

# Typolac Limited

## Abbreviated Accounts

31 August 1999

*Company number 2443090*



# Typolac Limited

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## DIRECTORY

### 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

DIRECTORS' REPORT

The directors submit their report and abbreviated accounts for the year ended 31 August 1999.

**RESULTS AND DIVIDENDS**

The trading profit for the year, after taxation, amounted to £117,739 (1998 : £310,333).

The director propose a final dividend for the year amounting to £50,000, which leaves a profit of £67,739 to be transferred to reserves.

**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 and look forward to continued success in the current year.

**FIXED ASSETS**

Details of fixed assets are shown in notes 7 and 8 to the accounts.

**DIRECTORS AND THEIR INTERESTS**

The directors at 31 August 1999 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**

Prior to 31 December 1999, steps were taken to review computer and date dependent systems critical to the Company's ongoing operations and preparation of financial information to establish the impact, if any, which the Year 2000 might have on the accuracy of calculations, processing and reporting. Although it is not possible to guarantee that no Year 2000 problems remain, the Company believes that its internal systems are Year 2000 compliant.

The Company continues to address the business risk from third parties with whom it deals on business or financial matters, including key customers and suppliers. Contingency plans have been developed to minimise risk of disruption. No significant disruptions have occurred to date.

Although the millennium date change has passed and no significant problems have been encountered, the directors recognise that there is still a risk of Year 2000 impacting the business but do not expect this to be significant.

DIRECTORS' REPORT

**AUDITORS**

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By order of the board



J D Jamieson  
Secretary

14.6.00

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 6 to 15 together with the annual accounts of the company for the year ended 31 August 1999 prepared under Section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

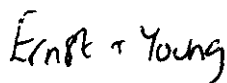
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of 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 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 15 are properly prepared in accordance with that provision.



Ernst & Young  
Registered Auditor  
Liverpool

20 June 2000

# Typolac Limited

## ABBREVIATED PROFIT AND LOSS ACCOUNT for the year ended 31 August 1999

	<i>Notes</i>	<i>1999</i> £	<i>1998</i> £
<b>GROSS PROFIT</b>		1,518,261	1,854,128
Distribution costs		227,567	211,701
Administrative expenses		1,099,411	1,180,683
		1,326,978	1,392,384
<b>OPERATING PROFIT</b>	2	191,283	461,744
Interest receivable		949	5,657
Interest payable	4	(328)	(180)
		621	5,477
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		191,904	467,221
Tax on profit on ordinary activities	5	74,165	156,888
<b>PROFIT FOR THE FINANCIAL YEAR</b>		117,739	310,333
Dividend	6	50,000	300,000
<b>PROFIT RETAINED FOR THE FINANCIAL YEAR</b>		67,739	10,333

### 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 1999

	Notes	1999 £	1998 £
<b>FIXED ASSETS</b>			
Tangible assets	7	6,286	7,401
Investment	8	2,500	5,000
		<u>8,786</u>	<u>12,401</u>
<b>CURRENT ASSETS</b>			
Stocks	9	506,000	523,885
Debtors	10	1,184,249	1,204,493
Cash at bank and in hand		209	35,672
		<u>1,690,458</u>	<u>1,764,050</u>
<b>CREDITORS: amounts falling due within one year</b>	11	920,074	1,065,020
		<u>770,384</u>	<u>699,030</u>
<b>NET CURRENT ASSETS</b>		<u>779,170</u>	<u>711,431</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	100	100
Profit and loss account	13	779,070	711,331
		<u>779,170</u>	<u>711,431</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>779,170</u>	<u>711,431</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

14. 6. 00

# Typolac Limited

## STATEMENT OF CASH FLOWS for the year ended 31 August 1999

	Notes	1999 £	1998 £
CASH INFLOW FROM OPERATING ACTIVITIES	1	282,787	166,985
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(328)	(180)
Interest received		949	5,657
		621	5,477
TAXATION			
Corporation tax paid		(168,303)	(105,896)
		115,105	66,566
EQUITY DIVIDENDS PAID		(200,000)	(100,000)
DECREASE IN CASH IN THE YEAR	2	(84,895)	(33,434)
NET FUNDS AT 1 SEPTEMBER 1998		35,672	69,106
NET (DEBT)/FUNDS AT 31 AUGUST 1999		(49,223)	35,672

NOTES TO THE STATEMENT OF CASH FLOWS

for the year ended 31 August 1999

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1999 £	1998 £
Operating profit	191,283	461,745
Depreciation of tangible fixed assets	1,115	1,189
Amount written off investment	2,500	-
Decrease/(increase) in stocks	17,885	(6,293)
Decrease/(increase) in debtors	22,381	(240,619)
Increase/(decrease) in creditors	47,623	(49,037)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>282,787</b>	<b>166,985</b>

2. ANALYSIS OF NET DEBT

	At 1 September 1998 £	Cash flows £	At 31 August 1999 £
Cash at bank and in hand	35,672	(35,463)	209
Bank overdraft	-	(49,432)	(49,432)
	<b>35,672</b>	<b>(84,895)</b>	<b>(49,223)</b>

