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MARA UK

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

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DIRECTOR

Charybidis Limited

SECRETARY & REGISTERED OFFICE

Scylla Services Limited
c/o Countryside Company Services
386 - 388 Palative Road
Northenden
Manchester M22 4FU

REGISTERED NUMBER 35448
(England & Wales)

REGISTERED AUDITORS

Wells Floyd, Chartered Accountants
The Old Rectory
Church Street
Weybridge
Surrey
KT13 8DE



REPORT OF THE DIRECTOR

FOR THE YEAR ENDED 31 DECEMBER 1994

The director presents its annual report and the audited financial statements for the year ended 31 December 1994.

PRINCIPAL ACTIVITY

The principal activity of the company was that of an investment holding company. The company also traded in commodities until this ceased on 4 October 1994.

BUSINESS REVIEW

In November 1994 the company took delivery of its subsidiary company, Mara Enterprises Limited. The company borrowed £109 million from this subsidiary and used the funds to repay its immediate parent company, Sittard Computers Limited, and redeem its zero coupon bond.

The company re-registered as unlimited on 16 December 1994.

The company's position at the end of the year is set out in the balance sheet.

RESULTS AND DIVIDENDS

The loss of the company after taxation was £6,255,000 (1993 profit - £407,000), which has been dealt with as shown in the profit and loss account.

No dividend was paid during the year (1993 - £14,281,000).

SUBSEQUENT EVENTS

No important events have occurred since the year end which require mention in this report.

FUTURE DEVELOPMENTS

The director is of the opinion that no significant changes will take place in the company's business development in the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The directors of the company who served during the year were as follows:-

M B Ouzan (resigned 24 January 1994).

Charybidis Limited (appointed 24 January 1994).

None of the directors had any beneficial interest in the share capital of the company during the year.

REPORT OF THE DIRECTOR - continued

DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 year. 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;
- * follow applicable accounting standards, 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 the director to ensure that the financial statements comply with the Companies Act 1985. The director has a general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS

In accordance with the requirements of the Companies Act 1985, a resolution will be proposed at the annual general meeting to re-appoint Wells Floyd as auditors of the company.

By order of the board



Scylla Services Limited
Secretary

Date 03-05-95

REPORT OF THE AUDITORS

Page 3

TO THE SHAREHOLDERS OF

MARA UK

FOR THE YEAR ENDED 31 DECEMBER 1994

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 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described on page 2, the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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 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 of the state of the company's affairs as at 31 December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

The Old Rectory
Church Street
Weybridge
Surrey
KT13 8DE



WELLS FLOYD
CHARTERED ACCOUNTANTS
& REGISTERED AUDITORS

22 May 1995

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1994

	NOTES	1994		1993	
		£'000	£'000	£'000	£'000
TURNOVER					
Discontinued operations	2		1,650		38,818
Changes in stocks of finished goods and work in progress			-		2,812
			-----		-----
			1,650		41,630
Raw materials and consumables		1,668		13,000	
Other external charges		3		8,709	
Staff costs (note 5)		-		13,387	
Depreciation		-		2,085	
Other operating income		(5)		(147)	
		-----		-----	
			1,666		37,034
			-----		-----
OPERATING (LOSS)/PROFIT					
Discontinued operations	4		(16)		4,596
Loss on disposal of discontinued operations	8		-		(3,592)
Interest receivable	9		257		153
Interest payable and similar charges	10		(6,496)		(1,175)
			-----		-----
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(6,255)		(18)
Tax on loss on ordinary activities	11		-		425
			-----		-----
(LOSS)/PROFIT FOR THE FINANCIAL YEAR			(6,255)		407
Profit and loss account brought forward			1,899		15,773
Dividends paid			-		(14,281)
			-----		-----
Profit and loss account carried forward			(4,356)		1,899
			=====		=====

Discontinued operations

All of the company's operations were discontinued during the above two financial years, see note 3.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

(Loss)/(profit for the financial year	(6,255)	407
Unrealised surplus on revaluation of investment	7,140	-
	-----	---
Total gains and losses recognised in year	885	407
	=====	===

The notes on pages 7 to 11 form part of these financial statements.

BALANCE SHEET

AT 31 DECEMBER 1994

	NOTES	1994		1993	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	12		109,140		102,000
CURRENT ASSETS					
Debtors due after one year	13	3,777		-	
Debtors due within one year	13	7		9,592	
Cash at bank and in hand		-		22	
		-----		-----	
		3,784		9,614	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	-		(108,715)	
		-----		-----	
NET CURRENT ASSETS/(LIABILITIES)			3,784		(99,101)
TOTAL ASSETS LESS CURRENT LIABILITIES			-----		-----
			112,924		2,899
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15		(109,140)		-
			-----		-----
NET ASSETS			3,784		2,899
			=====		=====
CAPITAL AND RESERVES					
Called up share capital	16		1,000		1,000
Revaluation reserve	17		7,140		-
Profit and loss account			(4,356)		1,899
			-----		-----
EQUITY SHAREHOLDERS FUNDS	18		3,784		2,899
			=====		=====

