

KEENE REPRO LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001



KEENE REPRO LIMITED

COMPANY INFORMATION

Directors	F.E. Keene R.E. Towers 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

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Statement of total recognised gains and losses	5
Balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Notes to the financial statements	9 - 13

KEENE REPRO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2001

The directors present their report and financial statements for the year ended 30 June 2001.

Principal activities, review of the business and future developments

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.

Directors

The following directors have held office since 1 July 2000:

F.E. Keene
R.E. Towers
J.P. Keene
A.M. Ashton
J.A. Ferrara
A.J. Gladden
R. King

(Resigned 2 February 2001)

Directors' interests

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

	Ordinary shares of £ 1 each	
	30 June 2001	1 July 2000
F.E. Keene	1,600	1,600
R.E. Towers	-	-
J.P. Keene	-	-
A.M. Ashton	100	100
A.J. Gladden	-	-
R. King	-	-

Charitable contributions

During the year the company made charitable donations of £530 (2000: £1,120).

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.

KEENE REPRO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2001

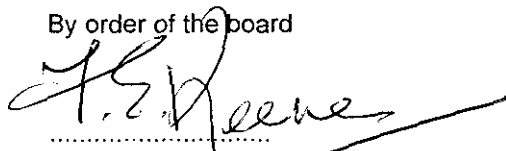
Statement of Directors' responsibilities

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

15 March 2002

KEENE REPRO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KEENE REPRO LIMITED

We have audited the financial statements of Keene Repro Limited on pages 4 to 13 for the year ended 30 June 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 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.

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

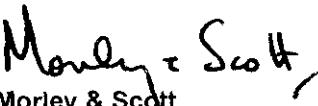
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2001 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

22 March 2002

Lynton House
7-12 Tavistock Square
London
WC1H 9LT

KEENE REPRO LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2001

	Notes	2001 £	2000 £
Turnover		6,291,719	6,268,915
Cost of sales		(3,588,159)	(3,443,576)
Gross profit		<u>2,703,560</u>	<u>2,825,339</u>
Distribution costs		(357,581)	(336,820)
Administrative expenses		(2,074,201)	(1,969,471)
Operating profit	2	<u>271,778</u>	<u>519,048</u>
Other interest receivable and similar income		19,406	5,761
Interest payable and similar charges	3	-	(49)
Profit on ordinary activities before taxation		<u>291,184</u>	<u>524,760</u>
Tax on profit on ordinary activities	4	(109,358)	(205,582)
Profit on ordinary activities after taxation	11	<u><u>181,826</u></u>	<u><u>319,178</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 2001

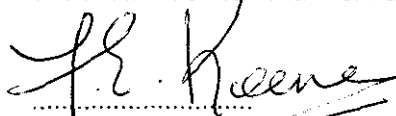
	2001 £	2000 £
Profit for the financial year	181,826	319,178
Purchase of own shares	-	(128,625)
Total recognised gains and losses relating to the year	<u>181,826</u>	<u>190,553</u>

KEENE REPRO LIMITED

BALANCE SHEET AS AT 30 JUNE 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	5		947,256		792,104
Current assets					
Stocks	6	59,093		68,307	
Debtors	7	1,666,972		1,733,364	
Cash at bank and in hand		879,773		702,774	
		<u>2,605,838</u>		<u>2,504,445</u>	
Creditors: amounts falling due within one year	8	<u>(1,465,676)</u>		<u>(1,390,957)</u>	
Net current assets			<u>1,140,162</u>		<u>1,113,488</u>
Total assets less current liabilities			<u>2,087,418</u>		<u>1,905,592</u>
Capital and reserves					
Called up share capital	10		1,700		1,700
Capital redemption reserve	11		300		300
Profit and loss account	11		2,085,418		1,903,592
Shareholders' funds - equity interests	12		<u>2,087,418</u>		<u>1,905,592</u>

The financial statements were approved by the Board on 15 MARCH 2002


F.E. Keene
Director

KEENE REPRO LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2001

	2001 £	2000 £
Net cash inflow from operating activities	920,468	1,118,867
Returns on investments and servicing of finance		
Interest received	19,406	5,761
Interest paid	-	(49)
	<u>19,406</u>	<u>5,712</u>
Net cash inflow for returns on investments and servicing of finance	19,406	5,712
Taxation	(202,106)	(132,320)
Capital expenditure		
Payments to acquire tangible assets	(589,383)	(444,313)
Receipts from sales of tangible assets	28,614	37,623
	<u>(560,769)</u>	<u>(406,690)</u>
Net cash outflow for capital expenditure	(560,769)	(406,690)
Net cash inflow before financing	<u>176,999</u>	<u>585,569</u>
Financing		
Purchase of own shares	-	(128,625)
	<u>-</u>	<u>(128,625)</u>
Net cash outflow from financing	-	(128,625)
Increase in cash in the year	<u>176,999</u>	<u>456,944</u>

KEENE REPRO LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2001

1	Reconciliation of operating profit to net cash inflow from operating activities		2001	2000
			£	£
	Operating profit		271,778	519,048
	Depreciation of tangible assets		423,966	451,904
	Profit on disposal of tangible assets		(18,349)	(13,202)
	Decrease/(increase) in stocks		9,214	(8,362)
	Decrease in debtors		66,392	116,789
	Increase in creditors within one year		167,467	52,690
	Net cash inflow from operating activities		920,468	1,118,867
2	Analysis of net funds	1 July 2000	Cash flow	30 June 2001
		£	£	£
	Net funds:			
	Cash at bank and in hand	702,774	176,999	879,773
3	Reconciliation of net cash flow to movement in net funds		2001	2000
			£	£
	Increase in cash in the year		176,999	456,944
	Opening net funds		702,774	245,830
	Closing net funds		879,773	702,774

KEENE REPRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

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.