NOTES TO THE ABBREVIATED ACCOUNTS

at 31 August 1999

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 1999

2. OPERATING PROFIT

(a) This is stated after charging:

	1999 £	1998 £
Directors' remuneration (see below)	60,268	84,677
Auditors' remuneration	8,800	8,500
Depreciation of owned fixed assets	1,115	1,190
Hire of plant and machinery	265,872	263,397
Service charge payable to immediate parent undertaking	250,000	250,000
Foreign exchange differences	6,727	22
Amounts written off investments	2,500	-
	<u>60,268</u>	<u>84,677</u>

(b) Directors' remuneration:

Emoluments in respect of qualifying services	56,518	80,927
Pension contributions	3,750	3,750
	<u>60,268</u>	<u>84,677</u>

The company paid pension contributions of £3,750 into a defined contribution scheme for the benefit of one director (1998: £3,750 for the benefit of one director).

3. STAFF COSTS

	1999 £	1998 £
Wages and salaries	1,049,749	1,208,748
Social security costs	92,426	89,867
Other pension costs	61,881	62,332
	<u>1,204,056</u>	<u>1,360,947</u>

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

	1999 No.	1998 No.
Office and management	18	17
Manufacturing	60	67
	<u>78</u>	<u>84</u>

4. INTEREST PAYABLE

	1999 £	1998 £
Bank overdraft interest	328	180
	<u>328</u>	<u>180</u>

# Typolac Limited

## NOTES TO THE ABBREVIATED ACCOUNTS at 31 August 1999

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 £	1998 £
Based on the profit for the year :		
Corporation tax at 30% (1998: 31%)	74,252	155,000
Corporation tax underprovided in previous years	(87)	1,888
	<u>74,165</u>	<u>156,888</u>

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

### 6. DIVIDEND

	1999 £	1998 £
Ordinary - final proposed	<u>50,000</u>	<u>300,000</u>

### 7. TANGIBLE FIXED ASSETS

	<i>Plant and machinery</i> £
Cost:	
At 1 September 1998 and 31 August 1999	<u>12,361</u>
Depreciation:	
At 1 September 1998	4,960
Provided during the year	1,115
At 31 August 1999	<u>6,075</u>
Net book value:	
At 31 August 1999	<u>6,286</u>
At 31 August 1998	<u>7,401</u>

NOTES TO THE ABBREVIATED ACCOUNTS  
at 31 August 1999

8. INVESTMENT

	1999 £	1998 £
Unlisted investment at cost:		
At 1 September 1998	5,000	5,000
Amounts written off	(2,500)	-
At 31 August 1999	<u>2,500</u>	<u>5,000</u>

9. STOCKS

	1999 £	1998 £
Raw materials and consumables	190,223	144,309
Work in progress	315,777	379,576
	<u>506,000</u>	<u>523,885</u>

**ERNST & YOUNG** 10. DEBTORS

	1999 £	1998 £
Trade debtors	1,118,116	1,116,450
Other debtors and prepayments	45,996	27,352
Amounts owed by parent undertaking	-	42,691
Corporation tax	20,137	18,000
	<u>1,184,249</u>	<u>1,204,493</u>

Included within advance corporation tax recoverable is an amount of £20,137 (1998: £18,000) which is due after more than one year.

11. CREDITORS: amounts falling due within one year

	1999 £	1998 £
Bank overdraft	49,432	-
Trade creditors	149,505	224,661
Corporation tax	75,000	167,000
Other taxes and social security	71,126	70,672
Amount owed to parent undertaking	357,975	-
Amounts owed to fellow subsidiary undertakings	-	235,335
Amount owed to associated undertaking	-	4,728
Other creditors and accruals	67,036	62,624
Proposed dividend	150,000	300,000
	<u>920,074</u>	<u>1,065,020</u>

NOTES TO THE ABBREVIATED ACCOUNTS  
at 31 August 1999

12. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	100	100	100	100

13. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>
At 1 September 1997	100	700,998	701,098
Profit for the year	-	310,333	310,333
Dividend	-	(300,000)	(300,000)
At 1 September 1998	100	711,331	711,431
Profit for the year	-	117,739	117,739
Dividend	-	(50,000)	(50,000)
At 31 August 1999	100	779,070	779,170

Shareholders' funds are entirely 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:

	<i>1999</i>	<i>1998</i>
	<i>£</i>	<i>£</i>
Employees money purchase scheme	61,881	62,332
Directors money purchase scheme	3,750	3,750
	65,631	66,082

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.

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**TRADING AND PROFIT AND LOSS ACCOUNT**  
for the year ended 31 August 1999**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 £1,539,020 (1998: £1,552,174) from other group companies. Amounts owing to group companies are disclosed in the notes to the accounts.

Secretarial fees of £38,900 (1998: £37,900) were paid to Hollows & Hesketh, a firm in which a director of the company, J D Jamieson, is a partner. In addition the company paid service fees of £125,000 (1998: £125,000) to Lux Color Limited. J D Jamieson and V Flören, directors, are directors of Lux Color Limited.