

**REDACELL LIMITED****REPORT OF THE DIRECTORS**

The directors present to the members their report and the audited accounts for the year ended 31 December 1995.

**ACTIVITIES AND BUSINESS REVIEW**

The principal activities of the Group are the manufacture of filing systems and precision engineering. The Group recorded an operating profit for the year of £85,938 (1994: £24,317). The continuing programme of development of new products was further enhanced in March 1995 when Rotadex Systems Limited acquired the goodwill, trade marks and certain items of stock and plant from the Receivers of Whitehead Letterfiles Limited. The increase in activity created by this extension of the group's existing production into the manufacture of files and associated products has provided a platform for the Group's continued improvement in profitability during 1996. The state of the Group's affairs is considered satisfactory.

**RESULTS**

The results for the year are shown in the attached Consolidated Profit and Loss Account on page 3. No dividend is recommended and it is proposed that the profit be added to reserves.

**FIXED ASSETS**

Movements in the fixed assets of the Group were as shown in the notes to the accounts. The Group's land and buildings are known to be worth well in excess of their book value but the directors do not consider that any useful purpose would be achieved by incorporating a formal valuation in the accounts.

**DIRECTORS**

The directors who served during the year were:

W J R White  
M N Price  
P E J White  
Mrs J White

**DIRECTORS' INTERESTS**

The whole of the issued capital of Redacell Limited is owned by trustees of a Settlement for the benefit of the family of P E J White.

W J R White had the following interests in Group company shares by virtue of his being a potential beneficiary of the trust holding those shares:

	31.12.95	31.12.94
Redacell Limited	90	90
Rotadex Systems Limited:		
Ordinary shares	10,500	10,500
'B' shares	2,000	2,000
Rotadex Industries Limited	11,200	11,200
Rotadex Press Limited	500	500

None of the other directors of the company serving at the end of the year had any interest in the shares of the companies at any time during the year.



## **REDACELL LIMITED**

### **REPORT OF THE DIRECTORS** - continued

#### **DIRECTORS' RESPONSIBILITIES**

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing those financial statements the directors are required to:-


- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **AUDITORS**

The auditors Cotterell & Co will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

By order of the Board



M N PRICE

Secretary

20 September 1996

**REDACELL LIMITED**  
**AND SUBSIDIARIES**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

for the year ended 31 December 1995

	Notes	1995 £	1994 £
<b>TURNOVER</b>	2	2,351,614	1,459,756
Cost of sales		(1,674,471)	(992,867)
Gross profit		677,143	466,889
Administration, selling and distribution costs		(591,205)	(442,572)
<b>OPERATING PROFIT</b>	3	85,938	24,317
Interest	6	(41,621)	(15,572)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		44,317	8,745
Taxation:			
Current year	7	(17,998)	(11,911)
Prior years	7	(5,508)	3,139
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		20,811	(27)
Dividends		-	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>		20,811	(27)
Applicable to:			
Minority interests		2,215	2,031
Post-acquisition profit/(loss)	20	18,596	(2,058)
		20,811	(27)

**CONTINUING OPERATIONS**

None of the Group's activities was acquired or discontinued during the above two financial years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The group has no recognised gains and losses other than the profit/(loss) for the above two financial years.

The notes on pages 7 to 17 form part of these accounts.

**REDACELL LIMITED**  
**AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET**

at 31 December 1995

	Notes	1995 £	1994 £
<b>FIXED ASSETS</b>			
Tangible assets	8	509,761	225,083
Intangible assets	9	11,250	-
		<hr/>	<hr/>
		521,011	225,083
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Stocks and work in progress	11	316,610	170,397
Debtors	12	623,621	364,307
Cash at bank		41,576	39,413
Cash in hand		4,247	1,588
		<hr/>	<hr/>
		986,054	575,705
<b>CREDITORS: amounts falling due within one year</b>	13	(512,018)	(286,926)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		474,036	288,779
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		995,047	513,862
<b>CREDITORS: amounts falling due after more than one year</b>	14	(407,677)	(9,309)
		<hr/>	<hr/>
		587,370	504,553
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	17	(32,279)	(8,773)
		<hr/>	<hr/>
		555,091	495,780
<b>DEFERRED INCOME</b>			
Investment grant account	18	(38,500)	-
		<hr/>	<hr/>
		516,591	495,780
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	90	90
Share premium account		1,672	1,672
Reserves	20	399,125	380,529
		<hr/>	<hr/>
		400,887	382,291
Minority interest		115,704	113,489
		<hr/>	<hr/>
	21	516,591	495,780
		<hr/>	<hr/>

Approved by the Board on 20 September 1996

W J R WHITE )

Directors

M N PRICE )

*William White*  
*M. N. Price*

The notes on pages 7 to 17 form part of these accounts.

