

# R.R. Donnelley Limited

Accounts 31 December 1995  
together with directors' and auditors' reports

Registered number: 166396



## Notice of meeting

Notice is hereby given that the annual general meeting of R.R. Donnelley Limited will be held at the offices of the company at Boroughbridge Road, York at 12 p.m. on 30 May 1996 for the following purposes:

As ordinary business:

1. To receive and approve the directors' report and accounts for the year ended 31 December 1995.
2. To reappoint Arthur Andersen as auditors of the company and authorise the directors to determine their remuneration.
3. To transact any other ordinary business of an annual general meeting.

Boroughbridge Road  
York  
YO2 5SS

By order of the Board,

  
T. Gordon

Secretary

8 May 1996

## Directors' report

For the year ended 31 December 1995

The directors present their annual report on the affairs of the company together with the accounts and auditors' report for the year ended 31 December 1995.

### Principal activity and business review

The principal activities of the company continued to be the manufacture of high quality colour printing, the production of telephone directories and the distribution of telephone directories.

On 23 February 1995 the company transferred its Global Software Services division to R.R. Donnelley UK Global Software Services Limited, a fellow subsidiary of R.R. Donnelley & Sons Company. Further details are provided in Notes 3 and 9 to the accounts.

On 21 March 1996 the company disposed of its Marketing Services Division. Further details are provided in Notes 3 and 9 to the accounts.

### Results and dividends

Results for the year are as follows:

	£
Retained profit, at 31 December 1994	31,691,648
Retained profit for the year	432,887
Retained profit, at 31 December 1995	<u>32,124,535</u>

No dividend is proposed.

### Directors and their interests

The directors who served during the year are as shown below:

F. Lahham	(appointed 6 April 1995)
J.W.D. Ward	(resigned 13 April 1995)
K.B. Dallas	(resigned 31 December 1995)
R.W. England	(resigned 31 March 1995)
P.J. Berridge	
P.A. Kiveal	(resigned 17 November 1995)
A.L. Walker	
E.E. Lane	(resigned 18 April 1995)
S. Sutton	

The directors do not have any interests required to be disclosed under Section 234 of the Companies Act 1985.

## Directors' report (continued)

### Directors' responsibilities

Company law requires the directors to prepare accounts 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 accounts, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

### Fixed assets

Information relating to changes in tangible fixed assets and fixed asset investments is given in Notes 8 and 9 to the accounts.

The directors are of the opinion that the company's land and buildings have a continuing use value in excess of their net book value.

### Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

### Employee consultation

The company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through circulation of information to employees via notice boards, production of a monthly in-house bulletin and presentations given at regular intervals.

## Directors' report (continued)

### Auditors

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

Boroughbridge Road  
York  
YO2 5SS

By order of the Board,

  
T. Gordon

Secretary

8 May 1996

## Auditors' report

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Leeds

### To the Shareholders of R.R. Donnelley Limited:

We have audited the accounts on pages 6 to 20 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 8 and 9.

### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, 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 accounts 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 accounts.

### Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen  
Chartered Accountants and Registered Auditors

St. Paul's House  
Park Square  
Leeds LS1 2PJ

8 May 1996

## Profit and loss account

For the year ended 31 December 1995

	Notes	Continuing operations 1995 £	Discontinued operations 1995 £	Total 1995 £	Total 1994 £
Turnover	2	113,701,631	9,748,839	123,450,470	134,639,772
Cost of sales		106,399,674	8,826,337	115,226,011	121,703,481
Gross profit		7,301,957	922,502	8,224,459	12,936,291
Other operating expenses	3	8,039,266	1,476,597	9,515,863	11,074,365
Operating (loss) profit		(737,309)	(554,095)	(1,291,404)	1,861,926
Profit on sale of discontinued operations	9			1,236,761	-
Interest receivable and similar income				790,417	506,372
Interest payable and similar charges	4			(1,093,929)	(1,085,249)
(Loss) profit on ordinary activities before taxation	5			(358,155)	1,283,049
Tax on (loss) profit on ordinary activities	7			791,042	(1,091,871)
Profit for the financial year				432,887	191,178
Retained profit, at 31 December 1994				31,691,648	31,500,470
Retained profit, at 31 December 1995				32,124,535	31,691,648

A statement of total recognised gains and losses is not presented as there are no recognised gains or losses other than the results shown above.

