

**Inprint Systems Limited**

**Directors' report and financial  
statements**

**Registered number 03650238**

**31 December 2013**

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## Strategic report

### Principal activities

The company's principal activity continued to be that of a holding company. The Company is primarily engaged in the provision of the manufacturing facility to its main subsidiary.

The primary subsidiary is principally engaged in the print, design and manufacture of Expanded Content Booklet Labels.

The company completed the expansion of its manufacturing facility during the year.

### Business model

The Company primarily focuses on supporting its main Ashford subsidiary with the provision of a state of the art manufacturing facility in order to service its customer's requirements and needs in an ever changing and demanding market.

### Business review and results

The results for the year are given in the profit and loss account on page 6.

For the year ended 31 December 2013, the company reported a profit on ordinary activities after taxation of £88,000 (2012: £65,000).

### Key performance indicators

Key performance indicators are not considered relevant for this holding company

### Principal risks and uncertainties

The principal risks and uncertainties and areas of strategic development and performance are primarily those of its subsidiary, which include the following:

- Raw material availability and prices: the company monitors key raw material sources on a global basis and negotiates fixed price contract where appropriate with key suppliers.
- Environmental risks: the company places considerable emphasis upon environmental compliance and not only seeks to ensure ongoing compliance with relevant legislation but also strives to ensure that environmental best practice is incorporated into its key processes.
- Debtors: the company maintains strong relationships with each of its key customers. Appropriate credit terms are agreed with all customers and these are closely managed.
- Major disruption/disaster: business continuity planning is reviewed regularly.
- The company monitors forthcoming and current legislation regularly.

### Future developments

The company is expected to remain a holding company.

### By order of the board



**P Fox**  
*Director*

Registered Office:  
Foster Road, Ashford Business Park  
Sevington, Ashford Kent TN24 0SH  
22 September 2014

## Directors' report

The directors present their annual report and the financial statements for the year ended 31 December 2013.

### Dividends

No dividends were paid or proposed during the year (2012: £nil).

### Directors

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

S W Morel	Resigned 02/12/2013
T D Nielsen	
G T Martin	
L Vaidyanathan	
P Fox	Appointed 02/12/2013

### Political and charitable contributions

During the year the company made no donations for charitable purposes (2012: £nil) and no political donations (2012: £nil).

### Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

### Auditor

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

By order of the board



**P Fox**  
Director

Foster Road  
Ashford Business Park  
Sevington  
Ashford Kent  
TN24 0SH  
22 September 2014

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

The directors are responsible for preparing the Strategic Report, 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 2013 set out on pages 6 to 14. 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 3, 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 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 Financial Reporting Council's web-site at [www.frc.org.uk/apb/scope/auditscopeukprivate](http://www.frc.org.uk/apb/scope/auditscopeukprivate).

**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 2013 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**

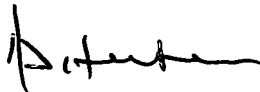
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **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.



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

Chartered Accountants  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

25 September 2014

**Profit and loss account**  
*For the year ended 31 December 2013*

	<i>Note</i>	<b>2013</b> <b>£000</b>	2012 £000
<b>Turnover</b>		<b>310</b>	310
Cost of sales		-	-
		<hr/>	<hr/>
<b>Gross profit</b>		<b>310</b>	310
Administrative expenses		<b>(246)</b>	(228)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	2	<b>64</b>	82
Taxation	4	<b>24</b>	(17)
		<hr/>	<hr/>
<b>Profit for the period</b>	12	<b>88</b>	65
		<hr/> <hr/>	<hr/> <hr/>

All figures relate to continuing activities.

The Company has no recognised gains or losses other than those disclosed above and therefore no separate statement of total recognised gains and losses has been presented.

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

The notes on pages 8 to 14 form an integral part of these financial statements.



**Balance sheet**  
*at 31 December 2013*

	<i>Note</i>	<b>2013</b> <b>£000</b>	2012 £000
<b>Fixed assets</b>			
Tangible assets	5	<b>6,819</b>	6,967
Investments	6	<b>18,000</b>	18,000
		<hr/> <b>24,819</b>	<hr/> 24,967
<b>Current assets</b>			
Debtors	7	<b>16</b>	2
Cash at bank and in hand		<b>21</b>	22
		<hr/> <b>37</b>	<hr/> 24
<b>Creditors: amounts falling due within one year</b>	8	<b>(10,669)</b>	(10,884)
		<hr/> <b>(10,632)</b>	<hr/> (10,860)
<b>Net current liabilities</b>		<b>(10,632)</b>	(10,860)
		<hr/> <b>14,187</b>	<hr/> 14,107
<b>Total assets less current liabilities</b>		<b>14,187</b>	14,107
<b>Provisions for liabilities and charges</b>	9	<b>-</b>	(8)
		<hr/> <b>14,187</b>	<hr/> 14,099
<b>Net assets</b>		<b>14,187</b>	14,099
		<hr/> <b>14,187</b>	<hr/> 14,099
<b>Capital and reserves</b>			
Called up share capital	10	<b>2,283</b>	2,283
Share premium account	11	<b>40,377</b>	40,377
Profit and loss account	12	<b>(28,473)</b>	(28,561)
		<hr/> <b>14,187</b>	<hr/> 14,099
<b>Total shareholders' funds</b>	13	<b>14,187</b>	14,099
		<hr/> <b>14,187</b>	<hr/> 14,099

The notes on pages 8 to 14 form an integral part of these financial statements.

