

HOBS REPROGRAPHICS LIMITED

REGISTERED NUMBER: 00511368

YEAR ENDED 30 APRIL 2001



HOBBS REPROGRAPHICS LIMITED

REPORTS AND ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2001

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HOBBS REPROGRAPHICS LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS: Joseph Dominick Hackett
Kieran John O'Brien
Joseph Benedict Hackett

**SECRETARY AND
REGISTERED OFFICE:** Joseph Benedict Hackett
St. Andrews Building
Slater Street
Liverpool
L1 4BS

REGISTERED NUMBER: 00511368

AUDITORS: Horwath Bastow Charleton
Chartered Accountants and Registered Auditors
Marine House
Clanwilliam Court
Dublin 2
Ireland

BANKERS: HSBC Bank
City Branch
4 Dale Street
P.O. Box 104
Liverpool
L69 2BZ

SOLICITORS: Wilson Cowie & Dillon
10 James Street
Liverpool
L2 7PL

HOBBS REPROGRAPHICS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2001

The directors submit their report together with the audited financial statements for the year ended 30 April 2001.

DIRECTORS RESPONSIBILITIES

The directors are required to prepare financial statements on a going concern basis 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 the year. In preparing the financial statements, the directors are required to select suitable accounting policies and then apply them consistently and to make judgements and estimates that are reasonable and prudent.

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 ensure that the financial statements comply with the Companies Act 1985. The directors 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.

BUSINESS REVIEW AND FUTURE ACTIVITIES

The principal activity of the company is the retailing of drawing office supplies and services.

During the year the company purchased two reprographics outlets of a competitor, John Mathieson & Company Limited. The company acquired leasehold properties, fixed assets, sale contracts and goodwill.

The directors are satisfied with the company's performance during the year. Plans for the year ended 30 April 2001 are for further expansion of the company and the improvement of the company's trading performance and profitability.

RESULTS, DIVIDENDS AND RETENTIONS

	2001 IR£	2000 IR£
The results and appropriations are summarised as follows:-		
Profit for the year, after taxation	818,599	318,208
Balance at beginning of year	1,440,717	1,122,509
Balance at end of year	<u>2,259,316</u>	<u>1,440,717</u>

The directors do not recommend the declaration of a dividend.

HOBS REPROGRAPHICS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2001

STATE OF AFFAIRS AND EVENTS SINCE THE BALANCE SHEET DATE

In the opinion of the directors, the state of the company's affairs is satisfactory and there has been no material change since the balance sheet date.

In July 2001 the company purchased two reprographic outlets of a competitor Stanford Marsh Limited.

GROUP STRUCTURE

The company is a wholly owned subsidiary of Hobs (Drawing Office Services) Limited, a company registered in England.

The directors consider Vesontio Limited, a company incorporated in the Republic of Ireland, to be the ultimate holding company.

DIRECTOR

The present membership of the board is set out on page 2. These persons were the only directors of the company during the year.

The beneficial interests, including family interests, of the directors and secretary in office at 30 April 2001 in the share capital of the group at the balance sheet dates were:

Ordinary shares of IR£1 each :	2001	2000
Joseph Dominick Hackett	250	250
Kieran John O'Brien	343	343
Joseph Benedict Hackett	257	257
"B" Ordinary shares of IR£1 each:		
Joseph Benedict Hackett	1	1
"C" Ordinary shares of IR£ each:		
Joseph Dominick Hackett	1	1
"D" Ordinary shares of IR£1 each:		
Kieran John O'Brien	1	1

In accordance with the Articles of Association, Joseph Dominick Hackett retires by rotation and, being eligible, offers himself for re-election.

HOBBS REPROGRAPHICS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2001

AUDITORS

In accordance with the Section 385 of the Companies Act 1985, Horwath Bastow Charleton, having expressed their willingness to do so, will continue in office.

A motion authorising the directors to fix their remuneration will be put to the annual general meeting.

TANGIBLE FIXED ASSETS

Movements in tangible fixed assets are disclosed in note 6 to the financial statements.

DATED THIS
21-9-01
BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be a stylized 'R' or 'B' followed by a flourish.

HOBS REPROGRAPHICS LIMITED

REPORT OF THE AUDITORS

TO THE MEMBERS OF HOBS REPROGRAPHICS LIMITED

We have audited the financial statements on pages 7 to 21 in accordance with 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at the 30 April 2001 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Harold Hugh Chubb
Chartered Accountants and Registered Auditors
Marine House
Clanwilliam Court
Dublin 2
Ireland

Date: 12 Oct 2001

HOBS REPROGRAPHICS LIMITED

STATEMENT OF ACCOUNTING POLICIES

The following accounting policies are applied consistently in dealing with items which are considered material in relation to the company's financial statements :

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention.

