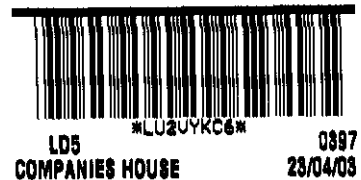


KEENE REPRO LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2002



KEENE REPRO LIMITED

DIRECTORS AND ADVISERS

Directors

F.E. Keene
R.E. Keene
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

Registered 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 2002

The directors present their report and group financial statements of the company for the year ended 30 June 2002.

Principal activities and review of the business

The principal activity of the company continued to be that of pre-press, typesetting, artwork and film make-up.

Results and dividends

The consolidated profit and loss account for the year is set out on page 4.

Directors

The following directors have held office since 1 July 2001:

F.E. Keene
R.E. Keene
J.P. Keene
A.M. Ashton
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 2002	1 July 2001
F.E. Keene	1,600	1,600
R.E. Keene	-	-
J.P. Keene	-	-
A.M. Ashton	100	100
A.J. Gladden	-	-
R. King	-	-

None of the directors had a beneficial interest in the shares of the subsidiary undertakings.

Charitable contributions

During the year the company made charitable donations of £2,570 (2001: £530).

Auditors

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

KEENE REPRO LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2002

Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 company and 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



F.E. Keene
Chairman

Date

4 March 2003

KEENE REPRO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KEENE REPRO LIMITED

We have audited the financial statements of Keene Repro Limited for the year ended 30 June 2002 on pages 4 to 16. These financial statements have been prepared under the historical cost convention and 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 auditor's 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 Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards 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 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.

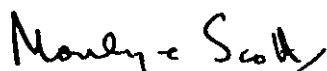
Basis of audit opinion

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 and 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 the 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 and the group's affairs as at 30 June 2002 and of the group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Morley & Scott

Chartered Accountants
Registered Auditor

Date 22 April 2003

Lynton House
7-12 Tavistock Square
London
WC1H 9LT

KEENE REPRO LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2002

	Notes	2002 £	2001 £
Turnover	2	5,442,370	6,291,719
Cost of sales		(3,411,701)	(3,588,159)
Gross profit		2,030,669	2,730,560
Distribution costs		(350,207)	(357,581)
Administrative expenses		(1,760,877)	(2,074,201)
Other operating income		11,705	-
Operating (loss)/profit	3	(68,710)	271,778
Other interest receivable and similar income		16,443	19,406
(Loss)/profit on ordinary activities before taxation		(52,267)	291,184
Tax on (loss)/profit on ordinary activities	4	(33,932)	(109,358)
(Loss)/profit for the financial period and retained profit for the year	13	(86,199)	181,826

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

There are no recognised gains and losses other than those passing through the profit and loss account.

KEENE REPRO LIMITED

BALANCE SHEETS AS AT 30 JUNE 2002

	Notes	Group 2002 £	Group 2001 £	Company 2002 £	Company 2001 £
Fixed assets					
Intangible assets	6	(31,028)	-	-	-
Tangible assets	7	864,482	947,256	818,899	947,256
Investments	8	-	-	65,000	-
		833,454	947,256	883,899	947,256
Current assets					
Stocks		39,820	59,093	29,682	59,093
Debtors	9	1,609,705	1,666,972	1,575,391	1,666,972
Cash at bank and in hand		332,547	879,773	304,058	879,773
		1,982,072	2,605,838	1,909,131	2,605,838
Creditors: amounts falling due within one year	10	(814,307)	(1,465,676)	(784,550)	(1,465,676)
Net current assets		1,167,765	1,140,162	1,124,581	1,140,162
Total assets less current liabilities		2,001,219	2,087,418	2,008,480	2,087,418
Capital and reserves					
Called up share capital	12	1,700	1,700	1,700	1,700
Capital redemption reserve	13	300	300	300	300
Profit and loss account	13	1,999,219	2,085,418	2,006,480	2,085,418
Shareholders' funds	14	2,001,219	2,087,418	2,008,480	2,087,418

The financial statements were approved by the board on 4 MARCH 2003.


F.E. Keene
Chairman

KEENE REPRO LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2002

	£	2002	£	£	2001	£
Net cash (outflow)/inflow from operating activities			(113,886)		920,468	
Returns on investments and servicing of finance						
Interest received	16,443			19,406		
Net cash inflow for returns on investments and servicing of finance			16,443		19,406	
Taxation			(112,729)		(202,106)	
Capital expenditure and financial investment						
Payments to acquire tangible assets	(336,324)			(589,383)		
Receipts from sale of tangible assets	19,115			28,614		
Net cash outflow from capital expenditure			(317,212)		(560,769)	
Acquisitions and disposals						
Purchase of subsidiary undertaking	(40,000)			-		
Cash acquired with subsidiary	20,155			-		
			(19,845)		-	
Decrease/(increase) in cash in the year			(547,226)		176,999	

