

Company Registration No. 979521 (England and Wales)

KEENE REPRO LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2004



KEENE REPRO LIMITED

DIRECTORS AND ADVISERS

Directors	F E Keene R E Towers J P Keene A M Ashton A J Gladden
Secretary	F E Keene
Company number	979521
Registered office	33/41 Dallington Street London EC1V 0BB
Registered Auditors	Morley and 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
<i>Directors' report</i>	1 - 2
Independent Auditors' report	3
Consolidated profit and loss account	4
Balance sheet	5
Consolidated cash flow statement	6
Notes to the consolidated cash flow statement	7
Notes to the consolidated financial statements	8 - 16

KEENE REPRO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2004

The directors present their report and group financial statements of the company for the year ended 30 June 2004.

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 2003:

F E Keene
R E Towers
J P Keene
A M Ashton
A J Gladden

Directors' interests

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

	Ordinary shares of £1 each	
	30 June 2004	1 July 2003
F E Keene	1,600	1,600
R E Towers	-	-
J P Keene	-	-
A M Ashton	100	100
A J Gladden	-	-

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 £nil (2003: £500).

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing Morley and 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 2004

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: 6/1/2005

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 2004 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 and group 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 and group 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.

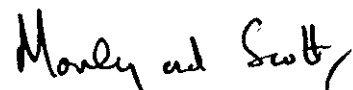
Basis of audit opinion

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 2004 and of the group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Morley and Scott

Chartered Accountants
Registered Auditor

Date:

7 January 2005

Lynton House
7-12 Tavistock Square
London
WC1H 9LT

KEENE REPRO LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004 £	2003 £
Turnover	2	4,870,779	5,187,449
Cost of sales		(2,935,513)	(3,205,718)
Gross profit		1,935,266	1,981,731
Distribution costs		(191,546)	(234,919)
Administrative expenses		(1,861,413)	(1,976,823)
Other operating income		-	-
Operating loss	3	(117,693)	(230,011)
Other interest receivable and similar income		8,978	11,399
Interest payable and similar charges		(6)	-
Loss on ordinary activities before taxation		(108,721)	(218,612)
Tax on loss on ordinary activities	4	-	12
Loss for the financial period and retained profit for the year	13	(108,721)	(218,600)

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 2004

	Notes	Group 2004 £	Group 2003 £	Company 2004 £	Company 2003 £
Fixed assets					
Intangible assets	6	(13,364)	(19,463)	-	-
Tangible assets	7	484,430	650,933	459,141	615,047
Investments	8	-	-	66,191	66,191
		471,066	631,470	525,332	681,238
Current assets					
Stocks		60,374	32,082	41,705	21,908
Debtors	9	1,215,005	1,241,455	1,222,014	1,238,019
Cash at bank and in hand		531,850	451,273	318,661	380,275
		1,807,229	1,724,810	1,582,380	1,640,202
Creditors: amounts falling due within one year	10	(604,397)	(573,661)	(591,257)	(588,559)
Net current assets		1,202,832	1,151,149	991,123	1,051,643
Total assets less current liabilities		1,673,898	1,782,619	1,516,455	1,732,881
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	1,671,898	1,780,619	1,514,455	1,730,881
Shareholders' funds	14	1,673,898	1,782,619	1,516,455	1,732,881

The financial statements were approved by the board on ...06/01/2005.....


F E Keene
Chairman

KEENE REPRO LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

	2004		2003	
	£	£	£	£
Net cash inflow from operating activities (Note 1)		204,885		363,176
Returns on investments and servicing of finance				
Interest received	8,978		11,399	
Interest paid	(6)		-	
Net cash inflow for returns on investments and servicing of finance		213,857		11,399
Taxation		-		(34,026)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(174,773)		(222,249)	
Receipts from sale of tangible assets	41,493		26,617	
Net cash inflow/(outflow) from capital expenditure		80,577		(195,632)
Acquisitions and disposals				
Purchase of subsidiary undertaking	-		26,191	
		-		(26,191)
Increase in cash in the year		80,577		118,726

