

Co. No. 478431/84

GESTETNER INVESTMENTS LIMITED

Report of the directors for the 52 weeks ended 3rd November 1984

Activities

The principal activities of the Company are

- i) the ownership of factory and other properties which are leased to Gestetner Manufacturing Limited and others, and
- ii) the holding of shares in subsidiary and associated companies whose principal activities are the production, sale and service of reprographic equipment, accessories and supplies.

Business review

- i) **Properties**
During the period, the Company disposed of properties considered surplus to requirement, classified last year as current assets.
- ii) **Shareholdings in subsidiary and associated companies**
The Company invested during the period in further share capital totalling £ 5,547,000 of two overseas subsidiaries. One subsidiary repaid share capital amounting to £ 1,637,000.

Results and dividends

The profit and loss account for the 52 weeks ended 3rd November 1984, prepared on the historical cost basis of accounting modified to include the revaluation of certain assets, shows a profit after taxation of £ 1,124,000 (1983 - £ 1,203,000).

Dividends totalling £ 7,500,000 were paid during the period.

Tangible fixed assets

The Company's freehold land and buildings were revalued on an existing use basis at 30th June 1983 by professional surveyors, valuers or appraisers and this revaluation is incorporated in the Company's accounts with the exception of the Tottenham manufacturing site which has been appraised by the directors at its current value to the business and this valuation is incorporated in the Company's accounts.

The directors are of the opinion that any differences between current market valuations and book values of land and buildings in the group are not material in view of the recent valuations which have been incorporated in the accounts.



GESTETNER INVESTMENTS LIMITED

Report of the directors (continued)

Fixed asset investments

The Company's shareholdings in subsidiary and associated companies have been revalued at 3rd November 1984 and the revaluation incorporated into these accounts (Note 8).

Directors

The directors of the Company who served during the period were

Mr. D. Gestetner
Mr. J. Gestetner
Mr. D.J. Harbut . (appointed 26.9.84)
Mr. D.B. Haunch (resigned 1.5.84)
Mr. R.L.E. Lewis (ceased as alternate to
Mr. D.B. Haunch on 1.5.84 but
appointed director on 26.9.84)

Directors' shareholdings

No director had any interest in shares of the Company. The declared interests of the directors in shares of Gestetner Holdings PLC required to be disclosed were

	Beginning and end of period	
		'A'
	Ordinary	Ordinary
		(non-voting)
Mr. R.L.E. Lewis	200	1,101

Auditors

In accordance with Section 14 of the Companies Act 1976 a resolution proposing the re-appointment of Deloitte Haskins & Sells as the Company's auditors will be put to the Annual General Meeting.

On behalf of the board



R.L.E. Lewis, FCA
Secretary

Tottenham, London N17 9LT
30th January 1985

GESTETNER INVESTMENTS LIMITED

Report of the auditors to the members of Gestetner Investments Limited

We have audited the accounts on pages 4 to 17 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 3rd November 1984 and of the result and source and application of funds for the 52 weeks then ended and comply with the Companies Acts 1948 to 1981.

DeLoitte Haskins & Sells

London
30th January 1985

DELOITTE HASKINS & SELLS
Chartered Accountants

GESTETNER INVESTMENTS LIMITED

Accounting policies

The accounts are prepared on the historical cost basis of accounting modified to include the revaluation of certain assets. The accounts have been drawn up in accordance with the presentation and reporting requirements of the Companies Act 1981.

Consolidation

Group accounts incorporating the results of subsidiary and associated companies are not prepared as the company is a wholly owned subsidiary of another body corporate incorporated in Great Britain.

Rates of exchange

- i) Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.
- ii) All exchange differences arising during the period are dealt with in arriving at operating profit.

Deferred taxation

Provision is made for deferred taxation at the appropriate rate of company taxation ruling at the balance sheet date (the liability method) except in respect of any tax deferral which can reasonably be expected to continue for the foreseeable future. Net debit balances are not recognised.

Tangible fixed assets

Following any revaluation of freehold properties the excess of the revaluation amount over cost (or previous valuation) is transferred to revaluation reserve. The aggregate depreciation at the date of revaluation is transferred to profit and loss account reserve. Any deficit on cost less aggregate depreciation at date of revaluation is charged against the result of the period.

Following any revaluation of freehold properties the lives of the buildings are reassessed and depreciation provided on the revalued amount over their estimated remaining lives or 40 years, whichever is less.

No depreciation is provided on freehold land.

Short leaseholds are amortised over the remaining lives of the leases concerned.