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2002

1	Reconciliation of operating profit to net cash inflow from operating activities	2002 £	2001 £
	Operating (loss)/profit	(68,710)	271,778
	Depreciation of tangible assets	442,246	423,966
	Amortisation of negative goodwill	(14,165)	-
	Loss on disposal of tangible assets	3,323	(18,349)
	Decrease in stocks	29,411	9,214
	Decrease in debtors	91,581	66,392
	(Decrease)/increase in creditors	(572,572)	167,467
	Net cash (outflow)/inflow from operating activities	(113,886)	920,468
2	Analysis of net debt		
		1 July 2001 £	30 June 2002 £
	Cash at bank and in hand	879,773	332,547
3	Reconciliation of net cash flow to movement in net funds	2002 £	2001 £
	Increase/(decrease) in cash in the period	(547,226)	176,999
	Opening net funds	879,773	702,774
	Closing net funds	332,547	879,773

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued) FOR THE YEAR ENDED 30 JUNE 2002

4	Purchase of subsidiary undertakings	2002	2001 £
	Net assets acquired		
	Tangible fixed assets	45,583	-
	Stocks	10,141	-
	Debtors	34,314	-
	Cash at bank and in hand	28,489	-
	Overdraft	(8,334)	-
		110,193	-
	Negative goodwill	(45,193)	-
		65,000	-
	Satisfied by		
	Cash	40,000	-
	Contingent consideration	25,000	-
		65,000	-

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertaking made up to 30 June 2002.

1.4 Turnover

Turnover represents amounts receivable for goods sold, services provided and rental income net of VAT and trade discounts.

1.5 Goodwill

On the acquisition of a business fair values are attributed to its net tangible assets. Where the cost of acquisition exceeds the values attributed to such assets, the difference is treated as purchased goodwill. Where the cost of acquisition is less than the fair values attributed to such assets, the difference is treated as negative goodwill. Negative goodwill is recognised in the profit and loss account in the periods which the non-monetary assets acquired are recovered.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation 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 and computers	20% to 25% straight line
Motor vehicles	25% straight line

1.7 Stock

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

1.8 Pensions

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

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2002

1 Accounting policies (continued)

1.9 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS 19 – Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. This amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that the liabilities would crystallise in the foreseeable future. This change in accounting policy has no material effect on the current or prior accounting period.

2 Turnover

The total turnover of the group for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating (loss)/profit	2002 £	2001 £
Operating profit is stated after charging/(crediting):		
Depreciation of tangible assets	442,246	423,966
Amortisation of intangible assets	(14,165)	-
Auditors' remuneration	15,000	15,000
	<u> </u>	<u> </u>
4 Taxation	2002 £	2001 £
U.K. current year taxation		
U.K. corporation tax at 29.03% (2001: 24.39%)	34,037	112,834
Adjustment for prior years	(105)	(3,476)
	<u> </u>	<u> </u>
Current charge	33,932	109,358
	<u> </u>	<u> </u>
Factors affecting the tax charge for the year		
(Loss)/profit on ordinary activities before taxation	(52,267)	291,184
	<u> </u>	<u> </u>
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 29.03% (2001: 24.39%)	(15,174)	71,020
	<u> </u>	<u> </u>
Effects of:		
Non deductible expenses	57,755	56,104
Depreciation	136,091	103,405
Capital allowances	(126,791)	(113,220)
Adjustments to previous periods	(105)	(3,476)
Chargeable disposals	(2,192)	(4,475)
Marginal rate relief	(15,632)	-
Other tax adjustments	(20)	-
	<u> </u>	<u> </u>
Current tax charge	33,932	38,338
	<u> </u>	<u> </u>

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2002

5 Loss for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows:

	2002 £
Holding company's loss for the financial year	(78,938)

6 Intangible fixed assets

Group	Negative Goodwill £
Cost	
On acquisition of subsidiaries and at 30 June 2002	(45,193)
Amortisation	
Released for year ending 30 June 2002	14,165
Net book value	
At 30 June 2002	(31,028)

7 Tangible fixed assets

Group	Land and buildings leasehold (short) £	Plant and equipment £	Fixtures, fittings and computers £	Motor vehicles £	Total £
Cost or valuation					
At 1 July 2001	233,275	4,105,758	398,412	416,408	5,153,853
Additions	-	312,655	18,596	50,656	381,907
Disposals	-	(784,753)	(26,404)	(69,204)	(880,361)
At 30 June 2002	233,275	3,633,660	390,604	397,860	4,655,399
Depreciation					
At 1 July 2001	216,168	3,410,407	348,426	231,596	4,206,597
Charge for the period	5,613	321,296	24,876	90,461	442,246
On disposals	-	(767,858)	(20,864)	(69,204)	(857,926)
At 30 June 2002	221,781	2,963,845	352,438	252,853	3,790,917
Net book value					
At 30 June 2002	11,494	669,815	38,166	145,007	864,482
At 30 June 2001	17,107	695,351	49,986	184,812	947,256