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

The accompanying notes are an integral part of this profit and loss account.

# Balance sheet

31 December 1995

	Note	1995 £	1994 £
<b>Fixed assets</b>			
Tangible assets	8	34,393,381	46,141,464
Investments	9	1,002,000	1,002,000
		<u>35,395,381</u>	<u>47,143,464</u>
<b>Current assets</b>			
Stocks	10	6,215,045	6,200,808
Debtors	11	30,390,735	24,648,815
Cash at bank and in hand		1,696,597	2,592,666
		<u>38,302,377</u>	<u>33,442,289</u>
<b>Creditors: Amounts falling due within one year</b>	12	25,866,994	32,861,876
<b>Net current assets</b>		<u>12,435,383</u>	<u>580,413</u>
<b>Total assets less current liabilities</b>		<u>47,830,764</u>	<u>47,723,877</u>
<b>Provisions for liabilities and charges</b>	13	6,295,000	6,621,000
<b>Net assets</b>		<u>41,535,764</u>	<u>41,102,877</u>
<b>Capital and reserves</b>			
Called-up share capital	14	5,157,850	5,157,850
Revaluation reserve	15	253,379	253,379
Capital contribution	15	4,000,000	4,000,000
Profit and loss account	15	32,124,535	31,691,648
<b>Equity shareholders' funds</b>	16	<u>41,535,764</u>	<u>41,102,877</u>

Signed on behalf of the Board

P.J. Berridge

Director



8 May 1996

The accompanying notes are an integral part of this balance sheet.



# Notes to accounts

31 December 1995

## 1 Accounting policies

The principal accounting policies, which have been applied consistently throughout the year and with the preceding year, are set out below.

### *a. Basis of accounting*

The accounts are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards.

Under the provisions of Financial Reporting Standard No. 1, the company has not prepared a cash flow statement because its ultimate UK parent company, Donnelley Holdings Limited, has prepared consolidated accounts which include the accounts of the company for the year and which contain a consolidated cash flow statement.

### *b. Consolidated accounts*

Consolidated accounts have not been prepared because consolidated accounts are prepared by the ultimate UK parent company, Donnelley Holdings Limited.

### *c. Tangible fixed assets*

All of the tangible fixed assets of the company, other than 10 acres of freehold land which were revalued in 1976, are stated at the amount at which they were revalued on 31 December 1964 plus additions at cost and less disposals subsequent to that date, net of depreciation and provision for permanent diminution in value.

Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset on a straight line basis over their estimated useful lives as follows:

Freehold buildings	3% per annum
Plant and machinery	5%-20% per annum

No depreciation is provided on freehold land.

The acquisition of certain plant is being financed by means of leases. The plant acquired has been capitalised at its cost and is depreciated in accordance with the above rates. The future liability to the leasing companies has been shown, net of deferred interest, as a liability in the balance sheet. Interest payable to the lessors is being charged against profits at the effective rate of interest for the duration of the primary periods of the leases.

### *d. Stocks*

Stocks are stated at the lower of average cost and net realisable value. Cost includes material, labour and an appropriate proportion of manufacturing overheads based on normal levels of activity.

Net realisable value is based on estimated normal selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

## Notes to accounts (continued)

### 1 Accounting policies (continued)

#### *e. Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation has been calculated on the liability method. Deferred tax is provided on timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

#### *f. Pension costs*

In accordance with the provisions of SSAP 24, Accounting for pension costs, pension costs are charged against profits in a systematic manner over the service lives of the employees in the scheme. Total pension cost comprises:

- i. the regular pension cost, that is the constant ongoing cost, which is calculated as a level percentage of the current and expected future pensionable payroll; and
- ii. variations from the regular cost, arising from any surplus on the pension scheme, which are allocated over the expected remaining service lives of employees in the scheme.

