

**Ritchie Holdings Limited**

**Report and Financial Statements**

**Year Ended 31st December 2006**

**Company No 165338 - Scotland**

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**Ritchie Holdings Limited**  
**Report and Financial Statements**  
**For the year ended 31st December 2006**  
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**Ritchie Holdings Limited**  
**Directors' Report**  
**For the year ended 31st December 2006**

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

This Directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

**Principal activity and review of the business**

The principal activity of the company in the year under review is that of an investment holding company. The operating subsidiary is involved in the printing industry.

The development of the business during the year and the state of affairs of the company at the year end was satisfactory.

There have been no important events affecting the company since the end of the year and no major future developments in the business of the company are anticipated.

**Results and dividends**

The company operates as an intermediate holding company. The results for the year are set out on page 3.

No dividends were paid during the year (2005 £ Nil) and the directors do not recommend the payment of a final dividend (2005 £ Nil).

**Directors**

The directors in office throughout the year were G Cunningham, C O'Neill and J Nicholls. R Houghton resigned on 31st May 2007.

G Cunningham and R Houghton each held 37,500 1p Deferred shares in the company throughout the year.

The interests of Mr C O'Neill, who is also a director of the ultimate holding company in the shares, debentures or loan stock of that company, are disclosed in the financial statements of the ultimate holding company.

**Directors' responsibilities**

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and 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 judgements 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,
- 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 that 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 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.

**Auditors**

Each of the directors at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the 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.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP offer themselves for reappointment in accordance with section 385 of the Companies Act 1985.

Hurlford Road  
Riccarton  
Kilmarnock

BY ORDER OF THE BOARD

*James Nicholls*

J Nicholls  
Secretary

10th December 2007

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RITCHIE HOLDINGS LIMITED**

We have audited the financial statements of Ritchie Holdings Limited for the year ended 31 December 2006 which comprise the Profit and loss account, Balance sheet, Accounting policies and the related notes 1 to 10. 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 financial statements in accordance with applicable law and United Kingdom 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.

### **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.

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors, Birmingham

*12 December 2007*

**Ritchie Holdings Limited**  
**Profit and Loss Account**  
**For the year ended 31st December 2006**

	Note	2006 £	2005 £
Administrative expenses		(225,684)	(218,573)
Other operating income			
Subsidiary company management support income		225,684	218,573
		-----	-----
Operating profit, being profit for the financial year retained	1	=====	=====

The accounting policies and notes on pages 5 to 8 form part of these financial statements

All results derive from continuing operations

There were no recognised gains or losses in either year other than disclosed in the profit and loss account and consequently no statement of total recognised gains and losses is presented

**Ritchie Holdings Limited**  
**Balance Sheet**  
**As at 31st December 2006**

	Note	2006 £	2005 £
Fixed assets			
Investments	3	2,964,092	2,964,092
		<u>2,964,092</u>	<u>2,964,092</u>
Creditors (amounts falling due within one year)	4	(959,330)	(959,330)
Net current liabilities		<u>(959,330)</u>	<u>(959,330)</u>
Creditors (amounts falling due after one year)	5	(1,145,714)	(1,145,714)
Net assets		<u>£859,048</u> =====	<u>£859,048</u> =====
Capital and reserves			
Called up share capital	6	669,645	669,645
Profit and loss account	7	189,403	189,403
Shareholders' funds	7	<u>£859,048</u> =====	<u>£859,048</u> =====

The accounting policies and notes on pages 5 to 8 form part of these financial statements

James Nicholls J Nicholls, Director

The financial statements were approved by the Board on 10th December 2007

**Ritchie Holdings Limited**  
**Accounting policies**  
**For the year ended 31st December 2006**

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

The principal accounting policies of the company are summarised below. They have all been applied consistently throughout the year and the preceding year

**Investments**

Investments in subsidiary companies and other investments are stated at the cost of acquisition, including attributable expenses, less provision for impairment

**Pension Costs**

The company provides pension benefits for the majority of employees through personal defined contribution schemes. The pension costs charged against profits represent the amount of contribution payable to the scheme in respect of the accounting year

**Cash flow statement**

Advantage has been taken of the exemption allowed by Financial Reporting Standard No 1 for companies which are wholly owned subsidiary undertakings and where the parent has prepared a cash flow statement

**Related party transactions**

The company, as a wholly owned subsidiary of an EC parent company, has taken advantage of the exemption granted by Financial Reporting Standard No 8 not to disclose details of related party transactions

**Consolidation**

The company is exempt from preparing group accounts under Section 228 of the Companies Act 1985 as it is a subsidiary of an EC parent company which is preparing group accounts

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

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 the balance sheet date that result in an obligation to pay more tax or a right to pay less tax in the future

Timing differences are differences between profit as computed for taxation purposes and profits as stated in the financial statements which arise between certain items of income and expenditure in the financial statements which are dealt with in different periods for taxation purposes

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements

Deferred tax is measured at the tax rates that are expected to reverse based on tax rates and laws enacted or substantially enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis

No deferred tax is provided in the current year or preceding year as any provision would be immaterial

**Ritchie Holdings Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2006**

1 Profit before taxation

The profit before taxation is attributable to one activity, that of an investment holding company engaged in the financing and management of its investments in subsidiary undertakings

The audit fee for the company was £500 (2005 £500) which was borne by the parent company, Clondalkin Group (UK) Limited