TURNOVER

Turnover represents the invoiced amount of goods sold, net of trade discounts and value added tax.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets, so as to write off the cost less estimated residual value of each asset over its expected useful economic life at the following annual rates:

Freehold property	-	4%	straight line
Leasehold improvements	-	20%	straight line
Plant and machinery	-	20-50%	straight line
Fixtures and fittings	-	20-25%	straight line
Motor vehicles	-	25%	reducing balance

STOCKS

Stocks are stated at the lower of cost and net realisable. Cost includes all expenditure which has been incurred in the normal course of business in bringing the products to their present location and condition.

Net realisable value is the actual or estimated selling price net of trade discounts, less all further costs to completion and all costs to be incurred in marketing, selling and distribution.

GOODWILL

Goodwill comprises the excess of the price paid for the acquisition of reprographic outlets over the aggregate of the fair values of the identifiable assets. Goodwill is amortised through the profit and loss account on a straight line basis over its expected useful life as follows:

Goodwill	-	20%-50%
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LEASED ASSETS

Tangible fixed assets held by the company under finance leases are recorded in the balance sheet as an asset. Obligations to pay future rentals under such leases are consequently recorded in the balance sheet as a liability. The amount recorded at inception, both as an asset and a liability, is the total minimum lease payments, net of interest. The interest element of the rental obligations is charged to the profit and loss account so as to produce a constant periodic rate of charge. Rentals in respect of all other leases are charged to the profit and loss account as incurred.

HOBS REPROGRAPHICS LIMITED

STATEMENT OF ACCOUNTING POLICIES

PENSIONS

The company's parent undertaking operates a defined benefit scheme and the expected cost of providing pensions to employees is charged to the profit and loss account as incurred over the period of employment of pensionable employees. The cost is calculated, with the benefit of advice from independent actuaries, at what is expected to be a reasonably stable proportion of pensionable pay.

The company also operates a defined contribution scheme and benefits are funded over the employee's period of service by way of contributions from the company and employees. Contributions are charged to the profit and loss account in the year in which they become payable.

DEFERRED TAXATION

Deferred tax is provided on timing differences to the extent that it is expected to become payable in the foreseeable future.

Timing differences are temporary differences between profits as computed for taxation purposes and profits as stated in the financial statements.

FOREIGN CURRENCIES

Unless specifically covered by forward exchange contracts, whereupon the contract rate is used, monetary assets and liabilities denominated in a foreign currency are translated into Sterling at the exchange rate ruling at the balance sheet date. Revenue, costs and non-monetary assets are translated at the exchange rates ruling at the dates of the transaction.

All foreign exchange profits or losses are dealt with through the profit and loss account.

HOBS REPROGRAPHICS LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2001**

	Notes	2001 £	2000 £
TURNOVER		14,239,141	10,612,372
COST OF SALES		(3,895,827)	(2,900,705)
GROSS PROFIT		10,343,314	7,711,667
ADMINISTRATIVE EXPENSES		(9,380,332)	(7,244,651)
OPERATING PROFIT	1	962,982	467,016
EXCEPTIONAL ITEMS	3	373,339	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		1,336,321	467,016
BANK INTEREST RECEIVABLE		10,675	14,004
INTEREST PAYABLE AND SIMILAR CHARGES	4	(53,716)	(50,310)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,293,280	430,710
TAXATION	5	(474,681)	(112,502)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		818,599	318,208
RETAINED PROFIT AT BEGINNING OF YEAR		1,440,717	1,122,509
RETAINED PROFIT AT END OF YEAR		2,259,316	1,440,717

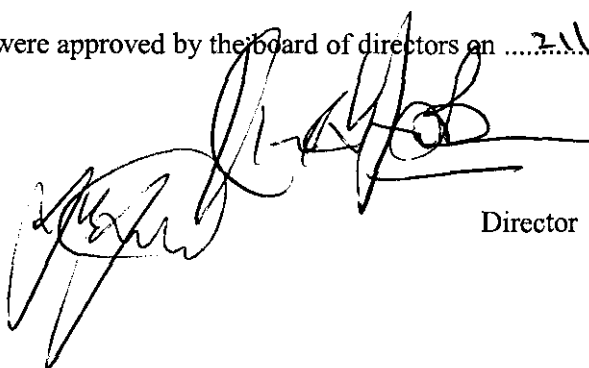
The company has no recognised gains or losses for the years ended 30 April 2001 and 30 April 2000 other than the profit for the year which has been calculated on an historical cost basis. This represents the only movement in shareholders' funds.

