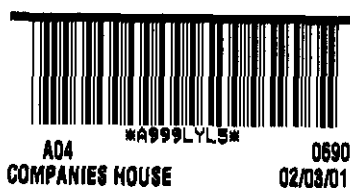


Co. House



Company Registration No. 979521 (England and Wales)

KEENE REPRO LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000



KEENE REPRO LIMITED

COMPANY INFORMATION

Directors	F.E. Keene R.E. Towers J.A. Ferrara J.P. Keene A.M. Ashton A.J. Gladden R. King
Secretary	F.E. Keene
Company number	979521
Registered office	33/41 Dallington Street London EC1V 0BB
Auditors	Morley & Scott Lynton House 7-12 Tavistock Square London WC1H 9LT
Business address	33/41 Dallington Street London EC1V 0BB
Bankers	Lloyds TSB plc Thavies Inn House 6 Holborn Circus London EC1N 2HP

KEENE REPRO LIMITED

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KEENE REPRO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2000

The directors present their report and financial statements for the year ended 30 June 2000.

Principal activities and review of the business

The principal activities of the company are those of pre-press, typesetting, artwork and film make-up.

The progress of the company during the year accorded with expectations and the position at the year end is regarded as satisfactory. No significant changes in the future development of the company are proposed, nor has there occurred since the end of the year any event of such significance that reference should be made to it in this report.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend.

Share capital and purchase of own shares

On 30 June 2000, the company repurchased 300 ordinary shares of £1 each for a total consideration of £128,625, representing 15% of the issued share capital of the company, to facilitate the retirement of shareholders. These shares were subsequently cancelled.

On 20 October 1999, K. Harratt transferred 20 ordinary shares of £1 each to A.M. Ashton.

Directors

The following directors have held office since 1 July 1999:

F.E. Keene

R.E. Towers

K. Harratt

(Resigned 21 October 1999)

J.P. Keene

A.M. Ashton

J.A. Ferrara

(Appointed 21 October 1999)

A.J. Gladden

R. King

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 June 2000	1 July 1999
F.E. Keene	1,600	1,600
R.E. Towers	-	-
J.P. Keene	-	-
A.M. Ashton	100	80
J.A. Ferrara	-	-
A.J. Gladden	-	-
R. King	-	-

Charitable contributions

During the year the company made charitable donations of £1,120 (1999: £2,815).

KEENE REPRO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2000

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Morley & Scott be reappointed as auditors of the company will be put to the Annual General Meeting.

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 company and of the profit or loss of the company 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 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.

By order of the board



F.E. Keene

Chairman

27/12/01

KEENE REPRO LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF KEENE REPRO LIMITED

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

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 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 of the state of the company's affairs as at 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Morley & Scott

Chartered Accountants
Registered Auditor

27 February 2001

Lynton House
7-12 Tavistock Square
London
WC1H 9LT

KEENE REPRO LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2000

	Notes	2000 £	1999 £
Turnover		6,268,915	5,801,081
Cost of sales		(3,443,576)	(3,354,603)
Gross profit		<u>2,825,339</u>	<u>2,446,478</u>
Distribution costs		(336,820)	(338,150)
Administrative expenses		(1,969,471)	(1,799,270)
Operating profit	2	<u>519,048</u>	<u>309,058</u>
Other interest receivable and similar income	3	5,761	624
Amounts written off investments	4	-	(11,000)
Interest payable and similar charges	5	(49)	(3,207)
Profit on ordinary activities before taxation		<u>524,760</u>	<u>295,475</u>
Tax on profit on ordinary activities	6	(205,582)	(132,922)
Profit on ordinary activities after taxation	13	<u><u>319,178</u></u>	<u><u>162,553</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

