

1736368

**John Libbey Eurotext Limited**  
**Reports and Financial Statements**  
**for the year ended**  
**31st December 1996**

**RICHES**  
**& COMPANY**  
**CHARTERED**  
**ACCOUNTANTS**



# **John Libbey Eurotext Limited**

## **Reports and financial statements**

<b>Directors</b>	G. A. Cahn J. R. Libbey
<b>Secretary</b>	C. Cahn
<b>Registered office</b>	43 Dover Street London W1X 3RE
<b>Company number</b>	1736668

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## **John Libbey Eurotext Limited**

### **Directors' report**

The directors have pleasure in presenting their report, together with the audited financial statements for the year ended 31st December 1996.

#### **Principal activity**

The principal activity of the company in the year under review was that of production and distribution of books and magazines in Europe, primarily in France.

#### **Review of business and future developments**

The company operates from offices in Paris. A summary of the results of the year's trading is given in the profit and loss account on page 4 of the financial statements. The directors consider the state of the company's affairs, as disclosed by the balance sheet, to be satisfactory. No changes are planned in the company's operations in the foreseeable future.

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Directors**

The directors who held office during the year, together with their beneficial interests in the share capital of the company, were as follows:

**31st December 1996**  
and 1995  
Ordinary £1 shares

G. A. Cahn	900
J. R. Libbey	-

#### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## **John Libbey Eurotext Limited**

### **Directors' report (continued)**

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.

#### **Auditors**

Riches and Company were appointed as auditors during the period; having signified their willingness to continue in office, they will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**On behalf of the Board**

G. A. Cahn  
Director



Date of approval

20 January 1988

**Report of the auditors to the members of**

**John Libbey Eurotext Limited**

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on pages 1 and 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**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 31st December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Date of approval

20th January 1999

  
**Riches & Company**  
Chartered Accountants  
Registered Auditor

# John Libbey Eurotext Limited

## Profit and loss account year ended 31st December 1996

	Notes	1996 £	1995 £
Turnover	2	2,835,920	3,365,975
Cost of sales		(2,347,981)	(2,085,719)
<b>Gross profit</b>		<b>487,939</b>	<b>1,280,256</b>
Administrative expenses		(463,865)	(1,453,537)
<b>Operating profit/(loss)</b>	3(a)	<b>24,074</b>	<b>(173,281)</b>
Interest receivable and similar income	3(b)	34,104	152,805
Interest payable and similar charges	3(c)	(2,633)	(1,675)
<b>Profit/(loss) on ordinary activities before taxation</b>	3	<b>55,545</b>	<b>(22,151)</b>
French taxation expense		(54,284)	-
<b>Profit/(loss) on ordinary activities before UK taxation</b>		<b>1,261</b>	<b>(22,151)</b>
<b>Taxation</b>		<b>-</b>	<b>-</b>
<b>Profit/(loss) on ordinary activities after taxation</b>		<b>1,261</b>	<b>(22,151)</b>
Exceptional profit		-	43,213
<b>Retained profit</b>		<b>£1,261</b>	<b>£21,062</b>

All amounts relate to continuing operations.

The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

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

# John Libbey Eurotext Limited

## Balance sheet at 31st December 1996

	Note	1996		1995	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		62,562		39,977
Investment	8		8,850		8,850
			<hr/>		<hr/>
			71,412		48,827
<b>Current assets</b>					
Stock	9	200,737		163,746	
Debtors	10	1,053,012		1,267,998	
Cash at bank and in hand		129,398		447,432	
		<hr/>		<hr/>	
			1,383,147		1,879,176
<b>Creditors: amounts falling due within one year</b>	11(a)	(1,402,764)		(1,903,378)	
		<hr/>		<hr/>	
<b>Net current liabilities</b>			(19,617)		(24,202)
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			51,795		24,625
			<hr/>		<hr/>
<b>Creditors: amounts falling due after more than one year</b>	11(b)	(25,909)		-	
		<hr/>		<hr/>	
			£25,886		£24,625
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	12	1,000		1,000	
Profit and loss account		24,886		23,625	
		<hr/>		<hr/>	
<b>Shareholders' funds</b>	14	£25,886		£24,625	
		<hr/>		<hr/>	

Approved by the board on 20<sup>th</sup> January 1999.

G. A. Cahn  
Director



# **John Libbey Eurotext Limited**

## **Notes forming part of the financial statements**

### **1 Accounting policies**

#### **(a) Accounting convention**

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

#### **(b) Turnover**

Turnover represents net invoiced sales of services, excluding value added tax.

#### **(c) Depreciation**

Depreciation is provided at the following annual rates in order to write off the cost of each asset on a reducing balance basis over its estimated useful life:

Furniture and fittings	- 25 %
Office equipment	- 25 %
Motor vehicles	- 25 %

#### **(d) Stock**

Stock is valued at the lower of invoiced cost and net realisable value.

Cost includes all direct expenditure and the basis of calculation is consistent with that of prior periods.

#### **(e) Deferred taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

#### **(f) Finance and operating leases**

Where assets are acquired by leasing arrangements which give rights approximating to ownership, the amount representing the outright purchase price of such assets is included in tangible fixed assets. The capital element of future rentals is treated as a liability and the interest element is charged to the profit and loss account over the period of the lease. The asset is depreciated over the shorter of its estimated useful life and the term of the lease.

Leasing charges in respect of operating leases are recognised in the profit and loss account over the lives of the lease agreements as incurred.



