

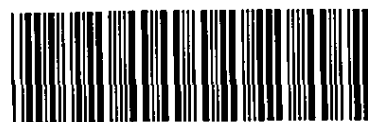
1736568

John Libbey Eurotext Limited
Reports and Financial Statements
for the year ended
31st December 2006

RICHES
& COMPANY

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John Libbey Eurotext Limited

Reports and financial statements

Director	G A Cahn
Secretary	C Cahn
Registered office	42 – 46 High Street Esher, Surrey, KT10 9QY
Company number	1736668

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John Libbey Eurotext Limited

Director's report

The director has pleasure in presenting his report, together with the audited financial statements for the year ended 31st December 2006

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 director considers 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

A dividend of £210,000 is proposed in respect of the period (2005 - £210,000)

Director

The director who held office during the year, together with his beneficial interests in the share capital of the company, was as follows

	Ordinary £1 shares	
	2006	2005
G A Cahn	1,000	1,000

Director's responsibilities

Company law requires the director to prepare financial statements for each financial period in accordance with applicable law and United Kingdom generally Accepted Accounting Practice (UK GAAP), and 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

John Libbey Eurotext Limited

Director's report (continued)

Statement of disclosure to auditor

- a) So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- b) he has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Riches & Company have signified their willingness to continue in office, and 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

24 October 2007

Independent auditors' report to the shareholders of John Libbey Eurotext Limited

We have audited the financial statements of John Libbey Eurotext Limited on pages 4 to 11 for the year ended 31st December 2006, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and 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 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 the director and auditors

As described in the statement of director's responsibilities on page 1 the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and whether, in our opinion, the information given in the Director's Report is consistent with the financial statement. We also 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 director's remuneration and transactions with the company is not disclosed.

Basis of audit opinion

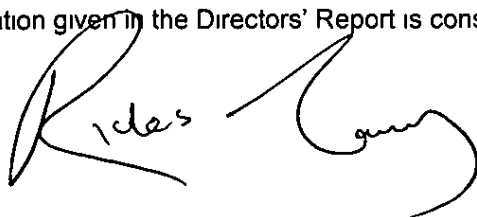
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director 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 31st December 2006 and of its profit for the year then ended, and
- 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



Riches & Company
Chartered Accountants
Registered Auditor

24 October 2007

John Libbey Eurotext Limited

Profit and loss account Year ended 31st December 2006

	Notes	2006 £	2005 £
Turnover	2	4,314,620	3,866,352
Cost of sales		(3,197,245)	(2,799,566)
Gross profit		1,117,375	1,066,786
Administrative expenses		(833,139)	(867,170)
Operating profit	3(a)	284,236	199,616
Interest receivable and similar income	3(b)	25,827	27,369
Interest payable and similar charges	3(c)	(23,692)	(21,726)
Profit on ordinary activities before taxation	3	286,371	205,259
French taxation expense	6	(123,558)	(100,800)
Profit on ordinary activities before UK taxation		162,813	104,459
UK Taxation	6	-	-
Profit on ordinary activities after taxation		162,813	104,459
Retained profits brought forward		1,133,012	1,028,553
Dividends paid		(210,075)	-
Retained profits carried forward		1,085,750	1,133,012

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

John Libbey Eurotext Limited

Balance sheet as at 31st December 2006

	Note	£	2006	£	£	2005	£
Fixed assets							
Tangible assets	7			63,011			74,336
Current assets							
Stock	8		64,008			61,863	
Debtors	9		1,670,772			1,539,415	
Cash at bank and in hand			1,476,965			1,556,816	
				3,211,745		3,158,094	
Creditors: amounts falling due within one year	10(a)		(2,185,209)			(2,090,656)	
Net current assets					1,026,536		1,067,438
Total assets less current liabilities					1,089,547		1,141,774
Creditors: amounts falling due after more than one year	10(b)			(2,797)		(7,762)	
					£1,086,750		£1,134,012
Capital and reserves							
Called up share capital	11			1,000			1,000
Profit and loss account				1,085,750			1,133,012
Shareholders' funds	13			£1,086,750			£1,134,012

Approved by the board on 24 October 2007

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 and the Companies Act 1985. The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a Cashflow Statement on the grounds that it is a small company.

(b) Turnover

Turnover represents net invoiced sales 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 director, 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)

(g) Foreign currency

The company's books are maintained in Euros and are converted into sterling using the closing rate method. All foreign exchange differences are charged to the profit and loss account for the year.