Any difference between the amounts charged in the profit and loss account and amounts payable to the scheme for the year is recorded as a creditor or prepayment as appropriate.

#### *g. Foreign currency*

Transactions in foreign currencies are translated into sterling at the rate of exchange at the date of the transaction. Foreign currency items in the year end balance sheet are translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange gains and losses are included in the profit and loss account.

#### *h. Investments*

Investments in subsidiary and associated undertakings are stated at cost less amounts written off.

#### *i. Turnover*

Turnover comprises the value of sales, excluding VAT, of goods and services, supplied in the normal course of business.

### 2 Segment information

The analysis of turnover by activity and geographical market has been omitted. The vast majority of the company's turnover and profit before tax arises in the UK and from its principal activity.

## Notes to accounts (continued)

### 3 Turnover, cost of sales and other operating expenses

	1995			1994		
	Continuing operations £	Discontinued operations £	Total £	Continuing operations £	Discontinued operations £	Total £
Turnover	113,701,631	9,748,839	123,450,470	101,879,582	32,760,190	134,639,772
Cost of sales	106,399,674	8,826,337	115,226,011	94,340,326	27,363,155	121,703,481
Other operating expenses						
Selling and marketing costs	950,336	770,064	1,720,400	1,271,641	1,505,217	2,776,858
Administrative expenses	7,088,930	706,533	7,795,463	5,900,568	2,396,939	8,297,507
	8,035,266	1,476,597	9,515,863	7,172,209	3,902,156	11,074,365
Operating (loss) profit	(737,309)	(554,095)	(1,291,404)	367,047	1,494,879	1,861,926

On 23 February 1995 the company disposed of its Global Software Services division. On 21 March 1996 the company disposed of its Marketing Services division. The results of these divisions for the year ended 31 December 1995 and the comparatives for the year ended 31 December 1994 are shown under discontinued operations. Details of the disposals are given in Note 9.

### 4 Interest payable and similar charges

	1995 £	1994 £
On bank loans, overdrafts and other loans		
- repayable within five years, not by instalments	924,499	923,836
On finance leases	-	1,121
	924,499	924,957
Discounts allowed	169,430	160,292
	1,093,929	1,085,249

## Notes to accounts (continued)

### 5 (Loss) profit on ordinary activities before taxation

(Loss) profit on ordinary activities before taxation is stated after charging:

	1995 £	1994 £
Depreciation		
- tangible fixed assets (leased)	62,621	69,310
- tangible fixed assets (owned)	6,364,014	6,690,523
Hire of plant and machinery	250,308	480,636
Auditors' remuneration		
- audit	49,000	48,000
- other	34,670	34,310
Staff costs (Note 6)	30,180,696	34,529,287
Exceptional items		
- provision against amounts due from subsidiary undertakings	708,000	1,615,315

### 6 Staff costs

Particulars of employee costs (including executive directors) are as shown below:

	1995 £	1994 £
Employee costs during the year amounted to:		
Wages and salaries	26,558,316	30,541,067
Social security costs	2,143,531	2,533,327
Other pension costs	1,478,849	1,454,893
	30,180,696	34,529,287

The average weekly number of persons employed by the company during the year was as follows:

	Number	Number
Production	802	999
Sales and marketing	21	21
Administration	79	113

## Notes to accounts (continued)

### 6 Staff costs (continued)

#### Directors' remuneration:

The employee costs shown above include the following remuneration in respect of directors of the company:

	1995 £	1994 £
Remuneration for management services	865,598	726,061
Compensation for loss of office	469,957	-
Pension paid to former director	4,324	4,131
	<u>1,339,879</u>	<u>730,192</u>

The directors' remuneration shown above (excluding pensions and pension contributions) included:

