

**Inprint Systems Limited**

**Directors' report and financial  
statements**

Registered number 03650238

31 December 2010

TUESDAY



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## Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2010

### Principal activities

The company's principal activity continued to be that of a holding company. The primary subsidiaries are principally engaged in the print, design and manufacture of Expanded Content Booklet Labels.

The company continued with the expansion of its main manufacturing site.

### Results and dividends

For the year ended 31 December 2010, the company reported a profit on ordinary activities before interest and taxation of £147,000 (2009 £74,000).

No dividends were paid or proposed during the year (2009 £nil).

### Directors

The directors who held office during the year are given below.

S W Morel  
T D Nielsen  
G T Martin  
L Vaidyanathan  
G A Tano

(Appointed 04/01/2010)

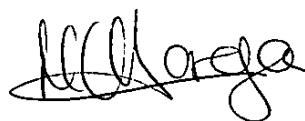
### Disclosure of information to auditors

The directors who held office at the date of approval of this director's report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**MG Morgan**  
Secretary

Foster Road,  
Ashford Business Park  
Sevington  
Ashford Kent  
TN24 0SH

14 Sep 2011

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 LLP

1 The Embankment  
Neville Street  
Leeds  
LS1 4DW  
United Kingdom

### **Independent auditor's report to the members of Inprint Systems Limited**

We have audited the financial statements of Inprint Systems Limited for the year ended 31 December 2010 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely on the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

#### **Opinion on other matter prescribed by the Companies Act 2006**

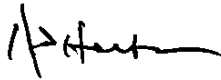
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of Inprint Systems Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**DJ Hutchinson (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

*14 September* 2011

**Profit and loss account**  
*For the year ended 31 December 2010*

	<i>Note</i>	<b>2010</b> <b>£000</b>	2009 £000
<b>Turnover</b>		<b>310</b>	218
Cost of sales		-	-
		<hr/>	<hr/>
<b>Gross profit</b>		<b>310</b>	218
Administrative expenses		(163)	(144)
		<hr/>	<hr/>
<b>Operating profit</b>	2	<b>147</b>	74
Interest payable and similar charges	4	-	(608)
		<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>147</b>	(534)
Taxation	5	(6)	180
		<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities after taxation</b>	13	<b>141</b>	(354)
		<hr/>	<hr/>

All figures for the year ended 31 December 2010 relate to continuing activities

There is no material difference between the profit on ordinary activities before taxation and the profit for the year and their historical cost equivalents

**Balance sheet**  
*at 31 December 2009*

	<i>Note</i>	<b>2010</b> <b>£000</b>	<b>2009</b> <b>£000</b>
<b>Fixed assets</b>			
Tangible assets	6	5,528	5,543
Investments	7	18,000	18,000
		<u>23,528</u>	<u>23,543</u>
<b>Current assets</b>			
Debtors	8	7	188
Cash at bank and in hand		32	30
		<u>39</u>	<u>218</u>
<b>Creditors</b> amounts falling due within one year	9	(9,597)	(9,932)
<b>Net current liabilities</b>		<u>(9,558)</u>	<u>(9,714)</u>
<b>Total assets less current liabilities</b>		<u>13,970</u>	<u>13,829</u>
<b>Provisions for liabilities and charges</b>	10	-	-
<b>Net assets</b>		<u>13,970</u>	<u>13,829</u>
<b>Capital and reserves</b>			
Called up share capital	11	2,283	2,283
Share premium account	12	40,377	40,377
Profit and loss account	13	(28,690)	(28,831)
<b>Total shareholders' funds</b>	14	<u>13,970</u>	<u>13,829</u>

The financial statements were approved by the board of directors on *14 September* 2011 and were signed on its behalf by

*S. Morel*

**S W Morel**  
*Director*



## 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 financial statements

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards, on a going concern basis and under the historical cost accounting rules

Notwithstanding net current liabilities at 31 December 2010 of £9,558,000 (2009 £9,714,000) the financial statements have been prepared on a going concern basis. The directors believe the assumption to be appropriate as they have received written confirmation from the parent company that it will continue to financially support the company in order for it to meet its day-to-day working capital requirements. The directors of the company therefore have a reasonable expectation that the company has adequate resources to meet its liabilities as they fall due for the foreseeable future. For this reason, the directors consider it appropriate to prepare the financial statements on a going concern basis and as such they do not include any adjustments that would result from the basis of preparation being inappropriate.