**REDACELL LIMITED****BALANCE SHEET**

at 31 December 1995

	Notes	1995 £	1994 £
<b>INVESTMENTS</b>	10	114,120	114,119
<b>CURRENT ASSETS</b>			
Debtors	12	65,618	85,301
Cash at bank		41,014	36,184
		106,632	121,485
<b>CREDITORS: amounts falling due within one year</b>	13	(218,874)	(233,737)
<b>NET CURRENT LIABILITIES</b>		(112,242)	(112,252)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,878	1,867
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	90	90
Share premium account		1,672	1,672
Profit and loss account		116	105
		1,878	1,867

Approved by the Board on 20 September 1996

W J R WHITE )

Directors

M N PRICE )



The notes on pages 7 to 17 form part of these accounts.

**REDACELL LIMITED****CONSOLIDATED CASHFLOW STATEMENT**

for the year ended 31 December 1995

	1995		1994	
	£	£	£	£
Operating profit		85,938		24,317
Depreciation		75,558		35,804
Amortisation		3,750		-
(Profit)/loss on disposal of fixed assets		(12,412)		1,352
Transfer from investment grant account		(11,500)		-
Increase in stocks and work in progress		(146,213)		(26,390)
Increase in debtors		(260,057)		(63,589)
Increase in creditors		148,120		14,836
		<hr/>		<hr/>
Net cash outflow from operating activities		(116,816)		(13,670)
Returns on investments and servicing of finance				
Interest received	1,628		3,525	
Interest paid	(43,249)		(19,119)	
	<hr/>		<hr/>	
Net cash outflow from returns on investments and servicing of finance		(41,621)		(15,594)
Taxation				
Corporation tax received		743		-
Investing activities				
Payments to acquire tangible fixed assets	(373,416)		(47,989)	
Payments to acquire intangible fixed assets	(15,000)		-	
Receipts from sales of tangible fixed assets	25,592		625	
Investment grants received	50,000		-	
	<hr/>		<hr/>	
Net cash outflow from investing activities		(312,824)		(47,364)
		<hr/>		<hr/>
Net cash outflow before financing		(470,518)		(76,628)
Financing				
Other loan received	350,000		-	
Bank loan repayments	(5,736)		(5,296)	
Hire purchase received	127,832		18,184	
Hire purchase repayments	(20,430)		(3,130)	
	<hr/>		<hr/>	
Net cash inflow from financing		451,666		9,758
		<hr/>		<hr/>
Decrease in cash and cash equivalents (note 27)		(18,852)		(66,870)
		<hr/>		<hr/>

## REDACELL LIMITED

### NOTES TO THE ACCOUNTS

at 31 December 1995

The accounts have been prepared in accordance with applicable accounting standards. There were no material departures from those standards.

#### **1 ACCOUNTING POLICIES**

##### (a) Accounting convention

The accounts are prepared under the historical cost convention.

##### (b) Consolidated accounts

The consolidated profit and loss account and balance sheet include the accounts of the company and its subsidiaries. All subsidiary undertakings' accounts are made up to the end of the financial year. Internal sales and profits are eliminated on consolidation and all turnover and profit figures relate to external transactions only.

##### (c) Depreciation and amortisation

Depreciation is provided on all tangible fixed assets, other than freehold land and buildings, at annual rates calculated to write off the cost, less estimated residual value, over their expected useful lives as follows:

	<u>Rotadex Systems Limited</u>	<u>Rotadex Industries Limited</u>	<u>Brian Perkins and Company Limited</u>
Plant and machinery	12½% RB and 20% SL	10% RB	10% SL
Plant and machinery - computers etc	20% SL	-	10% SL
Motor vehicles	25% RB	25% RB	20% SL
Fixtures and fittings	12½% and 20% RB	20% RB	20% SL
Fixtures and fittings - computers etc	20% SL	20% SL	20% SL

Amortisation is provided on all intangible fixed assets at annual rates calculated to write off the cost, less estimated residual value, over their expected useful lives as follows:-

Goodwill and trademarks	33% SL	-	-
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Note: RB - reducing balance, SL - straight line

##### (d) Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value as follows:

Cost incurred in bringing each product to its present location and condition:

Raw materials and consumables	- purchase cost on a first in, first out basis
Work in progress and finished goods	- direct material and labour costs plus attributable overheads based on normal level of activity.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Progress payments received are deducted from stocks and work in progress.