HOBS REPROGRAPHICS LIMITED

BALANCE SHEET AS AT 30 APRIL 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	6	3,168,314	2,762,471
Intangible assets	7	302,900	345,364
		<u>3,471,214</u>	<u>3,107,835</u>
CURRENT ASSETS			
Stocks	8	443,179	387,140
Debtors	9	3,650,816	3,940,574
Cash at bank and in hand		445,809	450,939
		<u>4,539,804</u>	<u>4,778,653</u>
CREDITORS (Amounts falling due within one year)	10	(5,350,702)	(5,989,119)
NET CURRENT LIABILITIES		<u>(810,898)</u>	<u>(1,210,466)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,660,316	1,897,369
CREDITORS (Amounts falling due after more than one year)	11	(400,000)	(455,652)
TOTAL NET ASSETS		<u>2,260,316</u>	<u>1,441,717</u>
CAPITAL AND RESERVES			
Called up share capital	13	1,000	1,000
Profit and loss account		2,259,316	1,440,717
SHAREHOLDERS' FUNDS		<u>2,260,316</u>	<u>1,441,717</u>

The financial statements were approved by the board of directors on 21/9/01 and signed on its behalf by



Director

HOBBS REPROGRAPHICS LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2001**

	Note	2001 £	2000 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	14	2,362,346	2,248,878
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	15	(44,398)	(41,108)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	15	(1,969,674)	(1,067,830)
TAXATION		(216,892)	(157,384)
ACQUISITIONS AND DISPOSALS	15	-	(857,192)
		<u>131,382</u>	<u>125,364</u>
FINANCING - EXTERNAL	15	(159,817)	(819,409)
FINANCING - GROUP	15	(119,255)	748,597
(DECREASE) INCREASE IN CASH IN THE YEAR		<u>(147,690)</u>	<u>54,552</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS			
(DECREASE) INCREASE IN CASH IN THE YEAR		(147,690)	54,552
CASH OUTFLOW ON BANK PAYMENTS	16	4,377	630,830
CASH OUTFLOW ON LEASE PAYMENTS	16	155,440	188,579
		<u>12,127</u>	<u>873,961</u>
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS		12,127	873,961
NEW BANK LOANS	16	-	(1,199,092)
NEW FINANCE LEASES	16	-	(78,360)
		<u>12,127</u>	<u>(403,491)</u>
MOVEMENT IN NET DEBT		12,127	(403,491)
NET (DEBT) CASH AT BEGINNING OF YEAR	16	(366,581)	36,910
NET (DEBT) CASH AT END OF YEAR	16	<u>(354,454)</u>	<u>(366,581)</u>

HOBS REPROGRAPHICS LIMITED

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

1. OPERATING PROFIT

Operating profit is stated after charging (crediting) :

	2001 £	2000 £
Directors emoluments:		
- For management	290,507	336,447
- Pension costs	28,942	32,992
Amortisation of goodwill	187,464	95,023
Depreciation of tangible assets	1,442,117	1,212,515
Profit on disposal of tangible fixed assets	(23,285)	(72,995)
Auditors' remuneration	25,485	23,163

The emoluments disclosed above are in respect of two directors only. The remaining director did not receive any remuneration from the company. The highest paid director, Kieran John O'Brien received emoluments of £246,988 for management and the company contributed £23,560 to the defined benefits pension scheme.

2. STAFF AND STAFF COSTS

The average number of persons (including executive directors) employed during the financial period was 242 (2000 : 236).

The aggregate amounts paid to or on behalf of staff are as follows:

	2001 £	2000 £
Wages and salaries	4,599,450	3,387,000
Social welfare costs	408,712	269,356
Pension costs	239,089	150,357
	<u>5,247,251</u>	<u>3,806,713</u>

HOBS REPROGRAPHICS LIMITED

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

3. EXCEPTIONAL ITEMS

	2001 £	2000 £
Write off of loans from fellow subsidiaries	(373,339)	-
	<u>(373,339)</u>	<u>-</u>

During the year a number of fellow subsidiaries forgave the debts owed to them by the company resulting in a gain which has been disclosed as exceptional.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
Bank interest	44,261	20,165
On finance leases	9,455	30,145
	<u>53,716</u>	<u>50,310</u>

5. TAXATION

	2001 £	2000 £
Based on profit for the year :		
Corporation tax @ 30% (2000 : 30%)	366,825	109,036
Corporation tax underprovided in prior periods	107,856	3,466
	<u>474,681</u>	<u>112,502</u>