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

	2006 £	2005 £
(a) The operating profit is stated after charging		
Depreciation	21,004	25,466
Director's remuneration (note 4)	197,808	213,807
Auditors' remuneration	3,000	3,000
Operating lease rentals - land and buildings	71,288	68,933
- other	1,435	1,270
	<u>273,535</u>	<u>292,476</u>
(b) Interest receivable and similar income		
Bank interest receivable	25,827	9,265
Sundry income	-	18,104
	<u>25,827</u>	<u>27,369</u>
	<u>£25,827</u>	<u>£27,369</u>
(c) Interest payable and similar charges comprises		
Hire purchase interest	1,314	2,386
Foreign exchange losses	22,378	19,340
	<u>23,692</u>	<u>21,726</u>
	<u>£23,692</u>	<u>£21,726</u>

4 Director's remuneration

Management remuneration	£197,808	213,807
	<u>£197,808</u>	<u>213,807</u>
Chairman and highest paid director	£197,808	£213,807
	<u>£197,808</u>	<u>£213,807</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

	2006 number	2005 number
Production	26	24
Other	7	7
	<hr/>	<hr/>
Total employees	33	31
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows

	£	£
Wages and salaries	1,007,459	915,873
Social security costs and welfare charges	469,093	483,317
	<hr/>	<hr/>
	£1,476,552	£1,399,190
	<hr/>	<hr/>

6 Taxation

The company is treated as non-resident in the United Kingdom with effect from 1st January 1994. Therefore, only French Corporation taxes are payable

French taxes

	2006 £	2005 £
Main corporate income tax at up to 33.3%(2005 - 34.3%)	96,892	69,971
Other local corporate taxes	10,900	7,552
Fiscal penalties and prior year adjustments	15,766	23,277
	<hr/>	<hr/>
	£123,558	£100,800
	<hr/>	<hr/>

John Libbey Eurotext Limited

Notes (continued)

7 Tangible fixed assets

	Motor vehicles £	Office equipment furniture and fittings £	Total £
Cost			
At 1st January 2006	67,510	200,025	267,535
Additions	1,390	8,289	9,679
	<hr/>	<hr/>	<hr/>
At 31st December 2006	68,900	208,314	277,214
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1st January 2006	46,140	147,059	193,199
Charge for the year	5,690	15,314	21,004
	<hr/>	<hr/>	<hr/>
At 31st December 2006	51,830	162,373	214,203
	<hr/>	<hr/>	<hr/>
Net book values			
At 31st December 2006	£17,070	£45,941	£63,011
	<hr/>	<hr/>	<hr/>
At 31st December 2005	£21,370	£52,966	£74,336
	<hr/>	<hr/>	<hr/>

Included in the above are assets held under finance leases at a net book value of £14,988 (2005 - £19,984) Depreciation of £4,996 (2005 - £6,661) has been charged on these assets

8 Stock

In the director's opinion the replacement cost of stocks at 31st December 2006 did not differ materially from the amount included in the balance sheet

9 Debtors

	2006 £	2005 £
Trade debtors	1,588,289	1,373,125
Other debtors	21,772	125,555
Prepayments and accrued income	60,711	40,735
	<hr/>	<hr/>
	£1,670,772	£1,539,415
	<hr/>	<hr/>

John Libbey Eurotext Limited

Notes (continued)

10 Creditors

	2006 £	2005 £
(a) Amounts falling due within one year		
Amounts received in advance	853,162	758,223
Trade creditors	872,109	812,306
Accruals	304,795	315,917
French taxes due	100,040	56,564
Other creditors	50,308	140,894
Hire purchase liabilities	4,795	6,752
	<u>£2,185,209</u>	<u>£2,090,656</u>
(b) Amounts falling due after more than one year		
Hire purchase liabilities due in two to five years	<u>£2,797</u>	<u>£7,762</u>

11 Called up share capital

	2006	2005
Authorised		
10,000 ordinary shares of £1 each	<u>£10,000</u>	<u>£10,000</u>
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>

12 Operating leases

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

	2006 £	2005 £
Land and buildings		
Expiring in two to five years	<u>71,288</u>	<u>68,933</u>

13 Movement on shareholders' funds

	2006 £	2005 £
Profit for the year	162,813	104,459
Brought forward	1,134,012	1,029,553
Dividends paid	(210,075)	-
	<u>£1,086,750</u>	<u>£1,134,012</u>

John Libbey Eurotext Limited

Notes (continued)

14 Controlling party

The director, G Cahn, holds a controlling interest in the company, being the owner of 100% of the issued share capital