

Company Registration No. 2499521 (England and Wales)

DIVA EUROPE LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002



DIVA EUROPE LIMITED

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DIVA EUROPE LIMITED

AUDITORS' REPORT TO DIVA EUROPE LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 9, together with the financial statements of the company for the year ended 31 December 2002 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

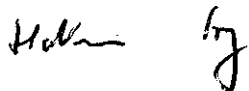
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 9 are properly prepared in accordance with those provisions.



Hakim Fry


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Chartered Accountants
Registered Auditor

69-71 East Street
Epsom
Surrey
KT17 1BP

DIVA EUROPE LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2002

		2002		2001	
	Notes	£	£	£	£
Fixed assets					
Investments	2		1,980,827		1,974,877
Current assets					
Debtors		4,658		132,597	
Cash at bank and in hand		82		2,716	
		<u>4,740</u>		<u>135,313</u>	
Creditors: amounts falling due within one year		<u>(1,658,792)</u>		<u>(1,743,321)</u>	
Net current liabilities			<u>(1,654,052)</u>		<u>(1,608,008)</u>
Total assets less current liabilities			<u>326,775</u>		<u>366,869</u>
Creditors: amounts falling due after more than one year			<u>(481,970)</u>		<u>(528,153)</u>
			<u>(155,195)</u>		<u>(161,284)</u>
Capital and reserves					
Called up share capital	4		42,858		42,858
Share premium account			3,000		3,000
Other reserves			9,642		9,642
Profit and loss account			<u>(210,695)</u>		<u>(216,784)</u>
Shareholders' funds - equity interests			<u>(155,195)</u>		<u>(161,284)</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 29/10/03



N C Atkins
Director

DIVA EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention. The company and its subsidiaries comprise a medium sized group and the company has taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts. These financial statements therefore reflect the results of the company only.

The financial statements have been prepared on a going concern basis on the footing that the company will continue to receive financial support from its director and subsidiary undertakings.

1.2 Turnover

Turnover represents the total invoice value, excluding VAT, of services rendered during the year.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Pensions

Discretionary pension contributions to employee personal pension plans are charged to the profit and loss account in the period to which they relate. The company does not operate a pension scheme.

1.5 Deferred taxation

The accounting policy reflects the requirements of FRS19 - 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. The deferred tax balance has not been discounted.

2 Turnover

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

3 Operating loss

	2002	2001
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	2,000	2,750
	<u> </u>	<u> </u>

4 Investment income

	2002	2001
	£	£
Income from shares in group undertakings	80,000	-
	<u> </u>	<u> </u>

DIVA EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

5	Interest payable	2002	2001
		£	£
	On bank loans and overdrafts	97	241
	Other interest	4,439	-
		<u>4,536</u>	<u>241</u>
		<u><u>4,536</u></u>	<u><u>241</u></u>
6	Taxation		
	Current tax charge	-	-
		<u><u>-</u></u>	<u><u>-</u></u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	6,088	(181,794)
		<u><u>6,088</u></u>	<u><u>(181,794)</u></u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.25% (2001 : 20.00%)	1,172	(36,359)
		<u><u>1,172</u></u>	<u><u>(36,359)</u></u>
	Effects of:		
	Non deductible expenses	-	3,865
	Tax losses utilised	14,949	6,338
	Foreign tax adjustments	-	26,156
	Dividends and distributions received	(15,400)	-
	Other tax adjustments	(721)	-
		<u><u>(1,172)</u></u>	<u><u>36,359</u></u>
	Current tax charge	-	-
		<u><u>-</u></u>	<u><u>-</u></u>

The company has estimated losses of £ 355,238 (2001 : £ 355,238) available for carry forward against future trading profits.

DIVA EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

7 Fixed asset investments

	Shares in group undertakings £	Loans to group undertakings £	Total £
Cost			
At 1 January 2002	1,921,151	53,726	1,974,877
Additions	5,950	-	5,950
At 31 December 2002	1,927,101	53,726	1,980,827

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 %
Subsidiary undertakings			
Aries Paper Limited	England and Wales	Ord shares of £1	100
Aries Paper Limited		Pref shares of £1	100
Europlot Limited	England and Wales	Ord shares of £1	100
Graphic Resources (UK) Limited	England and Wales	Ord shares of £1	100
Papergraphics Limited	England and Wales	Ord shares of £1	100
Papergraphics Svenska AB	Sweden	Ord shares of SEK 10	100
Craftec Paper Limited	England and Wales	Ord shares of £1	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Aries Paper Limited	111,168	-
Aries Paper Limited	-	-
Europlot Limited	3	-
Graphic Resources (UK) Limited	-	-
Papergraphics Limited	1,210,199	43,917
Papergraphics Svenska AB	(210,837)	10,000
Craftec Paper Limited	185,191	116,528