These financial statements were approved by the Board of Directors and signed on its behalf by:

CHARYBIDIS LIMITED Director Date... 8/1/91

The notes on pages 7 to 11 form part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1994

	NOTES	1994		1992	
		£'000	£'000	£'000	£'000
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	19a		(23)		4,001
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest paid		(466)		(6,791)	
Dividends paid		-		(14,281)	
Interest received		-		130	
		---	(466)	-----	(20,942)
TAXATION					
Corporation tax paid			-		(457)
INVESTING ACTIVITIES					
Payments to acquire tangible fixed assets		-		(1,861)	
Payments to acquire fixed asset investments		-		(102,000)	
Receipts from sale of tangible fixed assets		-		94	
Loan to group company		-		(3,497)	
		---	-	-----	(107,264)
NET CASH OUTFLOW BEFORE FINANCING			(489)		(124,662)
FINANCING					
Intra-group funding		-		16,307	
Issue of zero coupon bond		-		6,673	
Redemption of zero coupon bond		(6,673)		-	
Group loans repaid		(102,000)		-	
Group loans received		109,140		102,000	
		-----		-----	
	19b		467		124,980
			---		-----
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	19c		(22)		318
			===		=====

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 1994

NOTE 1 ACCOUNTING POLICIES

Basis of Preparation

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

Going Concern

The director is satisfied that the company is a going concern as its ultimate parent company has indicated its continuing financial support.

Foreign Currencies

Transactions in foreign currencies are recorded at an average rate for the month of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the balance sheet date. All differences are taken to the profit and loss account.

Investments

Fixed asset investments are stated at the director's valuation. This is a change of accounting policy to reflect better the value of the investment. The financial effect is shown in note 12.

Turnover

Turnover represents the value of commodities sold.

NOTE 2 TURNOVER

	1994	1993
	£'000	£'000
By geographical market:		
Africa	-	10
America	-	18
Australia	-	22
Continental Europe	-	3,446
Far East	-	30
Middle East	-	1
United Kingdom	1,650	35,291
	-----	-----
	1,650	38,818
	=====	=====
By activity:		
Security and confidential printing and related activities	-	38,302
Commodity trading	1,650	516
	-----	-----
	1,650	38,818
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 1994

	1994	1993
	£'000	£'000
NOTE 3 ANALYSIS OF LOSS BEFORE TAX		
Operating profit:		
- security and confidential printing and related activities	-	4,594
- commodity trading	(16)	2
	-----	-----
	(16)	4,596
Net interest payable	(6,239)	(1,022)
Loss on disposal of discontinued operations	-	(3,592)
	-----	-----
Loss before tax	(6,255)	(18)
	=====	=====
Security and confidential printing and related activities were discontinued in November 1993. Trading in commodities was discontinued in October 1994.		

NOTE 4 OPERATING PROFIT

Rentals under operating leases:		
Hire of vehicles and equipment	-	667
Other operating leases	-	131
Auditors' remuneration - audit fees	-	-
- other	-	53
Depreciation of owned assets	-	1,926
Depreciation of assets held under finance leases	-	159
Profit on disposal of tangible fixed assets	-	(94)
	=====	=====

NOTE 5 STAFF NUMBERS AND COSTS

The average number of persons employed by the company during the year, analysed by category, was as follows:

	1994	1993
Production	-	599
Sales and distribution	-	68
Administration	-	144
	---	---
	-	811
	===	=====
Employee costs:		
Wages and salaries	-	12,761
Social security costs	-	1,025
Pension credits (note 6)	-	(399)
	-----	-----
	-	13,387
	=====	=====

NOTE 6 EMPLOYEE PENSION SCHEME

The net pension credits (note 5) are made up as follows:-

Regular costs	-	1,059
Part of actuarial surplus allocated to year	-	(698)
Interest effect of prepayments	-	(760)
	-----	-----
	-	(399)
	=====	=====

All pension rights were transferred to another company within the Bemrose Group on 31 October 1993.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 1994

	1994	1993
	£'000	£'000
NOTE 7 REMUNERATION OF DIRECTORS		
Emoluments of directors included in staff costs were as follows:		
Fees	-	-
Other emoluments	-	365
Compensation for loss of office	-	-
	---	---
	-	365
	===	===

The emoluments, excluding pension contributions, of the directors were as follows:

Chairman	-	20,833
Highest paid director	-	125,670
	===	=====

The emoluments, excluding pension contributions, of the directors (including the chairman and highest paid director) were within the following ranges:

	Number of Directors	
£nil - £ 5,000	2	1
£20,001 - £25,000	-	1
£65,001 - £70,000	-	1
£70,001 - £75,000	-	1
£75,001 - £80,000	-	1
£125,001 - £130,000	-	1
	===	===

NOTE 8 LOSS ON DISPOSAL OF DISCONTINUED OPERATIONS

The loss arose on 31 October 1993 when the trade and assets relating to security and confidential printing, calenders and diaries were transferred to another company within the Bemrose Group.