	£	£
Chairman and highest paid director	<u>223,622</u>	<u>101,905</u>

Directors' emoluments fell within the following ranges:

	Number	Number
£ 20,001 - £25,000	1	-
£ 25,001 - £30,000	1	1
£ 35,001 - £ 40,000	-	1
£ 45,001 - £ 50,000	1	-
£ 50,001 - £ 55,000	-	1
£ 65,001 - £ 70,000	1	-
£ 70,001 - £ 75,000	-	1
£ 75,001 - £ 80,000	-	1
£ 80,001 - £ 85,000	-	1
£ 85,001 - £ 90,000	1	1
£100,001 - £105,000	-	1
£115,001 - £120,000	1	-
£125,001 - £130,000	1	-
£220,001 - £225,000	<u>1</u>	<u>-</u>

## Notes to accounts (continued)

### 6 Staff costs (continued)

The above figures for emoluments do not include any amount for the value of share options granted to or held by directors. Options to subscribe for common stock of the ultimate parent company have been granted as follows:

	Number of Options			
	Beginning of year	Granted	Exercised/ lapsed	End of year
F. Lahham	-	27,500	-	27,500
P.J. Berridge	24,000	4,000	-	28,000
A.L. Walker	27,800	4,800	-	32,600
S. Sutton	4,000	4,000	-	8,000

The options were granted between 23 October 1986 and 15 December 1995 and are exercisable between 1 and 10 years from the date the options were granted, at prices ranging from \$15.65625 to \$38.0625. Options do not become fully exercisable until 4 or 5 years after the date of grant.

A.L. Walker has a secured loan with the company which was granted in 1990. The loan, which is interest free, is repayable in monthly instalments until September 1998. The movement during the year was as follows:

	£
Beginning of year	13,472
Repayments	(4,012)
End of year	9,460

### 7 Tax on (loss) profit on ordinary activities

The tax (credit) charge is based on the result for the year and comprises:

	1995 £	1994 £
Corporation tax at 33% (1994 - 33%)	-	625,000
Adjustment of current taxation in respect of prior years	(465,042)	51,871
	(465,042)	676,871
Deferred taxation	(326,000)	415,000
	(791,042)	1,091,871

## Notes to accounts (continued)

### 7 Tax on (loss) profit on ordinary activities (continued)

Group relief representing approximately £32,000 (1994 - £77,000) of current taxation has been received free of charge from fellow subsidiary undertakings.

### 8 Tangible fixed assets

a. The movement in the year was as follows:

	Freehold land and buildings £	Plant and machinery		Total £
		Owned £	Leased £	
<b>Cost or valuation</b>				
Beginning of year	8,917,744	66,671,768	579,538	76,169,050
Additions	21,447	1,559,400	-	1,580,847
Disposals	(2,687,380)	(9,720,524)	-	(12,407,904)
Transfers	-	-	-	-
End of year	6,251,811	58,510,644	579,538	65,341,993
<b>Depreciation</b>				
Beginning of year	2,992,035	26,528,594	506,957	30,027,586
Charge	97,922	6,266,092	62,621	6,426,635
Disposals	(679,179)	(4,826,430)	-	(5,505,609)
Transfers	-	-	-	-
End of year	2,410,778	27,968,256	569,578	30,948,612
<b>Net book value, beginning of year</b>	5,925,709	40,143,174	72,581	46,141,464
<b>Net book value, end of year</b>	3,841,033	30,542,388	9,960	34,393,381

Freehold land included in the above, amounting to £265,000 (1994 - £265,000) is not depreciated.

## Notes to accounts (continued)

### 8 Tangible fixed assets (continued)

#### b. Basis of valuation

Plant and machinery is shown at cost. Freehold land and buildings are shown at valuation in 1964 and 1976 with subsequent additions at cost as shown below:

	1995 £	1994 £
Professionally valued		
- existing use (1964)	481,000	481,000
- existing use (1976)	180,000	180,000
Total at valuation	661,000	661,000
At cost	5,590,811	8,256,744
Cost or valuation, end of year	6,251,811	8,917,744

Freehold buildings included at valuation with an original cost of £111,932 are fully depreciated, based on cost, at 31 December 1995 and 1994.