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

	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	423,966	451,904
Auditors' remuneration	15,000	15,000
	<u> </u>	<u> </u>

3 Interest payable

	2001	2000
	£	£
On bank loans and overdrafts	-	49
	<u> </u>	<u> </u>

KEENE REPRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

4	Taxation					2001 £	2000 £
	Domestic current year taxation						
	U.K. corporation tax					112,834	205,582
	Adjustment for prior years					(3,476)	-
						<u>109,358</u>	<u>205,582</u>
5	Tangible fixed assets						
		Land and buildings leasehold (short)	Plant and machinery	Fixtures, fittings & computers	Motor vehicles	Total	
		£	£	£	£	£	
	Cost						
	At 1 July 2000	217,917	4,203,909	437,754	431,788	5,291,368	
	Additions	15,358	372,621	46,667	154,737	589,383	
	Disposals	-	(470,772)	(86,009)	(170,117)	(726,898)	
	At 30 June 2001	<u>233,275</u>	<u>4,105,758</u>	<u>398,412</u>	<u>416,408</u>	<u>5,153,853</u>	
	Depreciation						
	At 1 July 2000	197,794	3,579,083	403,235	319,152	4,499,264	
	Charge for the year	18,374	297,744	30,000	77,848	423,966	
	On disposals	-	(466,420)	(84,809)	(165,404)	(716,633)	
	At 30 June 2001	<u>216,168</u>	<u>3,410,407</u>	<u>348,426</u>	<u>231,596</u>	<u>4,206,597</u>	
	Net book value						
	At 30 June 2001	<u>17,107</u>	<u>695,351</u>	<u>49,986</u>	<u>184,812</u>	<u>947,256</u>	
	At 30 June 2000	<u>20,123</u>	<u>624,826</u>	<u>34,519</u>	<u>112,636</u>	<u>792,104</u>	
6	Stocks					2001 £	2000 £
	Finished goods and goods for resale					59,093	68,307

KEENE REPRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

7 Debtors	2001 £	2000 £
Trade debtors	1,556,096	1,630,297
Other debtors	33,730	23,948
Prepayments and accrued income	77,146	79,119
	<u>1,666,972</u>	<u>1,733,364</u>

8 Creditors: amounts falling due within one year	2001 £	2000 £
Trade creditors	199,154	207,145
Corporation tax	112,834	205,582
Other taxes and social security costs	297,049	304,656
Directors' current accounts	125,769	32,502
Accruals and deferred income	730,870	641,072
	<u>1,465,676</u>	<u>1,390,957</u>

9 Pension costs

The company now operates a defined contribution pension scheme. The company previously operated a defined benefit scheme for its employees, that has been closed since 1 April 1994. The last actuarial valuation carried out by an independent firm of qualified actuaries on 1 December 1998 indicated that there was no funding surplus or deficit. As a result there has been no charge in the financial statements relating to this scheme (2000:£nil). However, should market conditions or circumstances change that significantly reduce the value of the assets of the scheme, the company may need to make future funding arrangements. The pension cost charge represents contributions payable to the fund and amounted to £190,956 (2000:£185,113).

10 Share capital	2001 £	2000 £
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>1,700</u>

KEENE REPRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

11 Statement of movements on reserves

	Other reserves £	Profit and loss account £
Balance at 1 July 2000	300	1,903,592
Retained profit for the year	-	181,826
Balance at 30 June 2001	300	2,085,418

12 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	181,826	319,178
Other recognised gains and losses	-	(128,625)
Net addition to shareholders' funds	181,826	190,553
Opening shareholders' funds	1,905,592	1,715,039
Closing shareholders' funds	2,087,418	1,905,592

13 Financial commitments

At 30 June 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2001 £	2000 £
Expiry date:		
Within one year	-	102,300
Between two and five years	411,067	19,800
	411,067	122,100

KEENE REPRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

14 Directors' emoluments	2001 £	2000 £
Emoluments for qualifying services	687,069	767,540
Company pension contributions to money purchase schemes	26,017	25,518
	<u>713,086</u>	<u>793,058</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 6 (2000 - 6).

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

Emoluments for qualifying services	<u>214,128</u>	<u>246,354</u>
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15 Employees

Number of employees

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

	2001 Number	2000 Number
Directors	7	7
Administration	13	13
Production	63	64
	<u>83</u>	<u>84</u>

Employment costs

	£	£
Wages and salaries	2,802,147	2,903,825
Social security costs	294,868	304,445
Other pension costs	190,956	200,113
	<u>3,287,971</u>	<u>3,408,383</u>

16 Control

The ultimate controlling party this year and last is F.E. Keene.