

Company Registration No. 979521 (England and Wales)

KEENE REPRO LIMITED
CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2005



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KEENE REPRO LIMITED

DIRECTORS AND ADVISERS

Directors

F E Keene
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

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KEENE REPRO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2005

The directors present their report and group financial statements of the company for the year ended 30 June 2005.

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 2004:

F E Keene
R E Towers (resigned 6 January 2005)
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 2005	1 July 2004
F E Keene	1,600	1,600
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 £400 (2004: £nil).

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 2005

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

3 Feb 2006

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 2005 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 2005 and of the group's profit 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 13 February 2006

Lynton House
7-12 Tavistock Square
London
WC1H 9LT

KEENE REPRO LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2005

	Notes	2005 £	2004 £
Turnover	2	4,892,058	4,870,779
Cost of sales		(2,631,061)	(2,935,513)
Gross profit		2,260,997	1,935,266
Distribution costs		(150,770)	(191,546)
Administrative expenses		(2,045,094)	(1,861,413)
Other operating income		2,200	
Operating profit/(loss)	3	67,333	(117,693)
Other interest receivable and similar income		14,751	8,978
Interest payable and similar charges		(53)	(6)
Profit/(loss) on ordinary activities before taxation		82,031	(108,721)
Tax on profit/loss on ordinary activities	4	4,261	-
Profit/(loss) for the year	13	86,292	(108,721)

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.

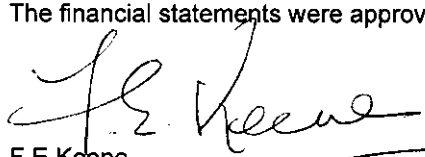
KEENE REPRO LIMITED

BALANCE SHEETS AS AT 30 JUNE 2005

	Notes	Group 2005 £	Group 2004 £	Company 2005 £	Company 2004 £
Fixed assets					
Intangible assets	6	(9,113)	(13,364)	-	-
Tangible assets	7	461,091	484,430	444,830	459,141
Investments	8	-	-	66,191	66,191
		<u>451,978</u>	<u>471,066</u>	<u>511,021</u>	<u>525,332</u>
Current assets					
Stocks		48,241	60,374	35,284	41,705
Debtors	9	1,328,300	1,215,005	1,382,479	1,222,014
Cash at bank and in hand		687,662	531,850	349,453	318,661
		<u>2,064,203</u>	<u>1,807,229</u>	<u>1,767,216</u>	<u>1,582,380</u>
Creditors: amounts falling due within one year	10	(691,802)	(604,397)	(657,175)	(591,257)
		<u>1,372,401</u>	<u>1,202,832</u>	<u>1,110,041</u>	<u>991,123</u>
Net current assets					
		<u>1,372,401</u>	<u>1,202,832</u>	<u>1,110,041</u>	<u>991,123</u>
Creditors: amounts falling due after more than one year		(64,189)	-	(64,189)	-
		<u>1,760,190</u>	<u>1,673,898</u>	<u>1,556,873</u>	<u>1,516,455</u>
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	1,758,190	1,671,898	1,554,873	1,514,455
		<u>1,760,190</u>	<u>1,673,898</u>	<u>1,556,873</u>	<u>1,516,455</u>
Shareholders' funds	14	1,760,190	1,673,898	1,556,873	1,516,455

The financial statements were approved by the board on ...

3 Feb 2006


F E Keene
Chairman

KEENE REPRO LIMITED**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2005**

	2005		2004	
	£	£	£	£
Net cash inflow from operating activities (Note 1)		385,385		204,885
Returns on investments and servicing of finance				
Interest received	14,751		8,978	
Interest paid	(53)		(6)	
	<u> </u>		<u> </u>	
Net cash inflow for returns on investments and servicing of finance		14,698		8,972
Taxation		14,202		-
Capital expenditure and financial investment				
Payments to acquire tangible assets	(277,973)		(174,773)	
Receipts from sale of tangible assets	19,500		41,493	
	<u> </u>		<u> </u>	
Net cash inflow/(outflow) from capital expenditure		(258,473)		(133,280)
Acquisitions and disposals				
Purchase of subsidiary undertaking	-		-	
	<u> </u>		<u> </u>	
		-		-
		<u> </u>		<u> </u>
Increase in cash in the year		155,812		80,577
		<u> </u>		<u> </u>