KEENE REPRO LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 2000

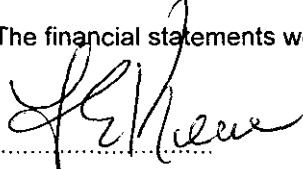
	2000 £	1999 £
Profit for the financial year	319,178	162,553
Purchase of own shares	(128,625)	-
Total recognised gains and losses relating to the year	<u>190,553</u>	<u>162,553</u>

KEENE REPRO LIMITED

BALANCE SHEET AS AT 30 JUNE 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	7		792,104		824,116
Current assets					
Stocks	8	68,307		59,945	
Debtors	9	1,733,364		1,850,153	
Cash at bank and in hand		702,774		245,830	
		<u>2,504,445</u>		<u>2,155,928</u>	
Creditors: amounts falling due within one year	10	<u>(1,390,957)</u>		<u>(1,265,005)</u>	
Net current assets			1,113,488		890,923
Total assets less current liabilities			<u>1,905,592</u>		<u>1,715,039</u>
Capital and reserves					
Called up share capital	12		1,700		2,000
Capital redemption reserve	13		300		-
Profit and loss account	13		1,903,592		1,713,039
Shareholders' funds - equity interests	14		<u>1,905,592</u>		<u>1,715,039</u>

The financial statements were approved by the Board on27/2/01.....


F.E. Keene
Director

KEENE REPRO LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2000

	2000 £	1999 £
Net cash inflow from operating activities	1,118,867	722,040
Returns on investments and servicing of finance		
Interest received	5,761	624
Interest paid	(49)	(191)
Interest element of finance lease rentals	-	(3,016)
Net cash inflow/(outflow) for returns on investments and servicing of finance	5,712	(2,583)
Taxation	(132,320)	(149,275)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(444,313)	(491,503)
Receipts from sales of tangible assets	37,623	23,857
Net cash outflow for capital expenditure	(406,690)	(467,646)
Net cash inflow before financing	585,569	102,536
Financing		
Purchase of own shares	(128,625)	-
Capital element of finance lease contracts	-	(67,222)
Net cash outflow from financing	(128,625)	(67,222)
Increase in cash in the year	456,944	35,314

KEENE REPRO LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2000

1	Reconciliation of operating profit to net cash inflow from operating activities		2000	1999
			£	£
	Operating profit		519,048	309,058
	Depreciation of tangible assets		451,904	496,981
	Profit on disposal of tangible assets		(13,202)	(2,355)
	(Increase)/decrease in stocks		(8,362)	2,284
	Decrease/(increase) in debtors		116,789	(280,121)
	Increase in creditors within one year		52,690	196,193
	Net cash inflow from operating activities		1,118,867	722,040
2	Analysis of net funds	1 July 1999	Cash flow	30 June 2000
		£	£	£
	Net funds:			
	Cash at bank and in hand	245,830	456,944	702,774
3	Reconciliation of net cash flow to movement in net funds		2000	1999
			£	£
	Increase in cash in the year		456,944	35,314
	Cash outflow from decrease in debt and lease financing		-	67,222
	Movement in net funds in the year		456,944	102,536
	Opening net funds		245,830	143,294
	Closing net funds		702,774	245,830

KEENE REPRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold (short)	Straight line over the length of the lease
Plant and machinery	20% Straight line
Fixtures, fittings & computers	20% to 25% Straight line
Motor vehicles	25% Straight line

1.5 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	451,904	496,981
Auditors' remuneration	15,000	15,000

KEENE REPRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2000

3	Other interest receivable and similar income	2000	1999
		£	£
	Bank interest	5,196	624
	Other interest	565	-
		<u>5,761</u>	<u>-</u>
4	Amounts written off investments	2000	1999
		£	£
	Amount written off investment in subsidiary undertaking	-	11,000
5	Interest payable	2000	1999
		£	£
	On bank loans and overdrafts	49	191
	Lease finance charges	-	3,016
		<u>49</u>	<u>3,207</u>
6	Taxation	2000	1999
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 30% (1999 - 31%)	205,582	132,320
	Prior years		
	U.K. corporation tax	-	602
		<u>205,582</u>	<u>132,922</u>

