

Armourvale Limited

Directors' report and financial statements

31 August 2000

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 2000.

Principal activities

The principal activity of the company is to hold investments. The company has not traded during the year and is unlikely to do so in the near future.

Results and dividends

The result for the year and prior year is set out in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend for the year under review (1999: £nil).

Directors and directors' interests

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

SG Lewis
CN Wright
NRA Butterfield

At 31 August 2000 and 31 August 1999, SG Lewis held 2,500 ordinary shares of 10p each in the company, which represented 25% of the share capital.


At 31 August 2000 and 31 August 1999, CN Wright had a beneficial interest in 75% of the ordinary share capital via his interests in Chrysalis Group plc.

The other director 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 2000 and 31 August 1999, SG Lewis, 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.

By order of the Board



CR Potterell
Secretary

The Chrysalis Building
Bramley Road
London
W10 6SP

19/06/2001

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 period. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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

PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Auditor's report to the members of Armourvale Limited

We have audited the financial statements on pages 4 to 10.

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. 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 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 2000 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

19 June 2001

Profit and loss account

for the year ended 31 August 2000

	<i>Note</i>	2000 £	1999 £
Loss on disposal of current fixed asset investments		(99)	-
Interest receivable and similar income	4	40	89
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(59)	89
Taxation on profit on ordinary activities	5	-	(18)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities after taxation		(59)	71
Retained profit brought forward		311	240
		<hr/>	<hr/>
Retained profit carried forward		252	311
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 10 form part of these financial statements.

Statement of total recognised gains and losses

for the year ended 31 August 2000

There were no recognised gains or losses in the current or the previous year other than the accumulated profit for those years.

Reconciliation of movements in shareholders' funds

for the year ended 31 August 2000

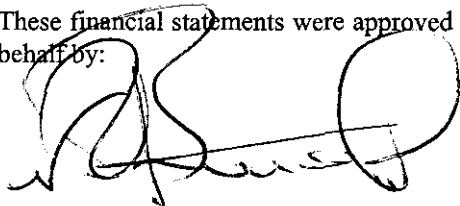
	2000 £	1999 £
Shareholders' funds brought forward	1,311	1,240
(Loss)/profit retained in the year	(59)	71
	<hr/>	<hr/>
Shareholders' funds carried forward	1,252	1,311
	<hr/> <hr/>	<hr/> <hr/>

Balance sheet

at 31 August 2000

	Note	2000 £	£	1999 £	£
Fixed assets					
Investments	6		700		700
Current assets					
Investments	7	1,000		1,099	
Creditors: amounts falling due within one year	8	(448)		(488)	
Net current assets			552		611
Net assets			1,252		1,311
Capital and reserves					
Called up share capital	9	1,000		1,000	
Profit and loss account		252		311	
Shareholders' funds – equity			1,252		1,311

These financial statements were approved by the Board of directors on 19 JUNE, 2001 and were signed on its behalf by:



NRA Butterfield
Director

The notes on pages 8 to 10 form part of these financial statements.

Cash flow statement
for the year ended 31 August 2000

	<i>Note</i>	2000		1999	
		£	£	£	£
Cash flow from operating activities			-		-
Returns on investments and servicing of finance					
Interest received			40		89
Taxation			-		(18)
Capital expenditure and financial investment					
Sale of treasury stocks		1,000		-	
Purchase of conversion stocks		(1,000)		-	
		<hr/>		<hr/>	
			-		-
			<hr/>		<hr/>
Cash inflow before management of liquid resources and financing			40		71
Financing					
Repayment of loan from parent undertaking			(40)		(71)
			<hr/>		<hr/>
Increase/(decrease) in cash in the period			-		-
			<hr/>		<hr/>
Reconciliation of net cash flow to movement in net debt					
Increase/(decrease) in cash in the period			-		-
Repayment of loan from parent company			(40)		(71)
			<hr/>		<hr/>
Change in net debt resulting from cash flows			(40)		(71)
			<hr/>		<hr/>
Movement in net debt in the period			(40)		(71)
Net debt at the start of the period			(488)		(559)
			<hr/>		<hr/>
Net debt at the end of the period	<i>10</i>		(448)		(488)
			<hr/>		<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

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

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.

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. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Cash

The company does not have a bank account so cash for the purposes of the cash flow statement is considered to be the current account with the parent company.

2 Directors' and employees' remuneration

The directors received no remuneration from the company for services during the year. The company did not have any other employees and as a result incurred no staff costs.

3 Audit fees

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

Notes (continued)

4 Interest receivable and similar income

	2000 £	1999 £
Interest on Conversion Stock	40	-
Interest on Treasury Stock	-	89
	<u>40</u>	<u>89</u>

5 Taxation

	2000 £	1999 £
Tax withheld on interest received	-	18
	<u>-</u>	<u>18</u>

6 Fixed asset investments

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

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%

7 Investments (held as current assets)

	2000 £	1999 £
Short term investments	1,000	1,099
	<u>1,000</u>	<u>1,099</u>

Short term investments comprise 9.5% Conversion Stock (1999: 9% Treasury Stock.)

Notes (continued)

8 Creditors

	2000 £	1999 £
Amounts owed to group undertakings	448	488
	<u> </u>	<u> </u>

9 Called up share capital

<i>Equity</i>	2000 £	1999 £
<i>Authorised, allotted called up and fully paid</i>		
10,000 ordinary shares of 10p each	1,000	1,000
	<u> </u>	<u> </u>

10 Analysis of net debt

	At beginning of year £	Cash flow £	At end of year £
Debt due within one year	(488)	40	(448)
	<u> </u>	<u> </u>	<u> </u>

11 Ultimate parent company

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.

12 Related party transactions

During the year there were no material transactions with related parties and consequently no amounts outstanding at the year end.