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

1	Reconciliation of operating profit to net cash inflow from operating activities	2005 £	2004 £
	Operating profit/loss	67,333	(117,693)
	Depreciation of tangible assets	288,628	327,851
	Amortisation of negative goodwill	(4,251)	(6,099)
	Profit on disposal of tangible assets	(6,815)	(28,068)
	Decrease in stocks	12,133	(28,292)
	(Increase)/decrease in debtors	(113,295)	26,450
	Increase in creditors	141,652	30,736
	Net cash inflow from operating activities	385,385	204,885
2	Analysis of net debt		
		1 July 2004 £	30 June 2005 £
	Cash at bank and in hand	531,850	687,662
3	Reconciliation of net cash flow to movement in net funds	2005 £	2004 £
	Increase in cash in the period	155,812	80,577
	Opening net funds	531,850	451,273
	Closing net funds	687,662	531,850

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

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 2005.

The company has taken advantage of the exemption granted by section 230 Companies Act 1985 not to prepare a separate profit and loss account for the parent company.

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 2005

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

	2005 £	2004 £
Operating loss is stated after charging/(crediting):		
Depreciation of tangible assets	244,123	327,851
Amortisation of intangible assets	(4,251)	(6,099)
Auditors' remuneration	17,000	19,000

4 Taxation

	2005 £	2004 £
U.K. current year taxation		
U.K. corporation tax	9,942	-
Adjustment for prior years	(14,203)	-
Current charge	(4,261)	-
Factors affecting the tax charge for the year		
Profit/loss on ordinary activities before taxation	82,031	(216,426)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 11.94% (2004: 0%)	9,797	-
Effects of:		
Non deductible expenses	5	-
Depreciation	1,785	-
Capital allowances	(1,645)	-
Adjustments to previous periods	(14,203)	-
	(14,058)	-
Current tax charge	4,261	-

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 2005

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 profit/(loss) for the financial year is made up as follows:

2005 £	2004 £
40,418	(216,426)

6 Intangible fixed assets

Group

Negative Goodwill £

Cost

On acquisition of subsidiaries and at 1 July 2004 and 30 June 2005

(44,002)

Amortisation

Released amortisation brought forward

30,638

Released for year ending 30 June 2005

4,251

34,889

Net book value

At 30 June 2005

(9,113)

At 30 June 2004

(13,364)

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2005

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 2004	233,275	3,743,481	381,566	220,980	4,579,302
Additions	10,906	220,165	5,714	41,190	277,975
Disposals		(77,321)	-	(72,753)	(150,074)
At 30 June 2005	244,181	3,886,325	387,280	189,417	4,707,203
Depreciation					
At 1 July 2004	230,201	3,355,981	344,204	164,486	4,094,872
Charge for the year	5,253	227,039	17,085	39,252	288,628
On disposals		(77,321)		(60,068)	(137,388)
At 30 June 2005	235,454	3,505,699	361,289	143,670	4,246,112
Net book value					
At 30 June 2005	8,727	380,626	25,991	45,747	461,091
At 30 June 2004	3,074	387,499	37,363	56,494	484,430
Company					
	Land and buildings leasehold (short) £	Plant and equipment £	Fixtures, fittings and computers £	Motor vehicles £	Total £
Cost or valuation					
At 1 July 2004	233,275	3,535,646	374,348	220,980	4,364,249
Additions	10,906	220,165	5,344	41,190	277,605
Disposals		(77,321)		(72,753)	(150,074)
At 30 June 2005	244,181	3,678,490	379,692	189,417	4,491,780
Depreciation					
At 1 July 2004	230,201	3,171,825	338,596	164,486	3,905,108
Charge for the year	5,253	218,159	16,567	39,252	279,231
On disposals		(77,321)		(60,068)	(137,389)
At 30 June 2005	235,454	3,312,663	355,163	143,670	4,046,950
Net book value					
At 30 June 2005	8,727	365,827	24,529	45,747	444,830
At 30 June 2004	3,074	363,821	35,752	56,494	459,141