## **REDACELL LIMITED**

### **NOTES TO THE ACCOUNTS**

at 31 December 1995

#### **1 ACCOUNTING POLICIES - continued**

##### **(e) Deferred taxation**

Deferred taxation is calculated on the liability method in respect of timing differences arising primarily from the different accounting and tax treatment of depreciation except to the extent that in the opinion of the directors there is reasonable probability that this will not arise in the foreseeable future.

##### **(f) Leasing and hire purchase commitments**

Tangible fixed assets acquired under hire purchase contracts are capitalised at cost and the amount outstanding at the balance sheet date is included under creditors in the balance sheet. Interest thereon is charged in the profit and loss account proportionally over the periods of the agreements.

Rentals paid under operating leases are charged in the profit and loss account as incurred.

##### **(g) Pension costs**

The costs of providing pensions in respect of the group's defined contribution scheme are charged to the profit and loss account in the period to which they relate.

##### **(h) Translation of overseas currencies**

Assets and liabilities denominated in foreign currencies are translated into Sterling at the rate ruling at the balance sheet date. All exchange differences are included in the profit and loss account.

##### **(i) Government grants**

Government grants in respect of qualifying fixed asset purchases are released to the profit and loss account over the expected life of the relevant asset. Grants for revenue expenditure are credited to the profit and loss account in the year in which the corresponding expenditure is charged.

##### **(j) Fixed asset investments**

Fixed asset investments in subsidiary undertakings are stated at their original cost less any permanent diminution in value.

#### **2 TURNOVER**

Turnover represents amounts invoiced to external customers excluding value added tax.

	1995 £	1994 £
Analysis of turnover:		
Filing systems and printing	1,861,788	1,022,083
Equipment manufacture and precision engineering	489,826	437,673
	<hr/>	<hr/>
	2,351,614	1,459,756
	<hr/>	<hr/>
Exports amounted to	27,055	16,592
	<hr/>	<hr/>



**REDACELL LIMITED****NOTES TO THE ACCOUNTS**

at 31 December 1995

**3 OPERATING PROFIT**

	1995 £	1994 £
Operating profit is stated after charging/crediting		
Directors' emoluments including pension and death in service contributions	52,540	48,821
Auditors' remuneration	10,895	16,100
Depreciation - tangible fixed assets		
- owned	33,373	30,091
- subject to hire purchase	42,185	5,713
(Profit)/loss on disposal of tangible fixed assets	(12,412)	1,352
Transfer from investment grant account	(11,500)	-
Amortisation - intangible fixed assets	3,750	-
Operating lease rentals for:		
plant	2,914	3,950
other assets	34,753	21,660
	<hr/>	<hr/>

**4 DIRECTORS' EMOLUMENTS**

The emoluments of the chairman, excluding pension contributions were:

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The emoluments of the highest paid director, excluding pension contributions were:

28,743      28,220  

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Directors' emoluments fell into the following ranges:

	No.	No.
Nil - 5,000	2	2
20,001 - 25,000	1	1
25,001 - 30,000	1	1
	<hr/>	<hr/>

**5 STAFF COSTS**

	1995 £	1994 £
Wages and salaries	679,956	552,001
Social security costs	62,229	52,818
Pension and death in service contributions	3,663	3,391
Redundancy, lieu of notice and ex-gratia payments	12,040	2,444
	<hr/>	<hr/>
	757,888	610,654
	<hr/>	<hr/>

The average weekly number of employees during the year was as follows:

	No.	No.
Production	39	30
Selling and distribution	10	10
Administrative	9	8
	<hr/>	<hr/>
	58	48
	<hr/>	<hr/>

**REDACELL LIMITED****NOTES TO THE ACCOUNTS**

at 31 December 1995

**6 INTEREST**

	1995 £	1994 £
Received on bank deposits	715	3,525
Interest on corporation tax	-	22
Deposit interest - solicitors	798	-
Interest on rates refund	115	-
Bank overdraft	(3,236)	(2,399)
Bank loan	(328)	(778)
Hire purchase	(8,342)	(1,450)
Finance charge - insurances	-	(196)
Loan interest - (loans repayable within five years)		
Current year	(12,812)	(2,333)
Prior years	-	(11,963)
Loan interest - (loans repayable in more than five years)	(18,531)	-
	<u>(41,621)</u>	<u>(15,572)</u>

