

ANGLIA LABELS (SALES) LIMITED

ABBREVIATED ACCOUNTS

31 MAY 2000

CONTENTS

	Page(s)
Auditors' report	1
Abbreviated balance sheet	2
Notes to the abbreviated accounts	3 - 7

**Scrutton Bland
Chartered Accountants
Sanderson House
Museum Street
Ipswich**



AUDITORS' REPORT TO THE SHAREHOLDERS OF ANGLIA LABELS (SALES) LIMITED

Pursuant to Section 247B of the Companies Act 1985.

We have examined the abbreviated accounts on pages 2 to 7 together with the financial statements of Anglia Labels (Sales) Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 May 2000.

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 246(6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with these provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and 246(6) for the year ended 31 May 2000 and the abbreviated accounts on pages 2 to 7 have been properly prepared in accordance with that Schedule.

SCRUTTON BLAND
Chartered Accountants
and Registered Auditors

4th August 2000
Ipswich

A large, stylized handwritten signature in black ink, appearing to read 'Scrutton Bland', is written over the printed name of the firm.

ANGLIA LABELS (SALES) LIMITED

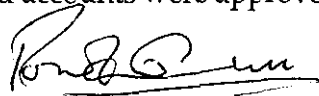
ABBREVIATED BALANCE SHEET AS AT 31 MAY 2000

	Notes	£	1999 £
Fixed assets			
Tangible assets	2	718,582	530,739
Investments	3	90	90
		<u>718,672</u>	<u>530,829</u>
Current assets			
Stocks		139,800	147,609
Debtors		494,732	510,578
Cash at bank and in hand		106,288	268,822
		<u>740,820</u>	<u>927,009</u>
Creditors: amounts falling due within one year		<u>(350,634)</u>	<u>(354,736)</u>
Net current assets		<u>390,186</u>	<u>572,273</u>
Total assets less current liabilities		<u>1,108,858</u>	<u>1,103,102</u>
Creditors: amounts falling due after more than one year	4	(398,919)	(313,899)
Provision for liabilities and charges			
Deferred taxation		(10,040)	(8,837)
		<u>£699,899</u>	<u>£780,366</u>
Capital and reserves			
Called up share capital	5	200,000	200,000
Profit and loss account		499,899	580,366
		<u>£699,899</u>	<u>£780,366</u>
Shareholders' funds-equity interest		<u>£699,899</u>	<u>£780,366</u>

Advantage is taken in the preparation of the financial statements of the special provisions contained in Part VII of the Companies Act 1985, relating to small companies.

The abbreviated accounts were approved by the directors on 4 August 2000.

R.J. Grindell



B. Holt



Directors

ANGLIA LABELS (SALES) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS YEAR ENDED 31 MAY 2000

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Consolidation

The company and its subsidiary comprise a small sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the companies Act 1985 not to prepare group financial statements and accordingly these financial statements present information about the company as a single undertaking.

Grants

Revenue grants are credited to the profit and loss account so as to match them with expenditure to which they relate.

Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

Turnover

Turnover represents net invoiced sales of goods, excluding VAT.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant, machinery and office equipment	- over 4 or 7 years
Cutters	- over 3 years
Motor vehicles	- over 4 years
Computers	- over 5 years

No depreciation is provided on freehold property, since it is the company's policy to maintain this in a continual state of sound repair and accordingly the directors consider that the life of this asset is so long and residual value so high that its depreciation is insignificant. Any permanent diminution in the value of the property is charged to the profit and loss account.

Regarding cutters it is the company's policy to write out of the cost and depreciation fully depreciated assets over 10 years old.

Investments

Investments are stated at the lower of cost or net realisable value.

ANGLIA LABELS (SALES) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MAY 2000

1 ACCOUNTING POLICIES (continued)

Stocks

Stocks and work-in-progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Taxation

The charge for taxation is based on the profit for the year. The charge takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision is made for deferred taxation to the extent that, in the opinion of the directors, there is reasonable probability that the liability will arise in the foreseeable future.

