



ARTHUR ANDERSEN

N/A

**Donnelley Satellite Graphics Limited**

Accounts 31 December 1999  
together with directors' report

Registered number: FC011727



## Notice of meeting

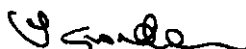
Notice is hereby given that the annual general meeting of Donnelley Satellite Graphics Limited will be held at the offices of the company at Boroughbridge Road, York, at 12 p.m. on 15 September 2000 for the following purposes:

As ordinary business:

1. To receive and approve the directors' report and the accounts for the year ended 31 December 1999.
2. To transact any other ordinary business of an annual general meeting.

Boroughbridge Road  
York  
YO26 5SS

By order of the Board,



T. Gordon  
Secretary

25 August 2000

## Directors' report

For the year ended 31 December 1999

The directors present their annual report on the affairs of the company together with the accounts for the year ended 31 December 1999.

### Principal activity and business review

The principal activity of the company continues to be the leasing of manufacturing equipment to other members of the Donnelley Holdings Limited group of companies.

The directors view the results for the year to be satisfactory.

### Results and dividends

Results are as follows:

	£
Retained loss at 31 December 1998	(631,223)
Loss for the year	(41,093)
Retained loss at 31 December 1999	<u>(672,316)</u>

The directors do not recommend a payment of a dividend (1998: £nil).

### Directors and their interests

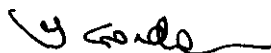
The directors who served during the year and subsequently are as shown below:

J.A. Donelson	(resigned 1 April 1999)
R.T. Houston	
C.P. Mann	(appointed 1 April 1999, resigned 1 June 2000)
B. W. Lundberg	(appointed 1 June 2000)

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

Boroughbridge Road  
York  
YO26 5SS

By order of the Board,



T. Gordon

Secretary

25 August 2000

## Directors' responsibilities

The directors are responsible for preparing 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 to 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.

## Profit and loss account

For the year ended 31 December 1999

	Notes	1999 £	1998 £
<b>Turnover</b>	1	-	6,646
Cost of sales		(685)	(295,635)
<b>Operating loss</b>		(685)	(288,989)
Interest receivable and similar income	2	-	1,205
Interest payable and similar charges	3	(40,408)	(19,827)
<b>Loss on ordinary activities before taxation</b>	4	(41,093)	(307,611)
<b>Retained deficit, 31 December 1998</b>		(631,223)	(323,612)
<b>Retained deficit, 31 December 1999</b>		(672,316)	(631,223)

A statement of total recognised gains and losses is not presented as there are no recognised gains or losses in the year other than the results shown above. All of the results of the company arose from continuing activities.

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

## Balance sheet

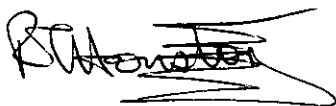
31 December 1999

	Notes	1999 £	1998 £
<b>Fixed assets</b>			
Tangible assets	7	-	685
<b>Creditors: Amounts falling due within one year</b>	8	(47,802)	(7,394)
<b>Net liabilities</b>		(47,802)	(6,709)
<b>Capital and reserves</b>			
Called-up share capital	9	1,000	1,000
Paid in surplus	10	623,514	623,514
Profit and loss account	10	(672,316)	(631,223)
<b>Equity shareholders' deficit</b>	11	(47,802)	(6,709)

### Signed on behalf of the Board

R.T. Houston

Director



25 August 2000

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

## Statement of accounting policies

31 December 1999

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

### **Basis of accounting**

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

### **Cash flow statement**

At 31 December 1999 the company was a wholly owned subsidiary undertaking of R.R. Donnelley & Sons Company, a company that produces publicly available financial statements in which the company is included. Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 "Cash flow statements" (Revised) from publishing a cash flow statement.

### **Tangible fixed assets**

Tangible fixed assets are shown at cost, net of depreciation and provision for impairment.

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

Plant and machinery      5%- 25% per annum

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

### **Taxation**

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

The taxation losses arising in the company are surrendered to fellow group companies. The tax charges and rentals arising from group relief are recognised in the accounts of the surrendering and recipient companies.

### **Turnover**

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

## Notes to accounts

31 December 1999

### 1 Turnover

All of the company's turnover and profit before taxation arises in the UK and from the company's principal activity.

### 2 Interest receivable and similar income

	1999 £	1998 £
Bank interest	-	1,205

### 3 Interest payable and similar charges

	1999 £	1998 £
On bank and other loans	40,408	19,827

### 4 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	1999 £	1998 £
Depreciation - tangible fixed assets (owned)	685	295,635

### 5 Staff costs

There were no employees other than the directors in both the current and proceeding year.

No director's remuneration was paid in the year (1998 - £nil).

### 6 Tax on loss on ordinary activities

Losses for the year and prior year were surrendered to other companies within the group. The tax charge/(credit) for the year was £nil (1998 - £nil).



## Notes to accounts (continued)

### 7 Tangible fixed assets

The movement in the year was as follows:

	Plant and machinery		Total £
	Owned £	Leased £	
<b>Cost</b>			
Beginning and end of year	5,589,484	8,147,962	13,737,446
<b>Depreciation</b>			
Beginning of year	5,588,799	8,147,962	13,736,761
Charge	685	-	685
End of year	5,589,484	8,147,962	13,737,446
<b>Net book value</b>			
End of year	-	-	-
Beginning of year	685	-	685

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

	1999 £	1998 £
Amounts due to other group undertakings	47,802	7,394

### 9 Called-up share capital and paid in surplus

*Authorised share capital:*

5,000 ordinary shares of nil par value (1998 : 5000 ordinary shares of nil par value)

Issued share capital and paid in surplus comprises:

	Called-up share capital £	Paid in surplus £
<i>Allotted, called-up and fully-paid</i>		
Balance at 31 December 1998 and 31 December 1999, 2,897 ordinary shares	1,000	623,514

## Notes to accounts (continued)

### 10 Reserves

	Other reserves £	Profit and loss account £	Total £
At 1 January 1999	623,514	(631,223)	(7,709)
Retained loss for the year	-	(41,093)	(41,093)
At 31 December 1999	<u>623,514</u>	<u>(672,316)</u>	<u>(48,802)</u>

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

	1999 £	1998 £
Loss for the financial year	(41,093)	(307,611)
Net reduction in equity shareholders' funds	(41,093)	(307,611)
Opening equity shareholders' (deficit)/funds	(6,709)	300,902
Closing equity shareholders' deficit	<u>(47,802)</u>	<u>(6,709)</u>

### 12 Place of incorporation

The company is incorporated in the State of Delaware, USA.

### 13 Related party disclosures

The company's ultimate parent company and controlling party is R.R. Donnelley & Sons Company, 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.

As a wholly owned subsidiary undertaking of R.R. Donnelley & Sons Company, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" not to disclose transactions with other members of the group headed by R.R. Donnelley & Sons Company since that company produces accounts which are available to the public and which include Donnelley Satellite Graphics Limited.

The largest group in which the results of the company are consolidated is that headed by R. R. Donnelley and Sons Company. The smallest group in which they are consolidated is that headed by Donnelley Holdings Limited.

## Notes to accounts (continued)

### 13 Related party disclosures (continued)

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