

**John Libbey Eurotext Limited**  
**Reports and Financial Statements**  
**for the year ended**  
**31st December 2008**

SATURDAY



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# **John Libbey Eurotext Limited**

## **Reports and financial statements**

<b>Director</b>	G. A. Cahn
<b>Secretary</b>	C. Cahn
<b>Registered office</b>	42 – 46 High Street Esher, Surrey, KT10 9QY.
<b>Company number</b>	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 2008.

### 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 £180,000 is proposed in respect of the period (2007 - £147,576).

### 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	
	2008	2007
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)**

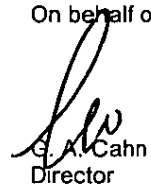
#### **Statement of disclosure to auditor**

- 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

28 October 2009

## **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 12 for the year ended 31st December 2008, 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.

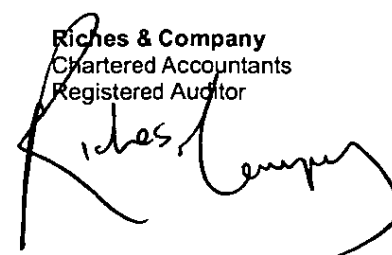
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2008 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 Director's Report is consistent with the financial statements.

**Riches & Company**  
Chartered Accountants  
Registered Auditor



28 October 2009

# John Libbey Eurotext Limited

## Profit and loss account Year ended 31st December 2008

	Notes	2008 £	2007 £
Turnover	2	4,364,523	3,876,367
Cost of sales		(3,206,848)	(2,914,506)
<b>Gross profit</b>		<b>1,157,675</b>	<b>961,861</b>
Administrative expenses		(899,033)	(924,389)
<b>Operating profit</b>	3(a)	<b>258,642</b>	<b>37,472</b>
Interest receivable and similar income	3(b)	85,946	74,515
Interest payable and similar charges	3(c)	(2,659)	(2,483)
<b>Profit on ordinary activities before taxation</b>	3	<b>341,929</b>	<b>109,504</b>
French taxation expense	6	(135,754)	(46,350)
<b>Profit on ordinary activities before UK taxation</b>		<b>206,175</b>	<b>63,154</b>
UK Taxation	6	-	-
<b>Profit on ordinary activities after taxation</b>		<b>206,175</b>	<b>63,154</b>
Dividends paid		(158,200)	-
<b>Retained profits for the year</b>		<b>£47,975</b>	<b>£63,154</b>

All amounts relate to continuing operations.

## **John Libbey Eurotext Limited**

### **Statement of total recognised gains and losses For the year ended 31st December 2008**

	2008	2007
	£	£
Profit for the financial year	47,975	63,154
Currency translation differences on foreign currency net investments	367,368	93,169
Total recognised gains and losses relating to the year	<u>£415,343</u>	<u>£156,323</u>

# John Libbey Eurotext Limited

## Balance sheet as at 31st December 2008

	Note	2008		2007	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		49,059		49,979
<b>Current assets</b>					
Stock	8	72,164		57,673	
Debtors	9	1,842,763		1,626,786	
Cash at bank and in hand		2,667,560		1,566,871	
		4,582,487		3,251,330	
<b>Creditors: amounts falling due within one year</b>	10	(2,973,130)		(2,058,236)	
<b>Net current assets</b>			1,609,357		1,193,094
			£1,658,416		£1,243,073
<b>Capital and reserves</b>					
Called up share capital	11		1,000		1,000
Profit and loss account	14		1,657,416		1,242,073
<b>Shareholders' funds</b>	13		£1,658,416		£1,243,073

Approved by the board on 28 October 2009

G. A. Cahn  
Director



COMPANY NUMBER 1736668



# 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 realised foreign exchange differences are charged to the profit and loss account for the year. Exchange differences on reconversion from functional currency are treated as movements on the statement of total recognised gains and losses.