As the Company is a wholly owned subsidiary of CCL Industries Inc, incorporated in Canada, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of CCL Industries Inc, within which this company is included, can be obtained from the address given in note 15.

#### *Consolidated financial information*

The directors have chosen not to prepare consolidated financial statements in accordance with section 401 of the Companies Act 2006. Consequently, these financial statements present information about the company as an individual undertaking and not about its group.

#### *Cash flow statement*

The Company is exempt from preparing a cash flow statement under FRS 1 on the basis that it is a wholly-owned subsidiary whose cash flows are included in the consolidated financial statements of the ultimate parent company.

#### *Turnover*

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of sales during the year, exclusive of intra-group sales.

#### *Tangible fixed assets*

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated to write off the cost of assets over their estimated useful lives on the following bases:

Freehold buildings

2½% per annum on cost

No depreciation is provided on freehold land

## Notes (continued)

### 1 Accounting policies (continued)

#### Deferred taxation

Provision is made for deferred taxation in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are recognised to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not subject to discounting.

#### Foreign currencies

Transactions during the year between the company and its subsidiaries, customers and suppliers are translated into sterling at the rate ruling on the date of the transaction. All profits and losses on exchange realised during the year are dealt with through the profit and loss account.

#### Leased assets

Rentals on operating leases are charged to the profit and loss account in the year to which they relate.

#### Borrowings

All borrowings are initially stated as the consideration received less issue costs incurred. Issue costs are charged to the profit and loss account over the shortest term of the loan facility, so as to give a constant periodic rate of charge to capital repayments outstanding.

### 2 Operating profit

	2010 £000	2009 £000
Operating profit is stated after charging		
Depreciation of tangible fixed assets – owned	115	73
Auditors' remuneration		
- Audit services	3	3
- Non – audit services	1	1
	<u>119</u>	<u>77</u>

### 3 Directors and employees

None of the directors received emoluments in respect of their services to the company during the year (2009 £nil).

The company had no employees during the year apart from the directors (2009 none).

## Notes (continued)

### 4 Interest payable and similar charges

	2010 £000	2009 £000
Group interest	-	608

### 5 Tax on loss on ordinary activities

#### (a) Analysis of charge/(credit) in the period

	2010 £000	2009 £000
<b>Current tax.</b>		
UK Corporation tax on loss for the period	-	(170)
Prior year adjustment	-	2
<b>Total current tax</b>	-	(168)
<b>Deferred tax:</b>		
- Origination and reversal of timing differences	6	(12)
<b>Total deferred tax (note 10)</b>	6	(12)
<b>Tax charge/(credit) on profit on ordinary activities</b>	6	(180)

#### (b) Factors affecting tax charge for the period

The tax for the period is lower (2009 lower) than the standard rate of corporation tax in the UK (28%) (2009 28%)  
The differences are explained below

	2010 £000	2009 £000
<b>Profit/(loss) on ordinary activities before tax</b>	147	(534)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax	41	(149)
<i>Effects of</i>		
Non-taxable income	-	(27)
Expenses not deductible for tax purposes	12	11
Accelerated capital allowances and other timing differences	(6)	8
Utilisation of brought forward tax losses	(40)	-
Impact of Finance Act 2007 re abolition of industrial buildings allowances	(7)	(13)
Prior year adjustment	-	2
<b>Current tax charge/(credit) for the period</b>	-	(168)

## Notes (continued)

### 6 Tangible assets

	Freehold land & buildings £000
<b>Cost</b>	
At 31 December 2009	6,556
Additions	100
<b>At 31 December 2010</b>	<b>6,656</b>
<b>Accumulated depreciation</b>	
At 31 December 2009	1,013
Charge for the year	115
<b>At 31 December 2010</b>	<b>1,128</b>
<b>Net book value</b>	
At 31 December 2010	5,528
At 31 December 2009	5,543

### 7 Investments

<b>Investment in subsidiary company</b>	<b>£000</b>
<b>Cost and net book value</b>	
At 31 December 2010 and 31 December 2009	18,000