CESTNER INVESTMENTS LIMITED

Accounting policies

Fixed asset investments

Fixed asset investments represent, in the main, investments in subsidiary and associated companies.

Shareholdings in subsidiary and associated companies are revalued at each balance sheet date by reference to the Company's share in each company's net tangible assets, translated into sterling, where appropriate, at rates of exchange ruling at the balance sheet date and after deducting the estimated taxation which would be payable on the realisation of these investments.

Cash at bank and loans and overdrafts

Bank balances and overdrafts are stated at the amounts shown in bank statements at the end of the period. This represents a change of accounting policy but has necessitated no amendment to the 1983 comparatives.

Government grants

Government grants in respect of capital expenditure on buildings are credited to profit and loss account over the estimated average lives of the relevant assets. The grants included in the balance sheet represent the total grants receivable to date less amounts so far credited to profit and loss account.

GESTETNER INVESTMENTS LIMITED

Profit and loss account for the 52 weeks ended 3rd November 1984

	Note	1984 £000	1983 £000
Operating profit	1	3,589	2,415
Interest receivable	2	<u>1,156</u>	<u>739</u>
Profit before interest payable		4,745	3,154
Interest payable	3	(2,313)	(1,855)
Profit on ordinary activities before taxation		<u>2,432</u>	<u>1,299</u>
Taxation	4	(1,308)	(96)
Profit on ordinary activities after taxation		1,124	1,203
Extraordinary items	5	<u>(3,785)</u>	<u>-</u>
(Loss) profit after extraordinary items		(2,661)	1,203
Dividends	6	<u>(7,500)</u>	<u>-</u>
(Loss) profit for period	16	<u>(10,161)</u>	<u>1,203</u>

GESTETNER INVESTMENTS LIMITED

Balance sheet as at 3rd November 1984

	Note	1984 £000	1983 £000
Fixed assets			
Tangible assets	7	4,093	4,179
Investments	8	<u>98,783</u>	<u>98,074</u>
		102,876	102,253
Current assets			
Debtors	9	17,235	15,024
Investments	10	45	508
Cash at bank and in hand		<u>224</u>	<u>-</u>
		<u>17,504</u>	<u>15,532</u>
Creditors - amounts falling due within one year			
Bank loans and overdrafts	11	1,847	3,966
Other creditors	12	<u>37,599</u>	<u>21,094</u>
		<u>39,446</u>	<u>25,060</u>
Net current (liabilities)		(21,942)	(9,528)
Total assets less current liabilities		80,934	92,725
Creditors - amounts falling due after more than one year			
Bank loans and overdrafts	11	4,308	5,015
Other creditors	12	<u>6,963</u>	<u>7,471</u>
		<u>11,271</u>	<u>12,486</u>
Deferred taxation	13	359	851
Provisions for liabilities and charges	14	3,279	-
Deferred income - government grants		<u>5</u>	<u>6</u>
		<u>14,914</u>	<u>13,343</u>
		<u>66,020</u>	<u>79,382</u>
Capital and reserves			
Called up share capital	15	-	-
Revaluation reserve	16	61,049	64,293
Profit and loss account	16	<u>4,971</u>	<u>15,089</u>
		<u>66,020</u>	<u>79,382</u>

The accounts on pages 4 to 17 were approved by the board on 30th January 1985 and are signed on its behalf by

J. Gestetner)

) Directors

R.L.E. Lewis)

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GESTETNER INVESTMENTS LIMITED

Statement of source and application of funds for the 52 weeks ended 3rd November 1984

	1984 £000	1983 £000
Source of funds		
Funds generated from operations		
Profit before taxation	2,432	1,299
Depreciation of tangible fixed assets	86	167
(Surplus) on disposal of properties	(98)	(51)
(Surplus) on liquidation of subsidiary	-	(167)
	<u>2,420</u>	<u>1,248</u>
 Funds from other sources		
Group relief	625	-
Proceeds on sale of properties	626	194
Repayment of taxation	150	-
Proceeds on liquidation of subsidiary	-	568
	<u>3,821</u>	<u>2,010</u>
 Application of funds		
Investment in subsidiaries, excluding revaluation of shareholding	3,910	7,412
Investment in associated companies	-	634
Other investments	45	-
Extraordinary items	766	-
Dividends paid	7,500	-
Taxation paid	394	1,041
	<u>12,615</u>	<u>9,087</u>
 Net application of funds	<u>(8,794)</u>	<u>(7,077)</u>
 Movement in working capital		
Increase in debtors	2,211	1,706
(Increase) in creditors	(14,055)	(5,256)
 Movement in net liquid funds		
Increase (decrease) in cash	224	(211)
Decrease (increase) in bank borrowings	<u>2,826</u>	<u>(3,316)</u>
	<u>(8,794)</u>	<u>(7,077)</u>