HOBS REPROGRAPHICS LIMITED

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

6. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
COST						
At 1 May 2000	-	784,899	6,056,813	806,734	321,487	7,969,933
Reclassification	-	-	53,640	(53,640)	-	-
Additions	309,304	117,926	978,500	43,026	447,715	1,896,471
Disposals	-	-	(19,447)	-	(47,797)	(67,244)
At 30 April 2001	<u>309,304</u>	<u>902,825</u>	<u>7,069,506</u>	<u>796,120</u>	<u>721,405</u>	<u>9,799,160</u>
DEPRECIATION						
At 1 May 2000	-	375,556	4,238,479	469,291	124,136	5,207,462
Reclassification	-	-	39,721	(39,721)	-	-
Charge for the year	12,372	132,070	1,075,981	108,734	112,960	1,442,117
On disposals	-	-	(2,126)	-	(16,607)	(18,733)
At 30 April 2001	<u>12,372</u>	<u>507,626</u>	<u>5,352,055</u>	<u>538,304</u>	<u>220,489</u>	<u>6,630,846</u>
NET BOOK VALUE						
At 30 April 2001	<u>296,932</u>	<u>395,199</u>	<u>1,717,451</u>	<u>257,816</u>	<u>500,916</u>	<u>3,168,314</u>
At 30 April 2000	<u>-</u>	<u>409,343</u>	<u>1,818,334</u>	<u>337,443</u>	<u>197,351</u>	<u>2,762,471</u>

The net book value of the tangible fixed assets includes £28,050 (2000 : £155,351) in respect of assets held under finance leases. The depreciation charge for the year in respect of these assets amounted to £99,343 (2000 : £175,491).

HOBBS REPROGRAPHICS LIMITED

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

7. INTANGIBLE ASSET GOODWILL

	£
COST	
At 1 May 2000	574,825
Additions (Note 19)	145,000
At 30 April 2001	<u>719,825</u>
 AMORTISATION	
At 1 May 2000	229,461
Charge for the year	187,464
At 30 April 2001	<u>416,925</u>
 NET BOOK VALUE	
At 30 April 2001	<u>302,900</u>
At 30 April 2000	<u>345,364</u>

8. STOCKS

	2001 £	2000 £
Goods and consumables	443,179	387,140
	<u>443,179</u>	<u>387,140</u>

The replacement cost of stocks is not considered to be materially different from the balance sheet value.

HOBS REPROGRAPHICS LIMITED

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

9. DEBTORS

	2001	2000
	£	£
Amounts falling due within one year:		
Trade debtors	3,092,393	3,244,879
Amounts owed by group undertakings	200,890	378,062
Other debtors	54,031	66,930
Prepayments	303,502	250,703
	<u>3,650,816</u>	<u>3,940,574</u>

10. CREDITORS (amounts falling due within one year)

	2001	2000
	£	£
Bank loans and overdrafts (Note 12)	361,829	206,429
Obligations under finance leases	38,434	155,439
Trade creditors (see note below)	799,258	1,009,210
Amounts owed to group undertakings	2,896,520	3,566,286
Corporation tax	366,825	109,036
Value added tax	210,810	175,189
Payroll taxes	151,418	128,138
Accrued expenses	525,608	639,392
	<u>5,350,702</u>	<u>5,989,119</u>

Some trade creditors have reserved title to goods supplied to the company. Since the extent to which such creditors are effectively secured depends on a number of factors and conditions, some of which are not readily determinable, it is not possible to indicate how much of the above amount is secured under reservation of title.

11. CREDITORS (amounts falling due after more than one year)

	2001	2000
	£	£
Bank loans (Note 12)	400,000	417,217
Obligations under finance leases	-	38,435
	<u>400,000</u>	<u>455,652</u>

HOBS REPROGRAPHICS LIMITED

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

12. BANK LOANS AND OVERDRAFTS

The loan and overdraft are repayable as follows :

	2001 £	2000 £
Otherwise than by instalment:		
Within one year	197,944	55,384
By Instalment:		
Within one year	163,875	151,045
Within one to two years	125,000	161,920
Within two to five years	275,000	255,297
	<u>761,819</u>	<u>623,646</u>

The HSBC Bank overdraft facility amounting to £197,944 at 30 April 2001 is secured by way of multilateral guarantees from the company and fellow group undertakings together with a second fixed and floating charge over the assets of the company.

The Bank of Ireland loan facility amounting to £163,875 at 30 April 2001 is secured by way of guarantees and debentures from the company and fellow group undertakings.

