

**R.R. DONNELLEY LIMITED**

**Report and Financial Statements**

**31 December 2007**

**Deloitte LLP  
Leeds**

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# **R.R. DONNELLEY LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2007**

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# **R.R. DONNELLEY LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2007**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

B. W. Lundberg  
M. Richardson

#### **SECRETARY**

T. Gordon

#### **REGISTERED OFFICE**

Flaxby Moor  
Knaresborough  
North Yorkshire  
HG5 0XJ

#### **AUDITORS**

Deloitte LLP  
Chartered Accountants and Registered Auditors  
Leeds

## **R.R. DONNELLEY LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 December 2007.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The company did not trade during the year and is not expected to trade in the foreseeable future.

### **PROFIT AND LOSS ACCOUNT**

No profit and loss account is presented with these financial statements because the company has not received income, incurred expenditure or recognised any gains or losses during either the year under review or the preceding accounting period. There have been no movements in shareholders' funds during the year under review or the preceding accounting period.

### **DIRECTORS**

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

B. W. Lundberg  
K. Ruddock (resigned 19 December 2007)  
M. Richardson (appointed 19 December 2007)

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

### **AUDITORS**

The directors will place a resolution before the Annual General Meeting to reappoint Deloitte LLP as auditors for the ensuing year.

Approved by the Board of Directors  
and signed on behalf of the Board



M. Richardson  
Director

30 January 2009

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. 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;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements 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 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF R.R. DONNELLEY LIMITED**

We have audited the financial statements of R.R. Donnelley Limited for the year ended 31 December 2007 which comprise the balance sheet and the related notes 1 to 7. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

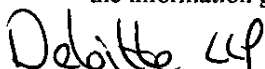
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



**Deloitte LLP**  
Chartered Accountants and Registered Auditors  
Leeds

30 January 2009

# R.R. DONNELLEY LIMITED

## BALANCE SHEET 31 December 2007

	Note	2007 £	2006 £
<b>CURRENT ASSETS</b>			
Debtors	4	11,498,570	11,498,570
<b>NET ASSETS</b>		<u>11,498,570</u>	<u>11,498,570</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	5,157,851	5,157,851
Capital contribution	6	4,000,000	4,000,000
Profit and loss account	6	<u>2,340,719</u>	<u>2,340,719</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>11,498,570</u>	<u>11,498,570</u>

These financial statements were approved by the Board of Directors on 30 January 2009.

Signed on behalf of the Board of Directors

M. Richardson

Director



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

**NOTES TO THE FINANCIAL STATEMENTS -  
Year ended 31 December 2007**

**1. ACCOUNTING POLICIES**

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

**Basis of accounting**

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

The directors have considered the financial position and future prospects of the company and conclude that the company is a going concern.

**2. PROFIT AND LOSS ACCOUNT**

No profit and loss account is presented with these financial statements because the company has not received income, incurred expenditure or recognised any gains or losses during either the year or the preceding financial year. There have been no movements in shareholders' funds during the year under review or the preceding financial year.

The auditors' remuneration of £500 and Companies House fees were borne by a fellow group undertaking in the current year and preceding year.

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

No emoluments were payable to the directors, who were the only employees, of the company during the current and preceding financial year.

**4. DEBTORS**

	2007 £	2006
Amounts owed by group undertakings	11,498,570	11,498,570

**5. CALLED-UP SHARE CAPITAL**

	2007 £	200706 £
<b>Authorised</b>		
6,157,850 ordinary shares of £1 each	6,157,850	6,157,850
<b>Allotted, called-up and fully paid</b>		
5,157,851 ordinary shares of £1 each	5,157,851	5,157,851



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2007**

**6. RESERVES**

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

	2007 £	2006 £
Distributable		
- profit and loss account	2,340,719	2,340,719
Non distributable		
- capital contribution	4,000,000	4,000,000
	<u>6,340,719</u>	<u>6,340,719</u>

	Capital contribution £	Profit and loss account £	Total £
At 31 December 2006 and 31 December 2007	<u>4,000,000</u>	<u>2,340,719</u>	<u>6,340,719</u>

**7. RELATED PARTY DISCLOSURES**

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

The company's immediate parent company is R R Donnelley UK Directory Limited.

As a wholly owned subsidiary undertaking of R. R. Donnelley & Sons Company, the company has taken advantage of the exemption in FRS8 "Related party disclosures" not to disclose transactions with other members of the group headed by R. R. Donnelley & Sons Company since that company produces financial statements which are available to the public and which include R.R. Donnelley Limited. There are no other related party transactions requiring disclosure.

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 R.R. Donnelley UK Directory Limited.

The consolidated financial statements 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  
 11 South Wacker Drive  
 Chicago  
 Illinois 60601-4301  
 USA