The financial statements were approved by the board of directors on 22 September 2014 and were signed on its behalf by:



**P Fox**  
*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 2013 of £10,632,000 (2012: £10,860,000) 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. The consolidated financial statements of CCL Industries Inc, within which this company is included, can be obtained from the address given in note 14.

#### ***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 in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. All profits and losses on exchange are dealt with through the profit and loss account.

### 2 Profit on ordinary activities

	2013 £000	2012 £000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets – owned	237	193
Auditor's remuneration		
- Audit services	1	1
- Non – audit services	5	3
	<u>          </u>	<u>          </u>

### 3 Directors and employees

None of the directors received emoluments in respect of their services to the company during the year (2012: £nil).

The company had no employees during the year apart from the directors (2012: none).

## Notes (continued)

### 4 Tax on profit on ordinary activities

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

	2013 £000	2012 £000
<b>Current tax:</b>		
UK corporation tax on profit for the period	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(23)	16
Effect of tax rate change on opening balance	(1)	1
<b>Total deferred tax (note 9)</b>	(24)	17
<b>Tax (credit)/charge on profit on ordinary activities</b>	(24)	17

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

The tax for the period is lower (2012: lower) than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £000	2012 £000
<b>Profit on ordinary activities before tax</b>	64	82
Profit on ordinary activities multiplied by standard rate of 23.25% (2012: 24.5%) of corporation tax	15	20
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	5
Capital allowances and other timing differences	7	(17)
Fixed asset differences	48	43
Utilisation of brought forward tax losses	(70)	(51)
<b>Current tax charge/(credit) for the period</b>	-	-

## Notes (continued)

### 5 Tangible assets

	<b>Freehold land &amp; buildings £000</b>
<b>Cost</b>	
At 1 January 2013	8,446
Additions	89
	<hr/>
<b>At 31 December 2013</b>	<b>8,535</b>
	<hr/>
<b>Accumulated depreciation</b>	
At 1 January 2013	1,479
Charge for the year	237
	<hr/>
<b>At 31 December 2013</b>	<b>1,716</b>
	<hr/>
<b>Net book value</b>	
<b>At 31 December 2013</b>	<b>6,819</b>
	<hr/>
At 31 December 2012	6,967
	<hr/>

### 6 Investments

<b>Investment in subsidiary company</b>	<b>£000</b>
<b>Cost and net book value</b>	
At 31 December 2013 and 31 December 2012	<b>18,000</b>
	<hr/>

The principal subsidiary undertakings as at 31 December 2013 were:

			<b>Proportion of ordinary shares held</b>	
<b>Name</b>	<b>Country of incorporation</b>	<b>Nature of business</b>	<b>2013 %</b>	<b>2012 %</b>
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

## Notes (continued)

### 7 Debtors

	2013 £000	2012 £000
Deferred taxation (note 9)	16	-
Other debtors	-	2
	<u>16</u>	<u>2</u>

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

	2013 £000	2012 £000
Amounts owed to group undertakings	10,649	10,860
Accruals and deferred income	20	24
	<u>10,669</u>	<u>10,884</u>

### 9 Provisions for liabilities and charges

	2013 £000	2012 £000
Deferred taxation:		
Balance brought forward	8	(9)
(Credited)/charged to profit and loss account	(24)	17
	<u>(16)</u>	<u>8</u>

Deferred taxation provided in the financial statements is as follows:

	2013 £000	2012 £000
Fixed asset timing differences	16	(8)

The company has an additional unrecognised deferred tax asset of £888,000 (2012: £1,110,000).

## Notes (continued)

### 10 Called up share capital

	Allotted and fully paid	
	2013 £000	2012 £000
9,000 A ordinary shares of £1 each	9	9
900 B ordinary shares of £1 each	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
	<hr/>	<hr/>
	2,283	2,283
	<hr/>	<hr/>

### 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.

### 11 Share premium account

	£000
At 31 December 2012 and at 31 December 2013	40,377
	<hr/>

## Notes *(continued)*

### 12 Profit and loss account

	£000
At 1 January 2013	(28,561)
Profit for the period	88
	<hr/>
At 31 December 2013	<b>(28,473)</b>
	<hr/> <hr/>

### 13 Reconciliation of movements in shareholders' funds

	2013 £000	2012 £000
Profit on ordinary activities after taxation	88	65
	<hr/>	<hr/>
Net change in shareholders' funds	88	65
Shareholders' funds as at 1 January	14,099	14,034
	<hr/>	<hr/>
Shareholders' funds as at 31 December	<b>14,187</b>	14,099
	<hr/> <hr/>	<hr/> <hr/>

### 14 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 Suite 500, Gordon Baker Road, Toronto, Canada.