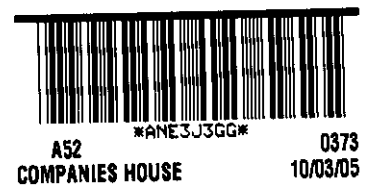


## **Armourvale Limited**

### **Directors' report and financial statements**

31 August 2004

Registered number 2776712



## **Directors' report and financial statements**

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## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 August 2004.

### **Principal activities**

The principal activity of the company is to hold investments.

### **Results and dividends**

The retained loss for the year of £525 and transfer to reserves (2003: profit £79 and transfer to reserves) are set out in the profit and loss account on page 4.

The directors recommend the payment of a dividend of 4.69 pence per share for the year under review (2003: £nil).

### **Directors and directors' interests**

The directors who held office during the year were as follows:

CN Wright  
NRA Butterfield  
N R Fenton

At 31 August 2004 and 31 August 2003, CN Wright had a beneficial interest in the ordinary share capital via his interest in Chrysalis Group PLC.

The other directors who held office at the end of the financial year did not have any disclosable interest in the shares of the company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the year.

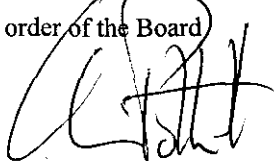
At 31 August 2004 and 31 August 2003 CN Wright and NRA Butterfield were also directors of Chrysalis Group PLC, the ultimate parent company and their share interests are stated in the directors' report of that company.

At 31 August 2004 and 31 August 2003 NR Fenton held 6,855 ordinary shares of 2p each in Chrysalis Group PLC and had an interest in a further 6,855 ordinary shares of 2p each held by Mrs Fenton.

### **Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



**CR Potterell**  
*Secretary*

The Chrysalis Building  
Bramley Road  
London  
W10 6SP

11/02/2005

## **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements 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 year. In preparing those financial statements, 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 financial statements 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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



**KPMG Audit Plc**

8 Salisbury Square  
London  
EC4Y 8BB  
United Kingdom

**Report of the independent auditors to the members of Armourvale Limited**

We have audited the financial statements on pages 4 to 11.

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 auditor's 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 directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

**Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor

11 February 2005

## **Profit and loss account**

*for the year ended 31 August 2004*

	<i>Note</i>	<b>2004</b> <b>£</b>	2003 <b>£</b>
Administrative expenses		<b>(132)</b>	-
<b>Operating Loss</b>		<b>(132)</b>	-
Interest receivable and similar income	4	76	79
<b>(Loss)/profit on ordinary activities before and after taxation</b>	5	<b>(56)</b>	79
Dividends payable		<b>(469)</b>	-
Retained (loss)/profit for the year		<b>(525)</b>	79
Retained profit brought forward		525	446
<b>Retained profit carried forward</b>		<b>-</b>	525

There is no difference between the historical cost (loss)/profit and that reported in the profit and loss account.

The notes on pages 7 to 11 form part of these financial statements.

## **Statement of total recognised gains and losses**

*for the year ended 31 August 2004*

There were no recognised gains or losses in the current or the previous year other than the (loss)/profit for those years.

## **Reconciliation of movements in shareholders' funds**

*for the year ended 31 August 2004*

	2004 £	2003 £
Shareholders' funds brought forward	1,525	1,446
(Loss)/profit retained in the year	(525)	79
	<hr/>	<hr/>
Shareholders' funds carried forward	1,000	1,525
	<hr/> <hr/>	<hr/> <hr/>

## Balance sheet

at 31 August 2004

	Note	2004 £	£	2003 £	£
<b>Fixed assets</b>					
Investments	6		700		700
<b>Current assets</b>					
Investments	7	-		1,000	
Debtors : amounts falling due within one year	8	769		-	
		<u>769</u>		<u>1,000</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(469)</u>		<u>(175)</u>	
<b>Net current assets</b>			300		825
<b>Net assets</b>			<u>1,000</u>		<u>1,525</u>
<b>Capital and reserves</b>					
Called up share capital	11		1,000		1,000
Profit and loss account			-		525
<b>Shareholders' funds – equity</b>			<u>1,000</u>		<u>1,525</u>

These financial statements were approved by the Board of directors on 11 February 2005 and were signed on its behalf by:



**NR Fenton**  
Director

The notes on pages 7 to 11 form part of these financial statements.



