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TYPOLAC LIMITED

Abbreviated Accounts

31 August 2000

 ERNST & YOUNG



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
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

 **ERNST & YOUNG**

DIRECTORS' REPORT

The directors submit their report and abbreviated accounts for the year ended 31 August 2000.

RESULTS AND DIVIDENDS

The trading loss for the year, after taxation, amounted to £83,641 (1999 : profit of £117,739).

The directors do not recommend the payment of a final 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 2000 and their interests in the issued ordinary shares of the company were, throughout the year, as follows:

	<i>Number</i>
V Flören	-
J R Hare	14
J D Jamieson	-
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. None of the other directors have an interest in the share capital of any other group company.

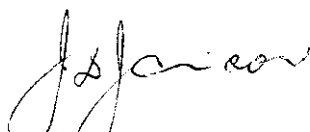
YEAR 2000

Following the implementation of the detailed action plan designed to ensure that all necessary information and operational systems were Year 2000 compliant, the board is pleased to announce that there were no significant issues and all systems remained fully operational during the transition into the Year 2000. However, the company remains vigilant to potential problems within the supply chain.

AUDITORS

Ernst & Young has stated that it is intending to transfer its business to a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, to be called Ernst & Young LLP, on 28 June 2001. If this happens, Ernst & Young has indicated to the Directors that it will resign as the Company's auditor with effect from that date and it is the current intention of the Directors to use their statutory powers to appoint Ernst & Young LLP to fill the vacancy in the office of auditor. Ernst & Young LLP will then be re-appointed as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 Companies Act 1985.

By order of the board


J D Jamieson
Secretary

10/5/01

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.

**SPECIAL REPORT OF THE AUDITORS
to Typolac Limited under Section 274B of the Companies Act 1985**

We have examined the abbreviated accounts on pages 5 to 12 together with the annual accounts of the company for the year ended 31 August 2000 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

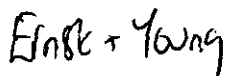
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those annual accounts. 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 full accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 12 are properly prepared in accordance with that provision.



Ernst & Young
Registered Auditor
Liverpool

17 May 2001

Typolac Limited

ABBREVIATED PROFIT AND LOSS ACCOUNT for the year ended 31 August 2000

	Notes	2000 £	1999 £
GROSS PROFIT		1,014,176	1,518,261
Distribution costs		229,249	227,567
Administrative expenses		898,669	1,099,411
		<u>1,127,918</u>	<u>1,326,978</u>
OPERATING (LOSS)/PROFIT	2	<u>(113,742)</u>	<u>191,283</u>
Interest receivable		428	949
Interest payable	4	(146)	(328)
		<u>282</u>	<u>621</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(113,460)</u>	<u>191,904</u>
Tax on (loss)/profit on ordinary activities	5	29,819	74,165
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(83,641)</u>	<u>117,739</u>
Dividend	6	-	50,000
(LOSS)/PROFIT RETAINED FOR THE FINANCIAL YEAR		<u><u>(83,641)</u></u>	<u><u>67,739</u></u>

RECOGNISED GAIN AND LOSSES

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

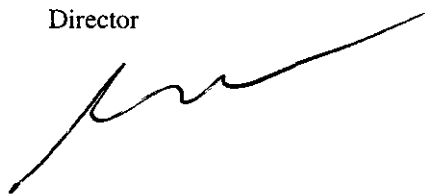
Typolac Limited

ABBREVIATED BALANCE SHEET at 31 August 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible assets	7	5,341	6,286
Investment	8	-	2,500
		<u>5,341</u>	<u>8,786</u>
CURRENT ASSETS			
Stocks	9	531,872	506,000
Debtors	10	1,103,198	1,184,249
Cash at bank and in hand		60,310	209
		<u>1,695,380</u>	<u>1,690,458</u>
CREDITORS: amounts falling due within one year	11	<u>1,005,192</u>	<u>920,074</u>
NET CURRENT ASSETS		<u>690,188</u>	<u>770,384</u>
TOTAL NET ASSETS		<u><u>695,529</u></u>	<u><u>779,170</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and loss account	13	695,429	779,070
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u><u>695,529</u></u>	<u><u>779,170</u></u>

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



10/5/01.

NOTES TO THE ABBREVIATED ACCOUNTS
at 31 August 2000

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 off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Plant and machinery - 20% straight line and 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 provided using the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that the tax will be payable.

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.

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.

NOTES TO THE ABBREVIATED ACCOUNTS

at 31 August 2000

2. OPERATING PROFIT

(a) This is stated after charging:

	2000 £	1999 £
Directors' remuneration (see below)	67,653	60,268
Auditors' remuneration	9,000	8,800
Depreciation of owned fixed assets	945	1,115
Hire of plant and machinery	266,862	265,872
Service charge payable to immediate parent undertaking	-	250,000
Foreign exchange differences	(6,604)	6,727
Amounts written of investments	2,500	2,500

(b) Directors' remuneration:

Emoluments in respect of qualifying services	63,903	56,518
Pension contributions	3,750	3,750
	<u>67,653</u>	<u>60,268</u>

The company paid pension contribution of £3,750 into a defined contribution scheme for the benefit of one director (1999: £3,750 for the benefit of one director).