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2005

7 Tangible fixed assets (continued)

Included on the previous page are assets held under finance leases or hire purchases contracts as follows:

	Plant and machinery £
Net book values	
At 30 June 2005	128,420
Depreciation charge for the year	
At 30 June 2005	25,684

8 Fixed asset investments

Company	Unlisted investments £
Cost	
At 1 July 2004	66,191
Additions	-
At 30 June 2005	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	Profit for the year	
		2005	2005	
		£	£	
Anton Graphics Limited		278,623	41,623	

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

9 Debtors	Group 2005 £	Company 2005 £	Group 2004 £	Company 2004 £
Trade debtors	1,137,786	1,006,348	1,076,855	1,047,652
Other debtors	14,667	201,365	8,170	45,550
Prepayments and accrued income	175,847	174,766	129,980	128,812
	1,328,300	1,382,479	1,215,005	1,222,014

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2005

10 Creditors: amounts falling due within one year

	Group 2005 £	Company 2005 £	Group 2004 £	Company 2004 £
Net obligations under finance lease and hire purchase contracts	64,189	64,189	-	-
Trade creditors	215,900	211,763	203,724	198,956
Taxes and social security costs	193,626	167,618	210,372	201,065
Directors current accounts	19,501	19,501	11,524	14,459
Accruals and deferred income	198,586	194,104	178,777	176,777
	<u>691,802</u>	<u>657,175</u>	<u>604,397</u>	<u>591,257</u>

Creditors: amounts falling due after more than one year

Net obligations under finance lease				
Repayable within one year	64,189	64,189	-	-
Repayable between one and five years	64,189	64,189	-	-
	<u>128,378</u>	<u>128,378</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	(64,189)	(64,189)	-	-
	<u>64,189</u>	<u>64,189</u>	<u>-</u>	<u>-</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 (2004: £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	2005 £	2004 £
Contributions payable by the company for the year	208,378	201,166

12 Share capital

	2005 £	2004 £
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

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2005

13 Statement of movements on reserves

Group	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2004	300	1,671,898
Retained profit for the year	-	86,292
Balance at 30 June 2005	300	1,758,190
Capital redemption reserve		
Balance at 1 July 2004 and 30 June 2005	300	
Company	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2004	300	1,514,455
Retained loss for the year	-	40,418
Balance at 30 June 2005	300	1,554,873
Capital redemption reserve		
Balance at 1 July 2004 and 30 June 2005	300	

14 Reconciliation of movements in shareholders' funds

Group	2005 £
Profit for the financial year	86,292
Opening shareholders' funds	1,673,898
Closing shareholders' funds	1,760,190
Company	2005 £
Profit for the financial year	40,418
Opening shareholders' funds	1,516,455
Closing shareholders' funds	1,556,873

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2005

15 Financial commitments

At 30 June 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2005	2004
	£	£
Expiry date:		
Between two and five years	316,639	296,886

16 Directors' emoluments

Company	2005	2004
	£	£
Emoluments for qualifying services	377,468	341,379
Company pension contributions to money purchase schemes	28,006	21,000
	405,474	362,379

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

Emoluments for qualifying services	118,403	93,434
------------------------------------	---------	--------

The number of directors for whom retirement benefits are accruing under money purchase pension scheme amounted to 4 (2004 – 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		Maximum in
	2005	2004	Year
	£	£	£
F E Keene (credit balance)	18,179	-	10,387
A Gladden (debit balance)	1,118	2,936	2,936
A Ashton (credit balance)	1,322	1,788	1,788

KEENE REPRO LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2005

18 Employees

Company

Number of employees

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

	2005 Number	2004 Number
Directors	4	5
Administration	19	14
Production	43	46
	<u>66</u>	<u>65</u>

Group

Employment costs

	2005 £	2004 £
Wages and salaries	2,278,355	2,362,414
Social security costs	250,310	258,145
Other pension costs	208,378	201,166
	<u>2,737,043</u>	<u>2,821,725</u>

19 Control

Group

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