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

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

#### *Group accounts*

The company is exempt by virtue of S 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about the group. The company's results are included in the consolidated accounts of Chrysalis Group PLC, registered in England and Wales.

#### *Investments*

Investments in subsidiary undertakings are stated at cost. Any permanent diminutions in the value of investments are fully provided for and written off through the profit and loss account for the year.

Current asset investments are held at the lower of cost and net realisable value.

#### *Interest*

Interest receivable is accounted for on an accruals basis.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Chrysalis Group PLC entities are able to relieve their taxable losses by surrendering them to other group companies where capacity to utilise those losses exists. There is an agreement between members of the group that such losses will be purchased and paid for by the recipient company. Where there is reasonable certainty that taxable losses can be utilised the group relief receivable is included in the taxation charge or credit for the year.

## Notes (continued)

### 2 Directors' and employees' remuneration

The directors received no remuneration from the company for services during the year (2003: £nil). Messrs CN Wright and N Butterfield received remuneration from Chrysalis Group PLC which is disclosed in the financial statements of that company.

The company did not have any other employees and as a result incurred no staff costs (2003: £nil).

### 3 (Loss)/profit on ordinary activities before taxation

*(Loss)/profit on ordinary activities before taxation  
is stated after charging:*

	2004 £	2003 £
Loss on disposal of current asset investment	126	-

The audit fee is borne by Chrysalis Group PLC, the ultimate parent company.

### 4 Interest receivable and similar income

	2004 £	2003 £
Interest on conversion stock	76	79

## Notes (continued)

### 5 Taxation

Analysis of charge in the year

	2004 £	2003 £
UK Corporation tax on profit on ordinary activities	-	-

*Factors affecting the tax charge for the current year*

The tax charge for the year is lower than the standard rate of corporation tax in the UK at 30% (2003: 30%). The differences are explained below.

	2004 £	2003 £
<b>Profit/(loss) on ordinary activities before tax</b>	<b>(56)</b>	<b>79</b>
Current tax (credit)/charge at 30% (2003: 30%)	(17)	24
<i>Effects of:</i>		
Use of group losses	-	-
Other tax adjustments	17	(24)
<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>

### 6 Fixed asset investments

<i>Cost and net book value</i>	<b>Shares in group undertakings £</b>
At beginning and end of year	700

The subsidiary undertaking at the end of the year was:

	Country of registration	Class of shares	Percentage of equity held
The Echo Label Limited	England	'B' ordinary	70%

## Notes (continued)

### 7 Investments (held as current assets)

	9.5% Conversion stock £
<i>Cost and net book value</i>	
At the beginning of the year	1,000
Disposals	(1,000)
At the end of the year	-

### 8 Debtors

	2004 £	2003 £
Amounts due from group undertakings	769	-

### 9 Creditors

	2004 £	2003 £
Amounts owed to group undertakings	469	175

### 10 Deferred tax

Deferred tax has not been provided for at 31 August 2004 or 31 August 2003 on the basis that there are no timing differences at the end of either year.

### 11 Called up share capital

	2004 £	2003 £
<i>Equity</i>		
<i>Authorised, allotted called up and fully paid</i>		
10,000 ordinary shares of 10p each	1,000	1,000

## **Notes (continued)**

### **12 Cash flow statement**

The company is exempt from the requirement of FRS 1 'Cash Flow Statement' (revised 1996) on the grounds that its parent undertaking, Chrysalis Group PLC, includes the company in its own published consolidated financial statements.

### **13 Related parties**

As the company is a wholly owned subsidiary of Chrysalis Group PLC, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 Related Party Disclosure and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Chrysalis Group PLC, within which the company is included, can be obtained from the address given in note 13 below. There were no other related party transactions.

### **14 Immediate and ultimate parent company**

The immediate parent company is Chrysalis Holdings Limited, a company registered in England and Wales.

The ultimate parent company is Chrysalis Group PLC, which is registered in England and Wales, for which consolidated accounts are prepared. The consolidated accounts of this company may be obtained from The Secretary, Chrysalis Group PLC, The Chrysalis Building, Bramley Road, London, W10 6SP.