3. STAFF COSTS

	2000 £	1999 £
Wages and salaries	998,635	1,049,749
Social security costs	61,398	92,426
Other pension costs	66,360	61,881
	<u>1,126,393</u>	<u>1,204,056</u>

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

	2000 £	1999 £
Office and management	17	18
Manufacturing	58	60
	<u>75</u>	<u>78</u>

Typolac Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 31 August 2000

4. INTEREST PAYABLE

	2000	1999
	£	£
Bank overdraft	146	328
	<u>146</u>	<u>328</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000	1999
	£	£
Based on the profit for the year:		
Corporation tax of 30% (1999: 30%)	(29,072)	74,252
Corporation tax overprovided in previous years	(747)	(87)
	<u>(29,819)</u>	<u>74,165</u>

No provision has been made for deferred taxation due to immaterial timing differences at the balance sheet date.

6. DIVIDEND

	2000	1999
	£	£
Ordinary – final proposal	-	50,000
	<u>-</u>	<u>50,000</u>

7. TANGIBLE FIXED ASSETS

	<i>Plant and Machinery</i>
	£
Cost:	
At 1 September 1999 and 31 August 2000	12,361
Depreciation:	
At 1 September 1999	6,075
Provided during the year	945
	<u>7,020</u>
At 31 August 2000	
Net book value:	
At 31 August 2000	5,341
	<u>5,341</u>
At 31 August 1999	6,286
	<u>6,286</u>

Typolac Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 31 August 2000

8. INVESTMENT

	2000	1999
	£	£
Unlisted investment at cost:		
At 1 September 1999	2,500	5,000
Amounts written off	(2,500)	(2,500)
At 31 August 2000	-	2,500

9. STOCKS

	2000	1999
	£	£
Raw materials and consumables	145,150	190,223
Work in progress	386,722	315,777
	531,872	506,000

10. DEBTORS

	2000	1999
	£	£
Trade debtors	1,016,370	1,118,116
Other debtors and prepayments	32,880	45,996
Corporation tax	53,552	20,137
Other debtors	396	-
	1,103,198	1,184,249

Included within advance corporation tax recoverable is an amount £53,552 (1999: £20,137) which is due after more than one year.

11. CREDITORS: amounts falling due within one year

	2000	1999
	£	£
Bank overdraft	-	49,432
Trade creditors	117,546	149,505
Corporation tax	-	75,000
Other taxes and social security	85,787	71,126
Amount owed to parent undertaking	383,406	357,975
Amount owed to fellow subsidiary undertakings	169,806	-
Amounts owed to associated undertaking	329	-
Other creditors and accruals	98,318	67,036
Proposed dividend	150,000	150,000
	1,005,192	920,074

NOTES TO THE ABBREVIATED ACCOUNTS
at 31 August 2000

12. SHARE CAPITAL

	2000 No.	Authorised 1999 No.	Allotted, called up and fully paid 2000 £	1999 £
Ordinary shares of £1 each	100	100	100	100

13. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital	Profit and loss account	Total
At 1 September 1998	100	711,331	711,431
Profit for the year	-	117,739	117,739
Dividend	-	(50,000)	(50,000)
At 1 September 1999	100	779,070	779,170
Profit for the year	-	(83,641)	(83,641)
At 31 August 2000	100	695,429	695,529

Shareholders' funds are attributable to equity interests.

14. PENSION COMMITMENTS

The company operates two defined contribution schemes, funded by the payment of contributions to independently administered trust funds.

Contributions paid were as follows:

	2000 £	1999 £
Employees money purchase scheme	66,360	61,881
Directors money purchase scheme	3,750	3,750
	70,110	65,631

The company had previously operated a defined benefits scheme for the benefit of its employees. The scheme was frozen on 28 February 1996. Its value is to be transferred into the money purchase scheme but the amount has not yet been determined.

NOTES TO THE ABBREVIATED ACCOUNTS
at 31 August 2000

15. 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, a company incorporated in Liechtenstein.

16. RELATED PARTY TRANSACTIONS

The company purchased goods and services totalling £1,381,380 (1999: £1,539,020) from other group companies. Amounts owing to group companies are disclosed in the notes to the accounts.

Secretarial fees of £39,600 (1999: £38,900) were paid to Hollows & Hesketh, a firm in which a director of the company, J D Jamieson, is a partner. In addition the company did not pay service to Lux Color Limited (1999: £125,000). J D Jamieson and V Flören, directors, are directors of Lux Color Limited.