**7 TAXATION**

Based on the results for the year:

Deferred taxation @ 33% and 25% (1994: 33%)

Corporation tax @ 25% (1994: 25%)

	16,371	11,911
	1,627	-
	<u>17,998</u>	<u>11,911</u>
In respect of prior years:		
Deferred taxation @ 25%	5,508	-
Surplus advance corporation tax now recoverable	-	(3,139)
	<u>5,508</u>	<u>(3,139)</u>

**8 TANGIBLE FIXED ASSETS**

Group:	Freehold land and buildings £	Plant, vehicles, fixtures & fittings £	Total £
Cost:			
At 1 January 1995	76,921	429,461	506,382
Additions	25,000	348,416	373,416
Disposals	-	(59,566)	(59,566)
At 31 December 1995	<u>101,921</u>	<u>718,311</u>	<u>820,232</u>
Depreciation:			
At 1 January 1995	-	281,299	281,299
Provided during year	-	75,558	75,558
Disposals	-	(46,386)	(46,386)
At 31 December 1995	<u>-</u>	<u>310,471</u>	<u>310,471</u>
Net book value at 31 December 1995	<u>101,921</u>	<u>407,840</u>	<u>509,761</u>
Net book value at 31 December 1994	<u>76,921</u>	<u>148,162</u>	<u>225,083</u>

## **REDACELL LIMITED**

### **NOTES TO THE ACCOUNTS**

at 31 December 1995

#### **8 TANGIBLE FIXED ASSETS - continued**

The net book value of fixed assets of £509,761 (1994: £225,083) includes an amount of £237,137 (1994: £17,137) in respect of assets subject to hire purchase.

Company:

Redacell Limited holds no tangible fixed assets.

#### **9 INTANGIBLE FIXED ASSETS**

	1995 £	1994
Goodwill and trademarks		
Cost:		
Additions	15,000	-
	<hr/>	<hr/>
At 31 December 1995	15,000	-
	<hr/>	<hr/>
Amortisation:		
Provided during year	3,750	-
	<hr/>	<hr/>
At 31 December 1995	3,750	-
	<hr/>	<hr/>
Net book value at 31 December 1995	11,250	-
	<hr/>	<hr/>

#### **10 INVESTMENTS**

Company:

Under a deed of gift dated 17 March 1986 Redacell Limited acquired an 82.7% holding in Rotadex Systems Limited, a 72.2% holding in Rotadex Industries Limited and a 66.2% holding in Rotadex Press Limited.

Under the terms of this deed, Redacell Limited was liable to pay the Capital Transfer Tax arising on the gift. The amount paid, which has been agreed with the Inland Revenue at £12,819, is shown as the cost of investment in subsidiary undertakings.

	1995 £	1994 £
Cost of shares above under deed of gift	12,819	12,819
Cost of 1300 'A' ordinary shares of £1 each in Rotadex Industries Limited - 30 March 1993 (a further 2.89% holding)	1,300	1,300
Cost of 100 ordinary shares of £1 each and 100 'A' ordinary shares of £1 each in Brian Perkins and Company Limited - 1 October 1993 (100% holding)	100,000	100,000
Cost of 1 ordinary share of £1 in Whitehead Letterfiles Limited - 19 April 1995 (100% holding)	1	-
	<hr/>	<hr/>
	114,120	114,119
	<hr/>	<hr/>

**REDACELL LIMITED****NOTES TO THE ACCOUNTS**

at 31 December 1995

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
<b>11 STOCKS AND WORK IN PROGRESS</b>				
Raw materials	121,781	52,361	-	-
Work in progress	57,658	48,778	-	-
Finished goods	147,696	79,493	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	327,135	180,632	-	-
Less: payments received on account	(10,525)	(10,235)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	316,610	170,397	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>12 DEBTORS</b>				
Trade debtors	552,357	316,385	-	-
Prepayments and accrued income	71,264	47,179	-	-
Corporation tax refunds due	-	743	-	-
Due from Group Undertakings	-	-	65,618	85,301
	<hr/>	<hr/>	<hr/>	<hr/>
	623,621	364,307	65,618	85,301
	<hr/>	<hr/>	<hr/>	<hr/>
<b>13 CREDITORS: amounts falling due within one year</b>				
Hire purchase creditors (note 25)	43,946	5,745	-	-
Bank loan (secured note 15)	183	5,919	-	-
Bank overdraft (secured note 15)	52,229	28,555	-	-
Other loan (note 16)	20,833	-	-	-
Trade creditors	216,216	124,171	-	-
Income tax	2,291	3,574	-	-
Capital transfer tax (note 10)	-	1,282	-	1,282
Other taxes and social security costs	69,825	36,720	-	-
Accruals	64,524	36,762	31	30
Due to Group Undertakings	-	-	218,843	232,425
Other creditors	41,971	41,971	-	-
Disturbance expenses received in advance	-	2,227	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	512,018	286,926	218,874	233,737
	<hr/>	<hr/>	<hr/>	<hr/>
<b>14 CREDITORS: amounts falling due after more than one year</b>				
Hire purchase creditors (note 25)	78,510	9,309	-	-
Other loan (note 16)	329,167	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	407,677	9,309	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