### 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

	2008 £	2007 £
(a) The operating profit is stated after charging:		
Depreciation	14,359	16,660
Director's remuneration (note 4)	218,521	218,235
Auditors' remuneration	3,500	3,500
Operating lease rentals - land and buildings	96,553	83,233
- other	6,326	1,577
	<u>          </u>	<u>          </u>
(b) Interest receivable and similar income:		
Bank interest receivable	85,946	71,080
Foreign exchange gains	-	3,435
	<u>          </u>	<u>          </u>
	£85,946	£74,515
	<u>          </u>	<u>          </u>
(c) Interest payable and similar charges comprises:		
Hire purchase interest	1,883	1,136
Foreign exchange losses	776	1,347
	<u>          </u>	<u>          </u>
	£2,659	£2,483
	<u>          </u>	<u>          </u>

### 4 Director's remuneration

Management remuneration	£218,521	£218,235
	<u>          </u>	<u>          </u>
Chairman and highest paid director	£218,521	£218,235
	<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:

	2008 number	2007 number
Production	25	25
Other	7	7
	<hr/>	<hr/>
Total employees	32	32
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	1,163,886	1,057,196
Social security costs and welfare charges	567,388	529,793
	<hr/>	<hr/>
	£1,731,274	£1,586,989
	<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

	2008 £	2007 £
Main corporate income tax at up to 33.3% (2007 - 33.3%)	90,504	13,254
Other local corporate taxes	12,332	12,500
Fiscal penalties and prior year adjustments	32,918	20,596
	<hr/>	<hr/>
	£135,754	£46,350
	<hr/>	<hr/>

# John Libbey Eurotext Limited

## Notes (continued)

### 7 Tangible fixed assets

	Motor vehicles £	Office equipment furniture and fittings £	Total £
Cost:			
At 1st January 2008	44,293	212,981	257,274
Additions	429	13,010	13,439
Disposals	-	(5,984)	(5,984)
	<hr/>	<hr/>	<hr/>
At 31st December 2008	44,722	220,007	264,729
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 1st January 2008	32,270	175,025	207,295
Charge for the year	3,113	11,246	14,359
On disposals	-	(5,984)	(5,984)
	<hr/>	<hr/>	<hr/>
At 31st December 2008	35,383	180,287	215,670
	<hr/>	<hr/>	<hr/>
Net book values:			
At 31st December 2008	£9,339	£39,720	£49,059
	<hr/>	<hr/>	<hr/>
At 31st December 2007	£12,023	£37,956	£49,979
	<hr/>	<hr/>	<hr/>

Included in the above are assets held under finance leases at a net book value of £nil (2007 - £8,241). Depreciation of £nil (2007 - £2,747) has been charged on these assets.

### 8 Stock

In the director's opinion the replacement cost of stocks at 31st December 2008 did not differ materially from the amount included in the balance sheet.

### 9 Debtors

	2008 £	2007 £
Trade debtors	1,742,906	1,419,433
Other debtors and prepaid French taxes	41,877	128,344
Prepayments and accrued income	57,980	79,009
	<hr/>	<hr/>
	£1,842,763	£1,626,786
	<hr/>	<hr/>

# John Libbey Eurotext Limited

## Notes (continued)

### 10 Creditors: Amounts falling due within one year

	2008 £	2007 £
Amounts received in advance	1,409,365	840,111
Trade creditors	804,338	664,520
Accruals	508,220	312,681
French taxes due	157,526	41,860
Other creditors	93,681	195,999
Hire purchase liabilities	-	3,065
	<u>£2,973,130</u>	<u>£2,058,236</u>

### 11 Called up share capital

	2008	2007
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:

	2008 £	2007 £
<b>Land and buildings</b>		
Expiring in two to five years	49,861	83,933
Expiring in more than five years	69,736	-
	<u>£119,597</u>	<u>£83,933</u>

### 13 Movement on shareholders' funds

	2008 £	2007 £
Profit for the year	206,175	63,154
Other gains and losses	367,368	93,169
Brought forward	1,243,073	1,086,750
Dividends paid	(158,200)	-
	<u>£1,658,416</u>	<u>£1,243,073</u>
Carried forward		

## John Libbey Eurotext Limited

### Notes (continued)

14.	<b>Statement of movements on reserves</b>	Profit and loss account
		£
	Balance at 1st January 2008	1,242,073
	Profit for the year	206,175
	Foreign currency translation differences	367,368
	Dividends paid	(158,200)
		<hr/>
	Balance at 31st December 2008	£1,657,416
		<hr/>

15. **Controlling party**

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