### 9 Fixed asset investments

The following are included in the net book value of fixed asset investments:

	1995 £	1994 £
Subsidiary undertakings	2,000	2,000
Associated undertakings	1,000,000	1,000,000
	1,002,000	1,002,000

#### Principal investments

At 31 December 1995, the company held directly 100% of the ordinary share capital of the following subsidiary undertakings, all of which are registered in England and Wales.

	<u>Principal activity</u>
R.R. Donnelley UK Marketing Services Limited	Non trading
Ben Johnson and Company Limited	Non trading
R.R. Donnelley (UK) Limited	Printing

R.R. Donnelley (UK) Limited has a 65% interest in R.R. Donnelley-Pindar, a partnership. The investment comprises the company's capital contribution less amounts written off. The principal business address of the partnership is 25/29 Worship Street, London EC2A 2DX. The principal activity of the partnership is financial and commercial printing.



## Notes to accounts (continued)

### 9 Fixed asset investments (continued)

The movement on investments during the year, was as follows:

	£
Cost:	
Beginning and end of year	9,327,102
Amounts written off:	
Beginning and end of year	(9,325,102)
Net book value, beginning and end of year	2,000

#### *Associated undertakings*

The company holds a 49% interest in Donnelley Hearst Holdings, an unlimited liability company registered in England and Wales. The investment comprises the cost of the shares acquired. The principal activity of Donnelley Hearst Holdings is that of a holding company.

#### *Other*

On 23 February 1995 the company transferred its Global Software Services division to R.R. Donnelley UK Global Software Services Limited, a fellow subsidiary of R.R. Donnelley & Sons Company, for a consideration amounting to £11,292,000 in cash. A profit of £1,236,761 was made on the disposal. No corporation tax has been charged in respect of this gain, as the company intends to defer the profit under the rollover relief provisions.

On 21 March 1996 the company disposed of its Marketing Services division, for consideration equal to the fair value of the net assets transferred, in cash. No provisions were required to be made in respect of losses to be incurred as a result of the disposal.

### 10 Stocks

	1995 £	1994 £
Raw materials and consumables	2,764,545	3,029,227
Work in progress	3,450,500	3,154,309
Computer databases	-	17,272
	<u>6,215,045</u>	<u>6,200,808</u>

In the opinion of the directors, the estimated replacement cost of stocks does not materially exceed the book value.

## Notes to accounts (continued)

### 11 Debtors

	1995 £	1994 £
Amounts falling due within one year:		
Trade debtors	16,404,026	21,403,362
Amounts owed by other group undertakings	9,909,349	626,200
VAT	2,171,357	1,287,508
Other debtors	810,680	462,280
Prepayments and accrued income	508,323	544,465
Assets held for resale	587,000	325,000
	<u>30,390,735</u>	<u>24,648,815</u>

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

	1995 £	1994 £
Obligations under finance leases and hire purchase contracts	-	2,230
Bank loans and overdrafts	11,205,879	2,219,688
Loan notes	-	35,528
Payments received on account	6,267	6,267
Trade creditors	9,247,076	13,095,777
Amounts owed to other group undertakings	166,952	11,178,566
Other creditors		
- UK corporation tax payable	-	625,000
- Social security and PAYE	738,983	927,245
- Other	1,374,675	692,261
Accruals and deferred income	3,127,162	4,079,314
	<u>25,866,994</u>	<u>32,861,876</u>

## Notes to accounts (continued)

### 13 Provisions for liabilities and charges

Deferred taxation has been provided in full because, in the opinion of the directors, it will become payable in the foreseeable future.