**REDACELL LIMITED****NOTES TO THE ACCOUNTS**

at 31 December 1995

**15 BANK LOAN**

The bank loan which bears interest at a variable rate, is repayable over three years from January 1993 by equal monthly instalments of £509.37 including interest, subject to the Bank's right to demand immediate repayment of the loan in the event of any default under the conditions specified in the loan agreement.

	1995 £	1994 £
The loan is being repaid as follows:		
Amounts payable within five years	183	5,919
Amounts due within one year included in current liabilities (Note 13)	(183)	(5,919)
	<hr/>	<hr/>
Amounts due after more than one year	-	-
	<hr/>	<hr/>

Bank borrowings of one of the group's subsidiaries amounting to £23,083 (1994: £13,714) are secured by a legal charge over the subsidiary's freehold land and buildings.

Bank borrowings of another subsidiary amounting to £29,329 (1994: £20,760) are secured by a floating charge over the assets of that subsidiary.

**16 OTHER LOAN**

One of the group's subsidiaries borrowed £350,000 during the year in order to finance the purchase of goodwill, trademarks and certain items of stock and plant from the Receivers of Whitehead Letterfiles Limited. Interest is payable at 2% over bank base rate. The loan is repayable over seven years from August 1996 by equal monthly instalments, subject to the lender's right to give twelve months notice for repayment of the loan.

	1995 £	1994 £
Obligations under loan agreement:		
Due within one year	20,833	-
Due between one and five years	200,000	-
Due in over five years	129,167	-
	<hr/>	<hr/>
	350,000	-
	<hr/>	<hr/>
Shown as:		
Due within one year	20,833	-
Due after more than one year	329,167	-
	<hr/>	<hr/>
	350,000	-
	<hr/>	<hr/>

**REDACELL LIMITED****NOTES TO THE ACCOUNTS**

at 31 December 1995

**17 DEFERRED TAXATION**

The amount provided and the total potential liability for deferred taxation is as follows:

	Amount provided		Potential liability	
	1995 £	1994 £	1995 £	1994 £
Capital allowances in advance of depreciation	43,061	33,040	43,061	33,040
Other short term timing differences	(6,614)	(18,472)	(6,614)	(18,472)
	<hr/>	<hr/>	<hr/>	<hr/>
	36,447	14,568	36,447	14,568
Less:				
Surplus advance corporation tax	(4,168)	(5,795)	(4,168)	(5,795)
	<hr/>	<hr/>	<hr/>	<hr/>
	32,279	8,773	32,279	8,773
	<hr/>	<hr/>	<hr/>	<hr/>

**18 DEFERRED INCOME**

	1995 £	1994 £
Government grants on fixed asset purchases Received during the year	50,000	-
	<hr/>	<hr/>
Transferred to profit and loss account - revenue expenditure	6,000	-
- capital expenditure	5,500	-
	<hr/>	<hr/>
At 31 December 1995	11,500	-
	<hr/>	<hr/>
Net book value at 31 December 1995	38,500	-
	<hr/>	<hr/>

**19 SHARE CAPITAL**

	Authorised		Allotted, called up up and fully paid	
	1995 No.	1994 No.	1995 £	1994 £
Ordinary shares of £1 each	10,000	10,000	90	90
	<hr/>	<hr/>	<hr/>	<hr/>

**20 RESERVES**

	Pre- acquisition £	Profit & loss account £	Total £
At 1 January 1995	285,705	94,824	380,529
Movement for the year	-	18,596	18,596
	<hr/>	<hr/>	<hr/>
At 31 December 1995	285,705	113,420	399,125
	<hr/>	<hr/>	<hr/>

Of the results for the year, profits of £11 (1994: £608) have been dealt with in the accounts of the holding company.