The principal subsidiary undertakings as at 31 December 2010 were

Name	Country of incorporation	Nature of business	Proportion of ordinary shares held	
			2009 %	2008 %
CCL Label (Ashford) Limited	Great Britain	Label manufacture	100	100
CCL Label (Burgess Hill) Limited *	Great Britain	Offset printing	100	100
CCL Label srl *	Italy	Printing and label manufacture	100	100
Inprint Benelux Holding B V*	Netherlands	Holding company	100	100
CCL Label Oss B V *	Netherlands	Printing and label manufacture	100	100
Inprint Benelux Vastgoed B V *	Netherlands	Property	100	100

\* Held indirectly

## Notes (continued)

### 8 Debtors

	2010 £000	2009 £000
Group corporation tax relief recoverable	-	170
Deferred taxation (note 10)	7	13
Prepayments	-	5
	<u>7</u>	<u>188</u>

### 9 Creditors: amounts falling due within one year

	2010 £000	2009 £000
Amounts owed to group undertakings	9,741	9,904
Accruals and deferred income	26	28
	<u>9,597</u>	<u>9,932</u>

### 10 Provision for liabilities and charges

	2010 £000	2009 £000
Deferred taxation		
Balance brought forward	(13)	(1)
Charged/(credited) to profit and loss account	6	(12)
Transfer to Debtors	7	13
	<u>-</u>	<u>-</u>

Deferred taxation provided in the financial statements is as follows

	2010 £000	2009 £000
Accelerated capital allowances	(7)	(13)

## Notes (continued)

### 11 Called up share capital

	Authorised		Allotted and fully paid	
	2010	2009	2010	2009
9,000 A ordinary shares of £1 each	9	9	9	9
900 B ordinary shares of £1 each	1	1	1	1
50 C ordinary shares of £1 each	-	-	-	-
50 D ordinary shares of £1 each	-	-	-	-
2,272,727 deferred shares of £1 each	2,273	2,273	2,273	2,273
	<u>2,283</u>	<u>2,283</u>	<u>2,283</u>	<u>2,283</u>

#### Rights of shares

##### Ordinary shares

The ordinary shares rank pari-passu with each other for the purposes of dividend payments and voting rights

On winding up or on exit, the ordinary shareholders are entitled to the following proportion of assets of the company or aggregate consideration payable to the ordinary shareholders of the company

Up to £20m	- A shareholders 90%
	- B shareholders 10%
Between £20m and £44m	- A shareholders 79%
	- B shareholders 16%
	- C shareholders 3.5%
	- D shareholders 1.5%
Over £44m	- A shareholders 15%
	- B shareholders 25%
	- C shareholders 33.6%
	- D shareholders 26.4%

##### Deferred shares

Deferred shareholders are not entitled to participate in any dividend or other distribution paid or made by the company, except when surplus assets are remaining after a total sum of £100,000,000 has been distributed in respect of each of the ordinary shares of the company. The shareholders are then entitled to the repayment of the nominal amounts paid up on the shares. Deferred shareholders do not have any voting rights.

### 12 Share premium account

	£000
At 1 January 2010 and at 31 December 2010	<u>40,377</u>

## Notes (continued)

### 13 Profit and loss account

	£000
At 1 January 2010	(28,831)
Profit for the period	141
	<hr/>
At 31 December 2010	(28,690)
	<hr/>

### 14 Reconciliation of movements in shareholders' funds

	2010 £000	2009 £000
Profit/(loss) on ordinary activities after taxation	141	(354)
	<hr/>	<hr/>
Net change in shareholders' funds	141	(354)
Shareholders' funds as at 1 January	13,829	14,183
	<hr/>	<hr/>
Shareholders' funds as at 31 December	13,970	13,829
	<hr/>	<hr/>

### 15 Parent and ultimate holding company

The company is a subsidiary undertaking of CCL Industries Inc, which is incorporated in Canada

The smallest and largest group in which the results of the company are consolidated is that headed by CCL Industries Inc. The consolidated accounts of this group are available to the public and may be obtained from CCL Industries (UK) Limited, Pioneer Way, Castleford, WF10 5QU