Timing differences at 33% (1994 - 33%) are as follows:

	1995 £	1994 £
Excess of tax allowances over book depreciation of fixed assets	6,045,000	6,486,000
Other timing differences related to current assets and liabilities	250,000	135,000
	<u>6,295,000</u>	<u>6,621,000</u>

### 14 Called-up share capital

	1995 £	1994 £
<i>Authorised</i>		
Ordinary shares of £1 each	<u>6,157,850</u>	<u>6,157,850</u>
<i>Allotted, called-up and fully-paid</i>		
Ordinary shares of £1 each	<u>5,157,850</u>	<u>5,157,850</u>

### 15 Reserves

Of the total reserves shown in the balance sheet, the following amounts are regarded as distributable or otherwise:

	1995 £	1994 £
Distributable		
- profit and loss account	32,124,535	31,691,648
Non distributable		
- capital contribution	4,000,000	4,000,000
- revaluation reserve	253,379	253,379
	<u>36,377,914</u>	<u>35,945,027</u>

### 16 Reconciliation of movements in equity shareholders' funds

	1995 £	1994 £
Profit for the financial year	432,887	191,178
Opening equity shareholders' funds	<u>41,102,877</u>	<u>40,911,699</u>
Closing equity shareholders' funds	<u>41,535,764</u>	<u>41,102,877</u>

## Notes to accounts (continued)

### 17 Guarantees and other financial commitments

#### a. Capital commitments

At the end of the year, capital commitments were:

	1995 £	1994 £
Contracted but not provided for	1,361,815	691,603
Authorised but not contracted for	3,741,582	1,762,606
	<u>5,103,397</u>	<u>2,454,209</u>

#### b. Pension arrangements

The company operates a number of defined benefit pension schemes covering the majority of full time employees. The schemes are set up under trust and the assets are therefore held separately from the company's assets.

The accrued contribution relating to the main scheme of £349,000 (1994 - £140,000) at the year end is included within accruals and deferred income in note 12. The pension cost charge for the year of £1,478,849 (1994 - £1,454,893) was made up of a regular cost of £1,561,849 (1994 - £1,538,893) less variations from regular cost of £83,000 (1994 - £84,000).

The pension costs and related accrual are assessed in accordance with the advice of a professionally qualified actuary.

The latest actuarial valuation of the main scheme was performed on 1 April 1993 and used the projected unit method of valuation. The main actuarial assumptions were that the investment return would be 2% per annum higher than the average rate of pay growth, 5% per annum higher than the rate of increase in pensions and 4.5% per annum in excess of the rate of growth in dividends.

At the date of the latest actuarial valuation, the market value of the assets of the main scheme was £29,203,000 and the actuarial value of the assets was sufficient to cover more than 100% of the benefits that had accrued to members after allowing for expected future increases in earnings. The surplus arising will be reduced over the average remaining service lives of employees in the scheme at an employer's contribution rate of 8.75% of pensionable earnings as a result of improvements in benefits.

## Notes to accounts (continued)

### 18 Ultimate parent company

The company's ultimate parent company is R.R. Donnelley & Sons Company which is incorporated in the State of Delaware, USA.

The company's immediate parent company is Donnelley Satellite Services Limited incorporated in the State of Delaware, USA.

The largest group in which the results of the company are consolidated is that headed by R.R. Donnelley & Sons Company. The smallest group in which they are consolidated is that headed by Donnelley Holdings Limited, incorporated in the State of Delaware, USA.

The consolidated accounts of R.R. Donnelley & Sons Company are available to the public and may be obtained from the following address:

R.R. Donnelley & Sons Company  
Corporate Communication Department  
77 West Wacker Drive  
Chicago  
Illinois 60601-9521  
USA

### 19 Related party transactions

Included in sales is £583,176 (1994 - £1,493,534) made to fellow group undertakings.

Included in cost of sales and operating expenses is £581,504 (1994 - £1,925,565) charged by fellow group undertakings.

Included in interest receivable and similar income is £453,720 (1994 - £100,995) charged to fellow group undertakings.

Included in interest payable and similar charges is £377,472 (1994 - £869,122) charged by fellow group undertakings.