

PEC (LIVERPOOL) LIMITED

Report and Financial Statements

31 December 2006

Registered Number 2703966



PEC (Liverpool) Limited

Registered No 2703966

DIRECTORS

J-P Bobst
S J Darlington

SECRETARY

S J Darlington

AUDITORS

Ernst & Young LLP
No 1 Colmore Square
Birmingham
B4 6HQ

BANKERS

The Royal Bank of Scotland
2nd Floor
79-83 Colmore Row
Birmingham
B3 2AP

REGISTERED OFFICE

10 – 12 Broad Ground Road
Riverside
Redditch
Worcestershire
B98 8YP

PEC (Liverpool) Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2006

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £nil (2005 Loss of £513,000) No dividend is proposed (2005 £Nil)

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activities were that of letterpress platemakers and engravers of embossing and foil blocking dies for the printing, packaging and greeting card manufacturing industries

FUTURE DEVELOPMENTS

On 17 January 2006 the company's entire activities were sold to Lasercomb Dies Limited for a consideration equivalent to the net asset value of the company as at 31 December 2005 Under the terms of the sale of the business, all costs and revenues relating to the business after 31 December 2005 will be dealt with in the accounts of Lasercomb Dies Limited It is not currently intended that the company will recommence trading in the foreseeable future

The Company changed its name to PEC (Liverpool) Limited by Special Resolution on 17 January 2006

FINANCIAL PERFORMANCE AND RISK MANAGEMENT

Following the sale of the company's assets and business, the company is now dormant

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year are set out below


J-P Bobst
S J Darlington
M A Ridings (resigned 17 January 2006)

There are no directors' interests requiring disclosure under the Companies Act 1985

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting

On behalf of the board



S J Darlington
Secretary

30 March 2007

PEC (Liverpool) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEC (LIVERPOOL) LIMITED

We have audited the company's financial statements for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PEC (LIVERPOOL) LIMITED (continued)**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



Ernst & Young LLP
Registered Auditor
Birmingham

30 March 2007

PEC (Liverpool) Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2006

	<i>Notes</i>	2006 <i>£'000</i>	2005 <i>£'000</i>
Turnover	2	-	2,475
Cost of sales		-	(1,631)
Gross Profit		-	844
Administrative expenses		-	(1,358)
Loss on ordinary activities before taxation	3	-	(514)
Tax on loss on ordinary activities	6	-	1
Loss funded from reserves	16	-	(513)

The company had no unrecognised gains or losses in the year other than the results shown above

PEC (Liverpool) Limited

BALANCE SHEET at 31 December 2006

	Notes	2006 £'000	2005 £'000
FIXED ASSETS			
Investments	8	-	-
		<u>-</u>	<u>-</u>
		-	-
		<u>-</u>	<u>-</u>
CURRENT ASSETS			
Debtors	9	-	787
Cash at bank and in hand		-	371
		<u>-</u>	<u>1,158</u>
		-	1,158
CREDITORS amounts falling due within one year	10	-	(317)
		<u>-</u>	<u>(317)</u>
NET CURRENT ASSETS		-	841
		<u>-</u>	<u>841</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		-	841
CREDITORS amounts falling due after more than one year	11	(126)	(967)
		<u>(126)</u>	<u>(967)</u>
		<u>(126)</u>	<u>(967)</u>
CAPITAL AND RESERVES			
Called up share capital	12	1	1
Share premium	13	595	595
Deficit	13	(722)	(722)
		<u>1</u>	<u>1</u>
EQUITY SHAREHOLDERS' DEFICIT	13	(126)	(126)
		<u>(126)</u>	<u>(126)</u>

The financial statements were approved by the Board on 30 March 2007 and signed on its behalf by



S J Darlington
Director

PEC (Liverpool) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2006

1. ACCOUNTING POLICIES

Basis of accounting

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

Consolidated financial statements have not been prepared because the company has taken advantage of section 228 of the Companies Act 1985 which exempts the company from the obligation to prepare and deliver group accounts as it is included in the consolidated financial statements of Bobst Group (UK Holdings) Limited, a company registered in England and Wales. These financial statements present information about the company as an individual and not about its group.

Cashflow statement

The Company has taken advantage of the exemption from preparing a cash flow statement conferred by FRS 1 (revised) on the grounds that it is entitled to the exemption as a wholly owned subsidiary of a parent undertaking which publishes a consolidated cash flow statement.

Depreciation

Depreciation is calculated to write off the cost of all tangible fixed assets evenly over their estimated useful lives at the following rates:

Freehold buildings	-	2 - 4%
Short leasehold buildings	-	over the period of the lease
Plant & equipment	-	10 - 20%
Office equipment & fixtures	-	10 - 33%
Motor Vehicles	-	33%

The carrying value of tangible fixed assets is reviewed for impairment in periods if events or changes in circumstance indicate that the carrying value may not be recoverable.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less the estimated cost of disposal. Cost is computed as follows:

Raw materials	-	purchase cost on a first in, first out basis
Work in progress & finished goods	-	cost of direct materials & labour, plus attributable overheads

Foreign currencies

Transactions in foreign currencies are recorded at the rate approximating to those ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or at contracted rates, if applicable. All differences are taken to the profit and loss account.