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

1	Reconciliation of operating profit to net cash inflow from operating activities	2004 £	2003 £
	Operating loss	(117,693)	(230,011)
	Depreciation of tangible assets	327,851	414,798
	Amortisation of negative goodwill	(6,099)	(10,374)
	Profit on disposal of tangible assets	(28,068)	(5,617)
	(Increase)/decrease in stocks	(28,292)	7,738
	Decrease in debtors	26,450	368,250
	Increase/(decrease) in creditors	30,736	(181,608)
	Net cash inflow from operating activities	204,885	363,176
2	Analysis of net debt		30 June 2004 £
		1 July 2003 £	Cash flow £
	Cash at bank and in hand	451,273	531,850
3	Reconciliation of net cash flow to movement in net funds	2004 £	2003 £
	Increase in cash in the period	80,577	118,726
	Opening net funds	451,273	332,547
	Closing net funds	531,850	451,273

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

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 2004.

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. The company operates a defined contribution pension scheme.

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2004

1 Accounting policies (continued)

1.9 Deferred taxation

Deferred tax has been provided for on all timing differences where material.

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

	2004 £	2003 £
Operating loss is stated after charging/(crediting):		
Depreciation of tangible assets	327,851	414,798
Amortisation of intangible assets	(6,099)	(10,374)
Auditors' remuneration	19,000	18,000

4 Taxation

	2004 £	2003 £
U.K. current year taxation		
U.K. corporation tax	-	-
Adjustment for prior years	-	(12)
Current charge	-	(12)
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	-	(218,612)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0% (2003: 0%)	-	-
Effects of:		
Non deductible expenses	-	-
Depreciation	-	-
Capital allowances	-	-
Adjustments to previous periods	-	-
Chargeable disposals	-	(12)
Marginal rate relief	-	-
Other tax adjustments	-	-
Current tax charge	-	(12)

On the basis of these financial statements, no provision for corporation tax has been made.

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2004

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:

	2004 £
Holding company's loss for the financial year	216,426

6 Intangible fixed assets

Group

Negative Goodwill £

Cost

On acquisition of subsidiaries and at 1 July 2003 and 30 June 2004	(44,002)
--	----------

Amortisation

Released amortisation brought forward	24,539
Released for year ending 30 June 2004	6,099

30,638

Net book value

At 30 June 2004	(13,364)
-----------------	----------

At 30 June 2003	(19,463)
-----------------	----------

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2004

7 Tangible fixed assets		Land and buildings leasehold (short) £	Plant and equipment £	Fixtures, fittings and computers £	Motor vehicles £	Total £
Group						
Cost or valuation						
At 1 July 2003		233,275	3,796,302	424,841	322,919	4,777,337
Additions		-	113,730	19,518	41,525	174,773
Disposals		-	(401,336)	(67,440)	(143,464)	(612,240)
At 30 June 2004		233,275	3,508,696	376,919	220,980	4,339,870
Depreciation						
At 1 July 2003		226,407	3,272,026	379,593	248,378	4,126,404
Charge for the period		3,794	248,863	27,404	47,790	327,851
On disposals		-	(399,692)	(67,441)	(131,682)	(598,815)
At 30 June 2004		230,201	3,121,197	339,556	164,486	3,855,440
Net book value						
At 30 June 2004		3,074	387,499	37,363	56,494	484,430
At 30 June 2003		6,868	524,276	45,248	74,541	650,933
Company		Land and buildings leasehold (short) £	Plant and equipment £	Fixtures, fittings and computers £	Motor vehicles £	Total £
Cost or valuation						
At 1 July 2003		233,275	3,749,664	422,640	322,919	4,728,498
Additions		-	113,731	19,148	41,525	174,404
Disposals		-	(327,749)	(67,440)	(143,464)	(538,653)
At 30 June 2004		233,275	3,535,646	374,348	220,980	4,364,249
Depreciation						
At 1 July 2003		226,407	3,259,590	379,076	248,378	4,113,451
Charge for the year		3,794	239,984	26,960	47,790	318,528
On disposals		-	(327,749)	(67,440)	(131,682)	(526,871)
At 30 June 2004		230,201	3,171,825	338,596	164,486	3,905,108
Net book value						
At 30 June 2004		3,074	363,821	35,752	56,494	459,141
At 30 June 2003		6,868	490,074	43,564	74,541	615,047