# John Libbey Eurotext Limited

## Notes (continued)

### 2 Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company and arose entirely in Europe.

### 3 Profit on ordinary activities before taxation

	1996 £	1995 £
(a) The operating profit is stated after charging:		
Depreciation	20,856	13,326
Directors' remuneration (note 4)	136,887	136,947
Auditors' remuneration	3,500	2,056
Operating lease rentals - land and buildings	38,562	43,478
- other	6,034	6,126
	<u>          </u>	<u>          </u>
(b) Interest receivable and similar income:		
Bank interest receivable	8,902	19,535
Foreign exchange gains	25,202	328
Recharge of costs to associates	-	132,942
	<u>          </u>	<u>          </u>
	£34,104	£152,805
	<u>          </u>	<u>          </u>
(c) Interest payable and similar charges comprises:		
Bank interest expense	198	214
Hire purchase interest	1,499	-
Foreign exchange losses	936	1,461
	<u>          </u>	<u>          </u>
	£2,633	£1,675
	<u>          </u>	<u>          </u>

### 4 Directors' remuneration

	1996	1995
Management remuneration	£136,887	£136,947
	<u>          </u>	<u>          </u>
Chairman	£136,887	£136,947
	<u>          </u>	<u>          </u>

# John Libbey Eurotext Limited

## Notes (continued)

### 5 Staff numbers and costs

The average number of persons (including directors) employed by the company during the period was as follows:

	1996 Number	1995 Number
Production	17	17
Other	5	5
	<hr/>	<hr/>
Total employees	22	22
	<hr/>	<hr/>
The aggregate payroll costs of these persons were as follows:		
	£	£
Wages and salaries	562,814	634,355
Social security costs and welfare charges	252,884	269,070
	<hr/>	<hr/>
	£815,698	£903,425
	<hr/>	<hr/>

### 6 Taxation

The taxation charge arising from the profit on ordinary activities for the period was as follows:

	1996 £	1995 £
<b>UK Corporation tax</b> at 33% (1995 - 33%) based on the adjusted results for the year	-	-
Adjustment in respect of prior year	-	-
	<hr/>	<hr/>
	£ -	£ -
	<hr/>	<hr/>
<b>French taxes:</b>		
Main corporate income tax at up to 33.3%	-	-
Other local corporate taxes	8,854	-
Fiscal penalties and prior year adjustments	45,430	-
	<hr/>	<hr/>
	£54,284	£ -
	<hr/>	<hr/>

# John Libbey Eurotext Limited

## Notes (continued)

### 7 Tangible fixed assets

	Motor vehicles £	Office equipment, furniture and fittings £	Total £
Cost:			
At 1st January 1996	6,820	119,787	126,607
Additions	24,607	21,630	46,237
Disposal	(4,971)	-	(4,971)
	<hr/>	<hr/>	<hr/>
At 31st December 1996	<b>26,456</b>	<b>141,417</b>	<b>167,873</b>
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 1st January 1996	2,637	83,993	86,630
Charge for the year	6,499	14,357	20,856
On disposal	(2,175)	-	(2,175)
	<hr/>	<hr/>	<hr/>
At 31st December 1996	<b>6,961</b>	<b>98,350</b>	<b>105,311</b>
	<hr/>	<hr/>	<hr/>
Net book values:			
At 31st December 1996	<b>£19,495</b>	<b>£43,067</b>	<b>£62,562</b>
	<hr/>	<hr/>	<hr/>
At 31st December 1995	<b>£4,183</b>	<b>£35,794</b>	<b>£39,977</b>
	<hr/>	<hr/>	<hr/>

Included in the additions above are assets held under finance leases at a cost of £41,922. Depreciation of £10,482 has been charged on these.

### 8 Investment

This represents the cost of shares in a 100% owned subsidiary company, John Libbey CIC s.r.l.

### 9 Stock

In the directors' opinion the replacement cost of stocks at 31st December 1996 did not differ materially from the amount included in the balance sheet.

# John Libbey Eurotext Limited

## Notes (continued)

### 10 Debtors

	1996 £	1995 £
Trade debtors	897,621	1,064,254
Other debtors	14,611	-
Prepayments and accrued income	137,971	203,744
French tax paid in advance	2,809	-
	<u>£1,053,012</u>	<u>£1,267,998</u>

### 11 Creditors

	1996 £	1995 £
(a) Amounts falling due within one year:		
Amounts received in advance	526,250	265,882
Trade creditors	505,206	841,573
UK Corporation tax	15,826	15,826
UK social security and other taxes	-	-
Accruals and deferred income	144,363	780,095
French taxes due	79,469	-
Other creditors	121,695	-
Hire purchase liabilities	9,955	-
	<u>£1,402,764</u>	<u>£1,903,376</u>
(b) Amounts falling due after more than one year:		
Hire purchase liabilities	£25,909	£ -

### 12 Called up share capital

	1996	1995
Authorised:		
10,000 ordinary shares of £1 each	£10,000	£10,000
Allotted, called up and fully paid:		
1,000 ordinary shares of £1 each	£1,000	£1,000

## **John Libbey Eurotext Limited**

### **Notes (continued)**

#### **13 Operating leases**

At the balance sheet date there were annual commitments under non-cancellable operating leases as follows:

	<b>1996</b>	<b>1995</b>
<b>Land and buildings</b>		
Expiring between two and five years	<b>£39,114</b>	<b>£45,217</b>
	<hr/>	<hr/>

#### **14 Movement on shareholders' funds**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Profit for the year	<b>1,261</b>	<b>21,062</b>
Brought forward	<b>24,625</b>	<b>3,563</b>
	<hr/>	<hr/>
Carried forward	<b>£25,886</b>	<b>£24,625</b>
	<hr/>	<hr/>