GESTETNER INVESTMENTS LIMITED

Notes to the accounts

	1984 £000	1983 £000
1. Operating profit is arrived at after crediting		
Operating income		
Dividends receivable		
from subsidiary companies	4,535	2,705
from associated companies	69	67
Rents receivable	671	674
Surplus on disposal of properties	98	51
Surplus on liquidation of subsidiary	<u>-</u>	<u>167</u>
	<u>5,373</u>	<u>3,664</u>
and after charging		
Operating costs		
Auditors' remuneration	5	1
Depreciation (Note 7)	86	167
Contributions to losses of subsidiaries	66	-
Rents payable	21	376
Other operating costs	<u>1,606</u>	<u>705</u>
	<u>1,784</u>	<u>1,249</u>
	<u>3,589</u>	<u>2,415</u>
2. Interest receivable		
Interest receivable on amounts due		
from subsidiaries	1,006	703
Other interest receivable	<u>150</u>	<u>36</u>
	<u>1,156</u>	<u>739</u>
Other interest receivable includes a tax free supplement of £ 84,000 (1983 £ Nil)		
3. Interest payable		
On bank loans and overdrafts		
repayable within 5 years, by instalments	736	635
Interest payable on amounts due to subsidiaries	<u>1,577</u>	<u>1,220</u>
	<u>2,313</u>	<u>1,855</u>

WESTEINER INVESTMENTS LIMITED

Notes to the accounts (continued)

	1984 £000	1983 £000
4. Taxation		
United Kingdom		
Corporation tax at 47.08% (1983 - 52%)		
Group relief payable	864	-
Current	2,768	1,313
Deferred	(232)	(112)
	3,400	1,201
Double taxation relief	(2,532)	(1,202)
	868	(1)
Overseas taxation	393	147
Taxation on the profits of the period	1,261	146
Adjustments to prior periods' provisions		
Current	-	(36)
Group relief payable	47	(14)
	1,308	96
The taxation charge on the profit of the period has been increased (reduced) by		
disallowable revenue expenditure	531	379
dividends from subsidiaries to extent tax free	(833)	(910)
tax repayment supplement	(40)	-
payment of group relief in excess of corporation tax otherwise payable	393	-
differences arising from calculation of deferred taxation at rates other than that relevant to the period - 47.08%	62	-
	113	(531)
5. Extraordinary items		
Losses arising from vacation of German headquarters and warehouse building	4,045	-
Deferred taxation adjustments	(260)	-
	3,785	-

Provision has had to be made in 1984 for current and estimated future losses arising from the vacation of the German headquarters and warehouse building.

Following the major UK budget changes in March 1984, together with the revised accounting requirements set out in ED33 and the statement of intent issued by the Accounting Standards Committee in April 1984 the deferred taxation provision at 5th November 1983 was revised and an overprovision of £ 260,000 has been credited to extraordinary items. The restated liability at 5th November 1983 is set out in Note 13.

GESSENER INVESTMENTS LIMITED

Notes to the accounts (continued)

6. Dividends

Declared and paid on 17th July 1984	5,000	-
Declared and paid on 1st November 1984	<u>2,500</u>	-
	<u>7,500</u>	-

7. Tangible fixed assets

	Freehold land & buildings £000	Leasehold premises £000	Total £000
Cost or valuation (i)			
At beginning and end of period	<u>4,246</u>	<u>11</u>	<u>4,257</u>
Depreciation (i)			
At beginning of period	68	10	78
Charge for period	<u>85</u>	<u>1</u>	<u>86</u>
At end of period	<u>153</u>	<u>11</u>	<u>164</u>
Net book value			
At end of period	<u>4,093</u>	-	<u>4,093</u>
At beginning of period	<u>4,178</u>	<u>1</u>	<u>4,179</u>
Cost or valuation at end of period is represented by			
Valuation 1983	4,240	-	4,240
Cost	<u>6</u>	<u>11</u>	<u>17</u>
	<u>4,246</u>	<u>11</u>	<u>4,257</u>

If freehold land and buildings had not been revalued they would have been included at the following amounts

	Freehold land and buildings	
	1984 £000	1983 £000
Cost	2,883	2,883
Aggregate depreciation	<u>2,205</u>	<u>2,135</u>
	<u>678</u>	<u>748</u>

GESTETNER INVESTMENTS LIMITED

Notes to the accounts (continued)

Tangible fixed assets (continued)

(i) The Company's freehold land and buildings were revalued on an existing use basis at 30th June 1983 by professional surveyors, valuers or appraisers and this revaluation incorporated in the Company's accounts with the exception of the Tottenham manufacturing site which has been appraised by the directors at its current value to the business and this revaluation incorporated into the Company's accounts.