Leasing

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

PEC (Liverpool) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2006

1. ACCOUNTING POLICIES (continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receiving more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Pensions

The company operates a defined benefit pension scheme, which requires contributions to be made to a separately administered fund. The expected cost of providing pensions, as calculated periodically by independent qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll

2. TURNOVER

Turnover represents the amount derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of value added tax

An analysis of turnover by geographic market is given below

	2006 £'000	2005 £'000
United Kingdom	-	2,345
Rest of Europe	-	122
Other	-	8
Total	-	2,475

All activities were classed as continuing during the year

at 31 December 2006

This is stated after charging

	2006	2005
	<i>£'000</i>	<i>£'000</i>
Auditors' remuneration - audit	-	9
Depreciation		
At standard rates	-	191
Additional depreciation following impairment review	-	300
Operating lease rentals - land and buildings	-	21
- motor vehicles	-	32

Directors' emoluments have been borne by the parent company, Bobst Group (UK) Holdings Limited and Bobst SA. The directors of the company are also directors or officers of a number of the companies within the Bobst Group SA group. The directors services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the years ended 31 December 2006 and 31 December 2005.

	2006 No	2005 No
The average number of persons employed by the company during the period was		
Production, sales and distribution	-	39
Administration	-	7
	<u>-</u>	<u>46</u>
	<u>-</u>	<u>46</u>
	£'000	£'000
Staff costs		
Wages and salaries	-	1,085
Social security costs	-	107
Other pension costs	-	62
	<u>-</u>	<u>1,254</u>
	<u>-</u>	<u>1,254</u>

PEC (Liverpool) Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2006

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	2006 £'000	2005 £'000
Current taxation		
Adjustment in respect of prior year	-	(1)
	<u>-</u>	<u>(1)</u>
	-	(1)
	<u>-</u>	<u>(1)</u>

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below

	2006 £'000	2005 £'000
Loss on ordinary activities before tax	<u>-</u>	<u>(514)</u>
Loss on ordinary activities multiplied by the standard rate of Corporation Tax in the UK of 30% (2005 – 30%)	-	(154)
Effect of		
Group relief surrendered for no payment	-	42
Disallowed expenses and non-taxable income	-	2
Depreciation in excess of capital allowances	-	107
Other timing differences	-	3
Adjustment in respect of prior year	-	(1)
	<u>-</u>	<u>(1)</u>
	<u>-</u>	<u>(1)</u>

7. SALE OF BUSINESS

On 17 January 2006, all of the company's operating assets and business were sold to Lasercomb Dies Limited and the company ceased trading. All the costs and revenues of the business after 31 December 2005 will be dealt with in the accounts of Lasercomb Dies Limited. Consideration for the sale was settled in cash and was equivalent to the net book value of the assets transferred, comprising

	£'000
Tangible fixed assets	417
Inventories	72
Debtors	780
Creditors assumed by the purchaser	<u>(482)</u>
	<u>787</u>
Consideration paid	<u>787</u>

PEC (Liverpool) Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2006

8. INVESTMENTS

**Subsidiary
undertakings**
£

At 31 December 2006 and 2005, stated at cost

202

The company holds the entire issued ordinary share capital of PEC (Scotland) Limited (formerly known as The Palatine Engraving Company (Scotland) Limited), a dormant company registered in Scotland

The company also holds two £1 shares in Palatine Engraving Pension Fund Trustee Limited, being the whole of the issued share capital. This company acts as trustee of The Palatine Engraving Company Limited Pension Scheme

9. DEBTORS

2006 **2005**
£'000 £'000

Assets held for resale, pending the sale of the business (note 7)

- 787

10. CREDITORS: amounts falling due within one year

2006 **2005**
£'000 £'000

Amounts owed to group undertakings

- 317

The liability to settle all creditors outstanding at 31 December 2005 was assumed by Lasercomb Dies Limited under the terms of the sale of the business to that company on 17 January 2006

11. CREDITORS: amounts falling after more than one year

2006 **2005**
£'000 £'000

Amount owed to group undertakings

126 967

The amount owed to group undertakings is non-interest bearing and has no fixed repayment date

PEC (Liverpool) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2006

12. SHARE CAPITAL

	2006 and 2005	
	Authorised £'000	Allotted, called up & fully paid £'000
Ordinary shares of £1 each	1	1

13. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Called up share- capital £'000</i>	<i>Share Premium account £'000</i>	<i>Profit and loss account £'000</i>	<i>Equity share- holders funds £'000</i>
At 1 January 2005	1	595	(209)	387
Loss for the year	-	-	(513)	(513)
At 31 December 2005	1	595	(722)	(126)
Result for the year	-	-	-	-
At 31 December 2006	1	595	(722)	(126)

14 PENSION COMMITMENTS

Certain eligible employees were members of group funded defined benefit schemes. Full details of the pension schemes are disclosed in note 18 to the accounts of Bobst Group (UK Holdings) Limited.

Under the terms of the sale of the business to Lasercomb Dies Limited, responsibility for the liabilities of the pension scheme were transferred to Bobst Group (UK Holdings) Limited, and the liability of PEC (Liverpool) Limited was limited to the value of contributions paid, which have been treated as an expense in the profit and loss account.

The pension cost for the year for the company was £nil (2005 £62,000). There were no unpaid contributions as at the balance sheet date.

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption, in FRS 8, from providing details of transactions with members of the Bobst Group (UK Holdings) Limited and the Bobst Group SA groups.

16 PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is Bobst Group (UK Holdings) Limited. The company's ultimate parent and ultimate controlling party is Bobst Group SA which is incorporated in Switzerland. Copies of Bobst Group SA's financial statements are available from its registered office: Bobst SA, 1001 Lausanne, Switzerland.