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2004

8 Fixed asset investments

Company	Unlisted investments £
Cost	
At 1 July 2003	66,191
Additions	-
At 30 June 2004	66,191

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

	Capital and reserves 2004 £	Profit for the year 2004 £
Anton Graphics Limited	237,000	101,608

The principal activity of Anton Graphics Limited is that of digital pre-press production and origination.

9 Debtors

	Group 2004 £	Company 2004 £	Group 2003 £	Company 2003 £
Trade debtors	1,076,855	1,047,652	1,078,710	1,034,569
Other debtors	8,170	45,550	19,977	63,139
Prepayments and accrued income	129,980	128,812	142,768	140,311
	1,215,005	1,222,014	1,241,455	1,238,019

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2004

10 Creditors: amounts falling due within one year

	Group 2004 £	Company 2004 £	Group 2003 £	Company 2003 £
Trade creditors	203,724	198,956	202,758	197,102
Amounts owed to subsidiary undertakings	-	-	-	(7,094)
Taxes and social security costs	210,372	201,065	191,285	177,770
Directors current accounts	11,524	14,459	(41,370)	1,792
Accruals and deferred income	178,777	176,777	220,988	218,989
	<u>604,397</u>	<u>591,257</u>	<u>573,661</u>	<u>588,559</u>

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 (2003: £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

	2004 £	2003 £
Contributions payable by the company for the year	<u>201,166</u>	<u>215,917</u>

12 Share capital

	2004 £	2003 £
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 CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2004

13 Statement of movements on reserves

Group	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2003	300	1,780,619
Retained loss for the year	-	(108,721)
Balance at 30 June 2004	300	1,671,898
Capital redemption reserve		
Balance at 1 July 2003 and 30 June 2004	300	
Company	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2003	300	1,730,881
Retained loss for the year	-	(216,426)
Balance at 30 June 2004	300	1,514,455
Capital redemption reserve		
Balance at 1 July 2003 and 30 June 2004	300	

14 Reconciliation of movements in shareholders' funds

Group	2004 £
Loss for the financial year	(108,721)
Opening shareholders' funds	1,782,619
Closing shareholders' funds	1,673,898
Company	2004 £
Loss for the financial year	(216,426)
Opening shareholders' funds	1,732,881
Closing shareholders' funds	1,516,455

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2004

15 Financial commitments

At 30 June 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2004 £	2003 £
Expiry date: Between two and five years	296,886	260,060

16 Directors' emoluments

Company	2004 £	2003 £
Emoluments for qualifying services	341,379	439,758
Company pension contributions to money purchase schemes	21,000	24,916
	362,379	464,674

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

Emoluments for qualifying services	93,434	119,690
------------------------------------	--------	---------

The number of directors for whom retirement benefits are accruing under money purchase pension scheme amounted to 5 (2003 – 5).

17 Transactions with directors

Company

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding 2004 £	2003 £	Maximum in Year £
F E Keene (debit balance)	-	38,575	40,000
A Gladden (debit balance)	2,936	4,597	2,500
J P Keene	-	-	4,587

During the year J P Keene, a director of the company, purchased a motor vehicle from the company. The purchase price paid was £2,500 and is considered to be market value.

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2004

18 Employees

Number of employees

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

	2004 Number	2003 Number
Directors	5	5
Administration	14	14
Production	46	57
	65	76

Employment costs

	2004 £	2003 £
Wages and salaries	2,362,414	2,127,495
Social security costs	258,145	256,013
Other pension costs	201,166	191,001
	2,821,725	2,574,509

19 Control

Group

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