(ii) Following a revaluation of freehold properties, the lives of the buildings are reassessed and depreciation provided on the revalued amount over their estimated remaining lives or 40 years, whichever is less.

No depreciation is provided on freehold land.

Short leaseholds are amortized over the remaining lives of the leases concerned.

(iii) Gestetner Investments Limited had no commitments for capital expenditure at either 3rd November 1984 or 5th November 1983.

GESTETNER INVESTMENTS LIMITED

Notes to the accounts (continued)

8. Fixed asset investments

	Subsidiaries £000	Associated companies £000	Other £000	Total £000
Cost or valuation				
At beginning of period	97,095	978	1	98,074
Additions	5,547	-	-	5,547
Disposals	(1,637)	-	-	(1,637)
(Deficit) on revaluation	<u>(3,129)</u>	<u>(72)</u>	<u>-</u>	<u>(3,201)</u>
At end of period	<u>97,876</u>	<u>906</u>	<u>1</u>	<u>98,783</u>

The value of the shareholdings in subsidiaries, direct and indirect, and associated companies represents the Company's share in each company's net tangible assets at the balance sheet date, translated into sterling, where appropriate, at the rates of exchange ruling at the balance sheet date and after deducting the estimated taxation which would be payable on the realisation of the investments.

The directors have adopted this basis for valuing the investments in subsidiaries and associated companies as they consider it more fairly represents the value of the investment of Gestetner Investments Limited.

If investments in subsidiaries and associated companies had not been revalued they would have been included at the following amounts

	Subsidiaries		Associated companies	
	£000 1984	£000 1983	£000 1984	£000 1983
Cost	44,308	38,857	712	665
Aggregate amounts written off	<u>(21,295)</u>	<u>(16,008)</u>	<u>(576)</u>	<u>(538)</u>
	<u>23,013</u>	<u>22,849</u>	<u>136</u>	<u>127</u>

Details of the principal subsidiaries, and associated companies are set out in Note 17.

Associated companies include £ 801,000 (1983 - £882,000) in respect of associated companies listed outside Great Britain. Market value at 3rd November 1984 amounted to £ 892,000 (1983 - £930,000)

The Company's other fixed asset investments are stated at cost and are unlisted.

Notes to the accounts (continued)

	1984 £000	1983 £000
9. Debtors		
Amounts falling due within one year		
Amounts owed by holding company	79	-
Amounts owed by fellow subsidiary	3,105	2,818
Amounts owed by subsidiaries	12,478	11,062
Amounts owed by associated companies	1,000	887
Other debtors	17	16
Prepayments and accrued income	454	110
	<u>17,133</u>	<u>14,893</u>
Amounts falling due after more than one year		
Other debtors	102	131
10. Current asset investments	<u>17,235</u>	<u>15,024</u>
Property subject to negotiation for sale	45	508
Property subject to negotiation for sale is included at estimated net realisable value.		
11. Bank loans and overdrafts		
Amounts falling due within one year		
Unsecured bank borrowing	1,847	3,966
Amounts falling due after more than one year		
Repayable within five years		
Unsecured bank borrowings	4,308	5,015
The above borrowings are repayable between one and two years		
Bank balances and overdrafts are stated at the amounts shown in bank statements at the end of the period.		
12. Other creditors		
Amounts falling due within one year		
Amounts owed to holding company	19,418	11,887
Amounts owed to fellow subsidiary	2	-
Amounts owed to subsidiaries	14,282	7,416
Corporate taxation	1,689	1,278
Group relief	2,014	478
Other creditors	194	35
	<u>37,599</u>	<u>21,094</u>
Amounts falling due after more than one year		
Amounts owed to subsidiaries	6,963	7,471

GER INVESTMENTS LIMITED

to the accounts (continued)

13. Deferred taxation

The deferred taxation liability provided in the accounts and the full potential liability for deferred taxation are