	1994	1993
	£'000	£'000
NOTE 9 INTEREST RECEIVABLE		
Bank interest	-	130
Group loan	257	23
	---	---
	257	153
	===	===

NOTE 10 INTEREST PAYABLE AND SIMILAR CHARGES

Group loans and bank overdraft:		
Repayable within five years not by instalments	6,071	629
Repayable within five years by instalments	-	413
	---	---
	6,071	1,042
Finance leases	-	91
Zero coupon bond	425	42
	---	---
	6,496	1,175
	=====	=====

NOTE 11 TAX ON PROFIT ON ORDINARY ACTIVITIES

Deferred taxation	-	(574)
	=====	=====

There is no charge to UK corporation tax in the year due to losses.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 1994

NOTE 12 FIXED ASSET INVESTMENT

	Subsidiary Undertaking	Other Investments	Total
	£'000	£'000	£'000
At 1 January 1994 at cost	-	102,000	102,000
Delivery of subsidiary under contract	102,000	(102,000)	-
Director's revaluation	7,140	-	7,140
	-----	-----	-----
At 31 December 1994 at valuation	109,140	-	109,140
	=====	=====	=====

The company took delivery of its subsidiary under the contract with Legrand Holdings Limited in November 1994. The company owns 100% of the ordinary share capital of Mara Enterprises Limited, a company incorporated in the Cayman Islands.

The subsidiary company does not trade, and all operating expenses are met by the ultimate parent company, Rossignol Holdings Limited. The subsidiary's only asset is a loan to this company of £109,140,000 and, in the opinion of the director, the investment in the subsidiary should be valued at this amount.

NOTE 13 DEBTORS

	1994	1993
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by parent and fellow subsidiary undertakings	7	3,497
Prepayments and accrued income	-	6,095
	---	-----
	7	9,592
	===	=====
Amounts falling due after one year:		
Amounts owed by parent and fellow subsidiary undertakings	3,777	-
	=====	=====

NOTE 14 CREDITORS:

AMOUNTS FALLING DUE WITHIN ONE YEAR

	£	£
Zero coupon bond	-	6,715
Amounts owed to parent and fellow subsidiary undertakings	-	102,000
	-----	-----
	-	108,715
	=====	=====

NOTE 15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Amounts owed to subsidiary undertakings	109,140	-
	=====	=====

The loan is unsecured, interest free and repayable in a single instalment in 2006.

NOTE 16 CALLED UP SHARE CAPITAL

Authorised, allotted, called up and fully paid:
1,000,000 Ordinary shares of £1 each

1,000	1,000
=====	=====

NOTE 17 REVALUATION RESERVE

Revaluation of investment (see note 12)	7,140	-
	-----	-----
At end of year	7,140	-
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 1994

	1994	1993
NOTE 18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS	£'000	£'000
(Loss)/profit for the year	(6,255)	407
Dividends	-	(14,281)
	-----	-----
	(6,255)	(13,874)
Revaluation of investment	7,140	-
Goodwill transferred to profit and loss account in respect of disposal of business	-	3,592
	-----	-----
	885	(10,282)
Opening shareholders' funds	2,899	13,181
	-----	-----
Closing shareholders' funds	3,784	2,899
	=====	=====

NOTE 19 NOTES TO THE CASHFLOW STATEMENT

(a) Reconciliation of operating (loss)/profit
to net cash (outflow)/inflow from operating activities

Operating (loss)/profit	(16)	4,596
Depreciation charges	-	2,085
Profit on sale of fixed assets	-	(94)
Movement in stocks	-	(2,917)
Movement in debtors	(7)	2,289
Movement in creditors	-	(1,556)
Movement in pension re-payments	-	(402)
	-----	-----
Net cash (outflow)/inflow in year	(23)	4,001
	=====	=====

(b) Analysis of changes in financing

	Zero Coupon bond	Group loans	Total
	£	£	£
At beginning of year	6,673	(102,000)	108,673
Net cash inflow/(outflow) from financing	(6,673)	7,140	467
	-----	-----	-----
At end of year	-	109,140	109,140
	=====	=====	=====

(c) Analysis of the movements in
cash and cash equivalents

	Cash at bank and in hand
At beginning of year	22
Net cash outflow in year	(22)

At end of year	-
	===

NOTE 20 CONTINGENT LIABILITY

There was no charge to UK corporation tax in 1993 as charges on income exceeded assessable profits. This position is not yet agreed with the Inland Revenue; however, the director is confident that no liabilities to corporation tax will arise. If the tax position of the company reflected in these financial statements is not upheld, a liability of approximately £2 million will arise which is not provided in these financial statements.

NOTE 21 ULTIMATE PARENT COMPANY

The ultimate parent company is Rossignol Holdings Limited, a company registered in Guernsey.

The immediate parent company is Sittard Computers Limited, a company incorporated in England. Group accounts are not prepared as the UK group is exempt on the grounds of size.