Leases and hire purchase

Assets held under hire purchase contracts are capitalised in the balance sheet with an equivalent liability included under creditors. An asset acquired under a hire purchase contract is depreciated over its useful life. The interest element of the amount payable is charged to the profit and loss account and the capital element reduces the liability in the balance sheet.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

Pension costs

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

ANGLIA LABELS (SALES) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS YEAR ENDED 31 MAY 2000

2 TANGIBLE FIXED ASSETS

	Freehold Land and buildings	Plant, office equipment & computer	Cutters	Motor vehicles	Total
Cost	£	£	£	£	£
At 1 June 1999	343,482	1,594,754	464,812	79,740	2,482,788
Additions	5,524	323,884	19,029	15,565	364,002
Disposals	-	-	-	(30,029)	(30,029)
At 31 May 2000	349,006	1,918,638	483,841	65,276	2,816,761
Depreciation					
At 1 June 1999	-	1,492,027	428,683	31,339	1,952,049
On disposals	-	-	-	(15,015)	(15,015)
Charge for the year	-	118,531	24,686	17,928	161,145
At 31 May 2000	-	1,610,558	453,369	34,252	2,098,179
Net book values					
At 31 May 2000	£349,006	£308,080	£30,472	£31,024	£718,582
At 31 May 1999	£343,482	£102,727	£36,129	£48,401	£530,739

The charge for depreciation of fixed assets includes £50,321 (1999: £13,671) in respect of assets acquired under hire purchase contracts. At 31 May 2000 the net book value of assets acquired under hire purchase contracts was £268,947 (1999: £17,267).

ANGLIA LABELS (SALES) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS YEAR ENDED 31 MAY 2000

3 INVESTMENTS

Investment in subsidiary company is made up as follows:

	Ordinary shares at cost	Provision for diminution in value	Net book value	Nominal value of shares	Proportion
Anglia Label Data Limited	90	-	90	£90	90%

The subsidiary company is registered in England and Wales. Its principal activities during the year was the printing of labels.

No consideration of the subsidiary's results is made in the company's financial statements.

The most recent results are as follows:-

	Most recent audited accounts	Capital and reserves	Company profit
Anglia Label Data Limited	31 May 2000	<u>£(41,656)</u>	<u>£28,189</u>

The profit is stated after taxation but before dividends.

4 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

		1999
Bank loans (secured)	£	£
repayable within one to two years by instalments	28,889	49,481
repayable within two to five years, by instalments	72,606	83,024
repayable after five years, by instalments	155,232	171,599
	<u>256,727</u>	<u>304,104</u>
Hire purchase obligations		
Due within one to two years, by instalments	53,985	9,795
Repayable within two to five years, by instalments	88,207	-
	<u>£398,919</u>	<u>£313,899</u>

The bank loan, the aggregate total of which amounts to £306,208 (1999: £353,585) are secured.

The finance agreement, the aggregate total of which amounts to £186,570 (1999 : £Nil) is covered by guarantees over the company assets of Anglia Label Data Limited and Rowlabels Limited.

ANGLIA LABELS (SALES) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS YEAR ENDED 31 MAY 2000

5 CALLED UP SHARE CAPITAL

Authorised
500,000 ordinary shares of £1 each

Allotted, called up and fully paid
ordinary shares of £1 each

	1999
No.	No.
500,000	500,000
£	£
£200,000	£200,000

6 RELATED PARTY TRANSACTIONS

The Trustees of the R.J. Grindell Settlement Trust hold 95% of the shares in the company.

During the year the company traded with Anglia Label Data Limited the subsidiary company. All transactions are on normal commercial terms. Sales made to Anglia Label Data Limited amounted to £131,475 (1999: £141,379) during the year.

Purchases from Anglia Label Data Limited amounted to £4,976 (1999: £7,076) for the year.

At 31 May 2000 the balances due from Anglia Label Data Limited were :

	£	1999
Loan account	91,982	115,156
Trade debtors	31,603	34,476
	£123,585	£149,632

During the year the company traded with Rowlabels Limited a company in which Mr. R.J. Grindell is director and shareholder. All transactions were on normal commercial terms. Sales made to Rowlabels Limited amounted to £547,933 (1999: £490,918) during the year.

At 31 May 2000 the balances due from Rowlabels Limited were:

	£	1999
Inter company account	24,943	24,976
Trade debtors	105,632	100,810
	£130,575	£125,786

The company paid a dividend during the year of £50,000 (1999: £30,000).

During the year the company made loan advances to Mr. R. J. Grindell. The maximum amount owed to the company during the year was £38,036.

At 31 May 2000 the company owed Mr. R. J. Grindell £20,541 (1999: £5,377).

The loans were interest free and repayable on demand.

The finance agreement, the aggregate total of which amounts to £186,570 (1999 : £Nil) includes £44,378 (1999 : £Nil) repayable within one year (see note 9), and is covered by guarantees over the company assets of Anglia Label Data Limited and Rowlabels Limited.