KEENE REPRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2000

7 Tangible fixed assets

	Land and buildings leasehold (short)	Plant and machinery	Fixtures, fittings & computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 1999	214,305	4,179,837	433,529	397,373	5,225,044
Additions	3,612	303,609	18,513	118,579	444,313
Disposals	-	(279,537)	(14,288)	(84,164)	(377,989)
At 30 June 2000	217,917	4,203,909	437,754	431,788	5,291,368
Depreciation					
At 1 July 1999	171,901	3,520,441	386,705	321,881	4,400,928
On disposals	-	(279,537)	(14,288)	(59,743)	(353,568)
Charge for the year	25,893	338,179	30,818	57,014	451,904
At 30 June 2000	197,794	3,579,083	403,235	319,152	4,499,264
Net book value					
At 30 June 2000	20,123	624,826	34,519	112,636	792,104
At 30 June 1999	42,404	659,396	46,824	75,492	824,116

8 Stocks

	2000 £	1999 £
Raw Materials	68,307	59,945

9 Debtors

	2000 £	1999 £
Trade debtors	1,630,297	1,678,402
Other debtors	23,948	88,736
Prepayments and accrued income	79,119	83,015
	1,733,364	1,850,153

All debtors are due within one year.

KEENE REPRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2000

10 Creditors: amounts falling due within one year	2000 £	1999 £
Trade creditors	207,145	371,619
Corporation tax	205,582	132,320
Other taxes and social security costs	304,656	254,604
Directors' current accounts	32,502	33,578
Other creditors	-	5,000
Accruals and deferred income	641,072	467,884
	<u>1,390,957</u>	<u>1,265,005</u>

11 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable to the fund and amounted to £185,113 (1999 : £166,954).

12 Share capital	2000 £	1999 £
Authorised		
2,000 Ordinary shares of £ 1 each	<u>2,000</u>	<u>2,000</u>
Allotted, called up and fully paid		
1,700 Ordinary shares of £ 1 each	<u>1,700</u>	<u>2,000</u>

On 30 June 2000 the company repurchased 300 ordinary shares of £1 each for a total consideration of £128,625. These shares were subsequently cancelled.

13 Statement of movements on reserves

	Other reserves £	Profit and loss account £
Balance at 1 July 1999	-	1,713,039
Retained profit for the year	-	319,178
Purchase of own shares	-	(128,625)
Movement during the year	<u>300</u>	<u>-</u>
Balance at 30 June 2000	<u>300</u>	<u>1,903,592</u>

KEENE REPRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2000

14 Reconciliation of movements in shareholders' funds	2000 £	1999 £
Profit for the financial year	319,178	162,553
Purchase of own shares	(128,625)	-
Net addition to shareholders' funds	190,553	162,553
Opening shareholders' funds	1,715,039	1,552,486
Closing shareholders' funds	1,905,592	1,715,039

15 Financial commitments

At 30 June 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2000 £	1999 £
Expiry date:		
Within one year	102,300	-
Between two and five years	19,800	122,100
	122,100	122,100

16 Directors' emoluments	2000 £	1999 £
Emoluments for qualifying services	767,540	628,415
Company pension contributions to money purchase schemes	25,518	24,590
Compensation for loss of office	-	26,500
	793,058	679,505

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 6 (1999: 6).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	246,354	160,404
------------------------------------	---------	---------

KEENE REPRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2000

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2000 Number	1999 Number
Directors	7	8
Administration	13	14
Production	64	61
	<u>84</u>	<u>83</u>

Employment costs

	£	£
Wages and salaries	2,903,825	2,592,844
Social security costs	304,445	261,575
Other pension costs	200,113	181,954
	<u>3,408,383</u>	<u>3,036,373</u>

18 Control

The ultimate controlling party is F.E. Keene, a director, the majority shareholder in the company.