**REDACELL LIMITED****NOTES TO THE ACCOUNTS**

at 31 December 1995

**21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1995 £	1994 £
Profit/(loss) for the financial year - net addition to/ (deduction from) shareholders' funds	20,811	(27)
Opening shareholders' funds	495,780	495,807
Closing shareholders' funds	516,591	495,780

**22 CAPITAL COMMITMENTS**

Capital commitments at 31 December 1995 for which no provision has been made in the accounts are as follows:

Contracted for	29,311	-
Authorised by the directors but not contracted	-	-
	29,311	-

**23 PENSION COMMITMENTS**

The group has a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund.

	1995 £	1994 £
Contributions payable (including death in service contributions)	3,663	3,391
Contributions paid in advance at the year end and included in debtors	452	364

**24 SUBSIDIARY UNDERTAKINGS**

	1995 Owned	1994 Owned
Rotadex Systems Limited Manufacturers of filing systems	82.7%	82.7%
Rotadex Industries Limited Precision engineers	75.1%	75.1%
Brian Perkins and Company Limited Equipment manufacturers and precision engineers	100.0%	100.0%
Rotadex Press Limited Non-trading - ownership via Rotadex Systems Limited	66.2%	66.2%
Whitehead Letterfiles Limited Non-trading	100.0%	-

All subsidiaries are incorporated in England.

**REDACELL LIMITED****NOTES TO THE ACCOUNTS**

at 31 December 1995

**25 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
Year ending 31.12.96	55,953	7,334	-	-
31.12.97	51,432	7,334	-	-
31.12.98	27,438	2,814	-	-
31.12.99	3,375	-	-	-
31.12.00	3,375	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	141,573	17,482	-	-
Less: finance charges allocated to future period	(19,117)	(2,428)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	122,456	15,054	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Shown as:				
Due within one year	43,946	5,745	-	-
Due in more than one year	78,510	9,309	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	122,456	15,054	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

**26 COMMITMENTS UNDER OPERATING LEASES**

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
The minimum payments which the group is committed to make during the year ended 31 December 1996 are as follows:				
Land and buildings				
Operating leases which expire:				
between one and five years	20,000	20,000	-	-
over five years	14,400	-	-	-
Plant				
Operating leases which expire:				
within one year	60	1,833	-	-
Other assets				
Operating leases which expire:				
within one year	184	700	-	-
between one and five years	312	312	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	34,956	22,845	-	-
	<hr/>	<hr/>	<hr/>	<hr/>



**REDACELL LIMITED****NOTES TO THE ACCOUNTS**

at 31 December 1995

**27 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR**

	1995 £	1994 £
Balance at 31 December 1994	12,446	79,316
Net cash outflow	(18,852)	(66,870)
	<hr/>	<hr/>
Balance at 31 December 1995	(6,406)	12,446
	<hr/>	<hr/>

Analysis of the balances of cash and cash equivalents as shown in the balance sheet.

	31.12.95 £	31.12.94 £	Change in year £
Bank overdraft	(52,229)	(28,555)	(23,674)
Cash at bank	41,576	39,413	2,163
Cash in hand	4,247	1,588	2,659
	<hr/>	<hr/>	<hr/>
	(6,406)	12,446	(18,852)
	<hr/>	<hr/>	<hr/>

**REDACELL LIMITED****PROFIT AND LOSS ACCOUNT**

for the year ended 31 December 1995

	1995	1994
	£	£
Bank interest received	715	3,525
Sundry trade expenses	(18)	(18)
Bank charges	(82)	(96)
Management charge payable	(600)	(2,600)
	<hr/>	<hr/>
	(700)	(2,714)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</b>	<hr/>	<hr/>
	15	811
Corporation tax:		
Group relief - Current year @ 25%	(4)	(203)
	<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAX</b>	11	608
Balance/(deficiency) brought forward	105	(503)
	<hr/>	<hr/>
Balance carried forward	116	105
	<hr/>	<hr/>

## **AUDITORS' REPORT to the members of REDACELL LIMITED**

We have audited the financial statements on pages 3 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2 the group's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those 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 made by the directors in the preparation of financial statements, and of whether the accounting policies are appropriate to the group'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 group's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



**COTTERELL & CO**

Chartered Accountants  
Registered Auditors

**WOLVERHAMPTON**

20 September 1996