	1984		1983 (Restated per Note 5)		1983 (As published)	
	Full potential liability £000	Provided £000	Full potential liability £000	Provided £000	Full potential liability £000	Provided £000
Accelerated tax allowances on fixed assets	564	564	597	597	888	888
Short term timing differences	(427)	(427)	(297)	(297)	(328)	(328)
Surplus on disposal of fixed assets subject to rollover relief	<u>17</u>	<u>-</u>	<u>17</u>	<u>-</u>	<u>17</u>	<u>-</u>
	154	137	317	300	577	560
Taxation payable if properties were disposed of at their revalued amount	<u>222</u>	<u>222</u>	<u>291</u>	<u>291</u>	<u>291</u>	<u>291</u>
	<u>376</u>	<u>359</u>	<u>608</u>	<u>591</u>	<u>868</u>	<u>851</u>

14. Provisions for liabilities and charges

A provision of £ 3,279,000 (1983 - £ Nil) has been made for estimated future losses arising from the vacation of the German headquarters and warehouse building.

	1984 £000	1983 £000
15. Called up share capital		
Authorised		
100 ordinary shares of £1 each	<u>-</u>	<u>-</u>
Allotted, issued and fully paid		
2 ordinary share of £1 each	<u>-</u>	<u>-</u>

The Company's ultimate holding company is Gestetner Holdings PLC incorporated in Great Britain.

GESTETNER INVESTMENTS LIMITED

Notes to the accounts (continued)

	Revaluation reserve £000	Profit and loss account £000
16. Reserves		
At beginning of period	64,293	15,089
Loss for period	-	(10,161)
Deficit arising on revaluation of fixed asset investments	(3,201)	-
Transfers between reserves	(43)	43
At end of period	<u>61,049</u>	<u>4,971</u>

17. Contingent liabilities

Cash at bank and in hand (1983 - unsecured bank borrowings falling due within one year) includes the balance on a memorandum sub-division of an account between the holding company, Gestetner Holdings PLC, and its bankers. The Company has given, together with its holding company, a fellow subsidiary and certain of its subsidiaries, an unlimited guarantee to the bankers in respect of overdraft facilities made available to Gestetner Holdings PLC. At 3rd November 1984 these facilities were utilised to the extent of £ Nil (1983 - £2,775,000).

GESTETNER INVESTMENTS LIMITED

Notes to the Accounts (continued)

18. Principal subsidiary and associated companies at 3rd November 1984

Following are the principal subsidiaries, direct and indirect, and associated companies of Gestetner Investments Limited.

Subsidiary companies	Incorporated in
Gestetner Pty. Limited	Australia
Gestetner Australasia Pty. Limited	Australia
* Gestetner Buromaschinen-Verkaufsges mbH	Austria
Gestetner SA	Belgium
Gestetner (Bermuda) Limited	Bermuda (World Wide)
* Gestetner Inc.	Canada
Rex-Rotary Holdings A/S	Denmark
Rex-Rotary International Corporation A/S	Denmark (World Wide)
Rex-Rotary France SA (60%)	France
SA Gestetner	France
* Gestetner GmbH	Germany
Gestetner Byfleet Limited	Great Britain (World Wide)
Gestetner International Limited	Great Britain (World Wide)
Gestetner Limited	Great Britain
Gestetner Papers Limited	Great Britain (World Wide)
* Gestetner Holding BV	Holland
* Gestetner BV	Holland
Gestetner Limited (60%)	Hong Kong (Japan)
Gestetner International Limited	Hong Kong (and China)
* Gestetner (Israel) Limited	Israel
Gestetner Duplicatori Spa	Italy
* Gestetner Malaysia Sendirian Berhad	Malaysia
Gestetner SA de C.V.	Mexico
* Gestetner Private Limited	Singapore
Gestetner (Proprietary) Limited	South Africa
Gestetner SA	Spain
Gestetner AB	Sweden
* Gestetner (Thailand) Limited	Thailand
* Gestetner Holdings (USA) Limited	U.S.A.
Gestetner Corporation	U.S.A.
* Gestetner Investments (Delaware) Limited	U.S.A.
Gestetner Limited	Zambia
Associated companies	
* Gestetner of Ceylon Limited (49%)	Sri Lanka
* Pfister-Leuthold AG (30%)	Switzerland

The effective equity holding is 100% in all cases except where indicated otherwise. The Companies' principal areas of operation are the respective countries in which they are incorporated unless otherwise stated.

Except where indicated * the accounts of all Companies were audited by Deloitte Haskins & Sells or their associated firms.