing	44	54
	<hr/>	<hr/>
	61	71
	<hr/>	<hr/>

NOTES TO THE ABBREVIATED ACCOUNTS
at 31 August 2002

4. INTEREST PAYABLE

	2002 £	2001 £
Bank overdraft	16	82

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the year

	2002 £	2001 £
Current tax:		
UK corporation tax	(17,034)	43,200

(b) Factors affecting tax charge for the year

The tax assessed on the loss on ordinary activities differs from standard rate of corporation tax in the UK of 30% (2001: 30%).
The differences are reconciled below:

	2002 £	2001 £
(Loss)/profit on ordinary activities	(93,833)	124,240
Profit on ordinary activities multiplied by standard rate of tax in the UK	(28,150)	37,272
Effects of:		
Expenses not deductible for tax purposes	11,268	5,874
Other timing differences	(152)	54
	(17,034)	43,200

Typolac Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 31 August 2002

6. TANGIBLE FIXED ASSETS

	<i>Plant and Machinery</i>
	£
Cost:	
At 1 September 2001 and 31 August 2002	12,361
Depreciation:	
At 1 September 2001	7,820
Provided during the year	681
At 31 August 2002	8,501
Net book value:	
At 31 August 2002	3,860
At 31 August 2001	4,541

7. STOCKS

	2002	2001
	£	£
Raw materials and consumables	145,763	178,033
Work in progress	378,116	424,067
	523,879	602,100

8. DEBTORS

	2002	2001
	£	£
Trade debtors	671,522	1,004,566
Prepayments	36,874	37,325
Corporation tax	29,534	-
Other debtors	13,398	-
	751,328	1,041,891

Typolac Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 31 August 2002

9. CREDITORS: amounts falling due within one year

	2002 £	2001 £
Trade creditors	185,089	189,107
Corporation tax	-	43,200
Other taxes and social security	23,795	33,426
Amount owed to parent undertakings	298,600	479,860
Amount owed to fellow subsidiary undertakings	76,986	-
Amounts owed to associated undertaking	5,490	504
Other creditors and accruals	68,522	62,314
Proposed dividend	150,000	150,000
	<u>808,482</u>	<u>958,411</u>

10. SHARE CAPITAL

	2002 No.	Authorised 2001 No.	Allotted, called up and fully paid 2002 £	2001 £
Ordinary shares of £1 each	100	100	100	100

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital	Profit and loss account	Total
At 1 September 2000	100	695,429	695,529
Profit for the year	-	81,040	81,040
At 1 September 2001	100	776,469	776,569
Loss for the year	-	(76,799)	(76,799)
At 31 August 2002	100	699,670	699,770

Shareholders' funds are attributable to equity interests.

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 £4,841 (2001: £7,222).

13. ULTIMATE HOLDING COMPANY

The immediate parent undertaking is Typo-Label Limited, a company registered in England and Wales.

In the directors' opinion, the ultimate parent undertaking and controlling party is Interlicenza, an entity incorporated in Liechtenstein.

NOTES TO THE ABBREVIATED ACCOUNTS
at 31 August 2002

14. RELATED PARTY TRANSACTIONS

The company purchased goods and services totalling £737,758 (2001: £1,180,910) from other group companies. Amounts owing to group companies are disclosed in the notes to the accounts.

Secretarial fees of £53,970 (2001: £43,835) were paid to Hollows & Hesketh, a firm in which a director of the company, J D Jamieson, was a Partner until 31 July 2001.