2 Directors and employees remuneration	2006 £	2005 £
Wages and salaries	189,590	183,646
Social security and other taxes	22,976	22,255
Pension Costs	13,118	12,672
	-----	-----
	£225,684	£218,573
	=====	=====

The average number of persons employed during the year was 2 (2005 2)

The directors received remuneration for management services of £191,142 (2005 £185,246), which excluded pension contributions of £13,118 (2005 £12,672)

The highest paid director received remuneration for management services of £105,047 (2005 £101,498), which excluded pension contributions of £7,154 (2005 £6,880)

Two directors were members of the defined contribution scheme (2005 2)

3 Investments	2006 £	2005 £
Shares in wholly owned subsidiary undertakings at cost		
At beginning and end of year	£2,964,092	£2,964,092
	=====	=====

The principal subsidiary undertaking of the company is Ritchie (UK) Limited, a specialist printing company registered in Scotland. The holding consists of the entire issued ordinary share capital

The directors consider that the aggregate value of the company's interests in shares in, or amounts owing from subsidiary undertakings, is not less than the aggregate amounts at which they are included in the company's balance sheet

4 Creditors (amounts falling due within one year)	2006 £	2005 £
Amounts due to group undertakings	£959,330	£959,330
	=====	=====
5 Creditors (amounts falling due after one year)	2006 £	2005 £
10% Preference shares of £1 00 each	£1,145,714	£1,145,714
	=====	=====

The preference shares of £1 00 each qualify for a fixed non cumulative dividend of 10% per annum, and on a winding up qualify for repayment in priority to the Ordinary Shares, but to no further participation in the profits of the company

The entitlement for preference dividends for the year has been waived

Each holder of Preference Shares shall have the right to receive notice of, and attend, all General Meetings of the company but shall have no right to vote thereat either in person or by proxy



**Ritchie Holdings Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2006**

**6 Called up share capital**

	Authorised 2006 & 2005 £	Allotted called up and fully paid 2006 & 2005 £
Equity shares		
Ordinary shares of £1 00 each	466,875	466,875
Preferred ordinary shares of £1 00 each	200,091	200,091
Deferred Shares of £0 01 each	2,679	2,679
	-----	-----
	£669,645	£669,645
	=====	=====

The Deferred Shares carry no right to vote in any circumstances or to receive or participate in any dividend or distribution declared, paid, or made to the members of the company

Each holder of a ordinary shares and preferred ordinary shares shall be entitled to receive notice of, and attend, and vote at all General Meetings of the company Each such holder shall, on a show of hands, have one vote and on a poll one vote per share

On a return of assets on liquidation or capital reduction or otherwise, the Deferred Shares shall carry no right to participate in any distribution of the assets amongst the members of the company unless and until there shall have been distributed to and divided amongst the Ordinary Shareholders of the company an amount equal to £100,000 in respect of each of the issued Ordinary Shares, and thereafter the Deferred Shares shall be entitled to the repayment of the amount paid up or credited as paid up thereon

On a return of assets on liquidation or capital reduction or otherwise, the assets of the company remaining after the payment of its liabilities shall be applied in the following priorities

- (i) in paying to the holders of the Preference Shares, a sum equal to any arrears or accruals of the Preference Dividend calculated down to the date of the return of capital, together with any outstanding interest thereon
- (ii) in paying to the holders of the Preference Shares the sum of £1 per share
- (iii) in paying to the holders of the Preferred Ordinary Shares, the higher of £1 per share, and a sum per share equal to the proportion that the paid up nominal value of the Preferred Ordinary Shares in issue at the date of the return of assets bears to the paid up nominal value of the Equity Shares in issue at that date of the amount available for distribution after payment of the sums due in terms of paragraphs (i), (ii) and (iii) above divided by the number of fully paid Preferred Ordinary Shares then in issue

7 Reconciliation of movements in shareholders' funds	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1st January 2005	669,645	189,403	859,048
Profit for the year	-----	-----	-----
At 31st December 2005	£669,645	£189,403	£859,048
Profit for the year	-----	-----	-----
At 31st December 2006	£669,645	£189,403	£859,048
	=====	=====	=====

**8 Capital commitments**

There was no commitment for capital expenditure at the 31st December 2006 or 31st December 2005

**Ritchie Holdings Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2006**

9 Ultimate holding company

The company's ultimate parent undertaking is Clondalkin Group Holdings B V , a company incorporated in The Netherlands. The majority shareholder in Clondalkin Group Holdings B V is WP Flexpack Holdings S a r l and its associates who together control 85.6% of the issued share capital (equivalent to 82.5% on a fully diluted basis).

The parent undertaking of the smallest group of undertakings of which the company is a member and for which group financial statements are drawn up is Clondalkin Industries B V , a company incorporated in the Netherlands. Copies of its group financial statements are filed at The Chamber of Commerce, Amsterdam, The Netherlands.

The parent undertaking of the largest group of undertakings of which the company is a member and for which group financial statements are drawn up is Clondalkin Group Holdings B V. Copies of its group financial statements are filed at the The Chamber of Commerce, Amsterdam, The Netherlands.

10 Contingent liabilities

There are fixed and floating charges over the assets of the company in order to secure group bank borrowings.

The directors do not anticipate crystallisation of any such liability in the foreseeable future.