DIVA EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

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	%
Subsidiary undertakings				
Aries Paper Limited	England and Wales	Ord shares of £1		100
Aries Paper Limited		Pref shares of £1		100
Europilot Limited	England and Wales	Ord shares of £1		100
Graphic Resources (UK) Limited	England and Wales	Ord shares of £1		100
Papergraphics Limited	England and Wales	Ord shares of £1		100
Papergraphics Svenska AB	Sweden	Ord shares of SEK 10		100
Craftec Paper Limited	England and Wales	Ord shares of £1		100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Aries Paper Limited	111,168	-
Aries Paper Limited	-	-
Europilot Limited	3	-
Graphic Resources (UK) Limited	-	-
Papergraphics Limited	1,210,199	43,917
Papergraphics Svenska AB	(210,837)	10,000
Craftec Paper Limited	185,191	116,528
	<u> </u>	<u> </u>

8 Debtors	2002 £	2001 £
Amounts owed by subsidiary undertakings	2,242	98,648
Corporation tax	-	32,833
Other debtors	2,416	1,116
	<u>4,658</u>	<u>132,597</u>

8 Debtors	2002 £	2001 £
Amounts owed by subsidiary undertakings	2,242	98,648
Corporation tax	-	32,833
Other debtors	2,416	1,116
	<u>4,658</u>	<u>132,597</u>

DIVA EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

9 Creditors: amounts falling due within one year	2002 £	2001 £
Bank loans and overdrafts	13,417	-
Amounts owed to subsidiary undertakings	1,449,912	1,096,164
Taxes and social security costs	10,497	12,068
Other creditors	149,544	513,440
Accruals and deferred income	35,422	121,649
	<u>1,658,792</u>	<u>1,743,321</u>

10 Creditors: amounts falling due after more than one year	2002 £	2001 £
Other loans	<u>481,970</u>	<u>528,153</u>

Analysis of loans

Wholly repayable within five years	<u>481,970</u>	<u>528,153</u>
	<u>481,970</u>	<u>528,153</u>

Loan maturity analysis

In more than two years but not more than five years	<u>481,970</u>	<u>528,153</u>
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Deferred taxation provided in the financial statements is as follows:

2002 £	2001 £
<u></u>	<u></u>

Deferred taxation provided in the financial statements is as follows:

2002 £	Fully provided 2001 £
<u></u>	<u></u>

DIVA EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

11 Pension costs

Defined contribution

	2002 £	2001 £
Contributions payable by the company for the year	-	16,000

11 Pension costs

12 Share capital

	2002 £	2001 £
Authorised		
995,000 Ordinary shares of £ 1 each	995,000	995,000
5,000 Non voting ordinary shares of £ 1 each	5,000	5,000
500,000 Redeemable preference shares of £ 1 each	500,000	500,000
	<u>1,500,000</u>	<u>1,500,000</u>
 Allotted, called up and fully paid		
40,358 Ordinary shares of £ 1 each	40,358	40,358
2,500 Non voting ordinary shares of £ 1 each	2,500	2,500
	<u>42,858</u>	<u>42,858</u>

13 Statement of movements on reserves

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2002	3,000	9,642	(216,783)
Retained profit for the year	-	-	6,088
Balance at 31 December 2002	<u>3,000</u>	<u>9,642</u>	<u>(210,695)</u>
 Other reserves			
Capital redemption reserve			
Balance at 1 January 2002 & at 31 December 2002		<u>9,642</u>	

DIVA EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

13 Statement of movements on reserves

	Share premium account	Other reserves	Profit and loss account
	£	£	£
Balance at 1 January 2002	3,000	9,642	(216,783)
Retained profit for the year	-	-	6,088
Balance at 31 December 2002	3,000	9,642	(210,695)

14 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit/(Loss) for the financial year	6,088	(181,794)
Opening shareholders' funds	(161,284)	20,510
Closing shareholders' funds	(155,195)	(161,284)

14 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit/(Loss) for the financial year	6,088	(181,794)
Opening shareholders' funds	(161,284)	20,510
Closing shareholders' funds	(155,195)	(161,284)

15 Contingent liabilities

The company has given guarantees in respect of finance facilities extended to a subsidiary company, Papergraphics Limited. The commitment in connection with these facilities comprises guarantees in respect of borrowings as at 31 December 2002 totalling £1,094,250 (2001-£931,789). A primary charge exists in Papergraphics Limited in respect of these borrowings.