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2002

7 Tangible fixed assets (continued)

Company	Land and buildings leasehold (short) £	Plant and equipment £	Fixtures, fittings and computers £	Motor vehicles £	Total £
Cost or valuation					
At 1 July 2001	233,275	4,105,758	398,412	416,408	5,153,853
Additions	-	256,322	10,855	50,656	317,833
Disposals	-	(775,058)	(20,864)	(69,204)	(865,126)
At 30 June 2002	233,275	3,587,022	388,403	397,860	4,606,560
Depreciation					
At 1 July 2001	216,168	3,410,407	348,426	231,596	4,206,597
Charge for the year	5,613	318,187	24,729	90,461	438,990
On disposals	-	(767,858)	(20,864)	(69,204)	(857,926)
At 30 June 2002	221,781	2,960,736	352,291	252,853	3,787,661
Net book value					
At 30 June 2002	11,494	626,286	36,112	145,007	818,899
At 30 June 2001	17,107	695,351	49,986	184,812	947,256

8 Fixed asset investments

Company	Unlisted investments £
Cost	
At 1 July 2001	-
Additions	65,000
At 30 June 2002	65,000

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2002

8 Fixed asset investments (continued)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Anton Graphics Limited	England & Wales	Ordinary	100

The principal activity of this undertaking for the last relevant financial year was as follows:

Principal activity

Anton Graphics Limited	Digital pre-press production and origination
------------------------	--

9 Debtors

	Group 2002 £	Company 2002 £	Group 2001 £	Company 2001 £
Trade debtors	1,496,418	1,466,282	1,556,096	1,556,096
Other debtors	29,382	29,382	33,730	33,730
Prepayments and accrued income	83,905	79,727	77,146	77,146
	<u>1,609,705</u>	<u>1,575,391</u>	<u>1,666,972</u>	<u>1,666,972</u>

10 Creditors: amounts falling due within one year

	Group 2002 £	Company 2002 £	Group 2001 £	Company 2001 £
Trade creditors	176,340	165,218	199,154	199,154
Corporation tax	34,037	33,007	112,834	112,834
Taxes and social security costs	207,863	198,324	297,049	297,049
Directors current accounts	100,652	100,652	125,769	125,769
Accruals and deferred income	295,415	287,349	730,870	730,870
	<u>814,307</u>	<u>784,550</u>	<u>1,465,676</u>	<u>1,465,676</u>

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2002

11 Pension costs

Company

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 change in the financial statements relating to this scheme (2001: £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.

Defined contribution

	2002 £	2001 £
Contributions payable by the company for the year	195,441	190,956

12 Share capital

	2002 £	2001 £
Authorised		
2,000 Ordinary shares of £1 each	2,000	2,000
Allotted, called up and fully paid		
1,700 Ordinary shares of £1 each	1,700	1,700

13 Statement of movements on reserves

Group

	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2001	300	2,085,418
Retained loss for the year		(86,199)
Balance at 30 June 2002	300	1,999,219
Capital redemption reserve		
Balance at 1 July 2001 and 30 June 2002	300	

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2002

13 Statement of movements on reserves (continued)

Company	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2001	300	2,085,418
Retained loss for the year		(78,938)
Balance at 30 June 2002	300	2,006,480
Capital redemption reserve		
Balance at 1 July 2001 and 30 June 2002	300	

14 Reconciliation of movements in shareholders' funds

Group	2002 £
Loss for the financial year	(86,199)
Opening shareholders' funds	2,087,418
Closing shareholders' funds	2,001,219
Company	2002 £
Loss for the financial year	(78,938)
Opening shareholders' funds	2,087,418
Closing shareholders' funds	2,008,480

15 Financial commitments

At 30 June 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2002 £	2001 £
Expiry date:		
Between two and five years	350,000	411,067

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2002

16 Directors' emoluments

Company	2002 £	2001 £
Emoluments for qualifying services	442,142	687,069
Company pension contributions to money purchase schemes	25,000	26,017
	<u>467,142</u>	<u>713,086</u>
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	<u>114,702</u>	<u>214,128</u>

The number of directors for whom retirement benefits are accruing under money purchase pension scheme amounted to 6 (2001 – 6).

17 Employees

Number of employees

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

	2002 Number	2001 Number
Directors	6	7
Administration	17	13
Production	64	63
	<u>87</u>	<u>83</u>

Employment costs

	2002 £	2001 £
Wages and salaries	2,560,320	2,802,147
Social security costs	253,433	294,686
Other pension costs	195,441	190,956
	<u>3,009,194</u>	<u>3,287,971</u>

18 Control

Group

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

19 Related party transactions

Rental payments of £11,250 (2001: £15,000) were made to the directors' pension scheme during the year.