The Ulster Bank loan facility amounting to £400,000 is secured by way of debentures and guarantees from the company and its fellow group undertakings.

13. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Ordinary shares of £1 each:		
Authorised	1,000	1,000
Allotted, called up and fully paid	<u>1,000</u>	<u>1,000</u>

HOBBS REPROGRAPHICS LIMITED

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

14. CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	£	£
Operating profit	962,982	467,016
Depreciation	1,442,117	1,212,515
Amortisation of goodwill	187,464	95,023
(Increase) decrease in stocks	(56,039)	9,499
Decrease (increase) in debtors	112,586	(165,263)
Increase (decrease) in creditors	(263,479)	703,083
Profit on disposal of tangible fixed assets	(23,285)	(72,995)
Net cash inflow from operating activities	<u>2,362,346</u>	<u>2,248,878</u>

15. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

15.1 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2001	2000
	£	£
Bank interest paid	(45,618)	(24,967)
Lease interest paid	(9,455)	(30,145)
Interest received	10,675	14,004
	<u>(44,398)</u>	<u>(41,108)</u>

15.2 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2001	2000
	£	£
Purchase of tangible fixed assets	(1,896,471)	(1,237,847)
Receipts from sale of tangible fixed assets	47,886	70,017
Purchase of intangible assets	(145,000)	-
Receipts from sale of intangible assets	23,911	100,000
	<u>(1,969,674)</u>	<u>(1,067,830)</u>

HOBS REPROGRAPHICS LIMITED

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

15.3 ACQUISITIONS AND DISPOSALS

	2001	2000
	£	£
Purchase of business	-	-
Transfer of business from group undertaking	-	(857,192)
	<u>-</u>	<u>(857,192)</u>

15.3 FINANCING - EXTERNAL

	2001	2000
	£	£
Repayment of finance lease obligations	(155,440)	(188,579)
Repayments of bank loans	(4,377)	(630,830)
	<u>(159,817)</u>	<u>(819,409)</u>

15.4 FINANCING - GROUP

	2001	2000
	£	£
Amounts advanced by group undertaking	296,427	1,005,301
Amounts advanced to group undertaking	(177,172)	(256,704)
	<u>119,255</u>	<u>748,597</u>

16. ANALYSIS OF CHANGES IN NET FUNDS

	2000	Cash flows	2001
	£	£	£
Cash at bank and in hand	450,939	(5,130)	445,809
Bank overdraft	(55,384)	(142,560)	(197,944)
Cash	<u>395,555</u>	<u>(147,690)</u>	<u>247,865</u>
Finance leases	(193,874)	155,440	(38,434)
Bank loans	(568,262)	4,377	(563,885)
	-	-	-
TOTAL	<u>(366,581)</u>	<u>12,127</u>	<u>(354,454)</u>

HOBBS REPROGRAPHICS LIMITED

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

17. PENSION COSTS

The company is a member of a group defined benefits scheme which is managed by the parent undertaking, Hobs (Drawing Office Services) Limited.

The contributions are charged to the profit and loss account of the company so as to spread the cost of pensions as incurred over employees' working lives. The assets of the scheme are held in separate trustee administered funds. The group contribution rate is determined by actuaries on the basis of periodic valuations using the projected unit method. The most recent actuarial valuation of the scheme was carried out at 6 April 1999, and is not available for public inspection. The pension charged to the profit and loss account of the company was £169,455 (2000 - £143,583).

The company also operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable to the fund and amounted to £69,634 (2000 - £6,774).

18. COMMITMENTS

18.1 FINANCE LEASES

Finance lease obligations, net of interest, are due for repayment as follows :

	2001	2000
	£	£
Within one year	38,434	155,439
Between one and two years	-	38,435
	<u>38,434</u>	<u>193,874</u>

18.2 OPERATING LEASES

Leasing commitments payable during the next twelve months are as follows:

	Leasehold Property £	Motor Vehicles £	Total £
Payable on leases which expire			
-within two years	26,175	15,399	41,574
-within five years	179,043	-	179,043
-after five years	249,461	-	249,461
	<u>454,679</u>	<u>15,399</u>	<u>470,078</u>

HOBS REPROGRAPHICS LIMITED

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

19. PURCHASE OF BUSINESS

	2001
	£
Net assets acquired:	
Leasehold properties	11,459
Equipment	43,500
Goodwill	145,000
	<u>199,959</u>
Satisfied by:	
Cash	<u>199,959</u>

During the year the company purchased two reprographics outlets of a competitor, John Mathieson & Company Limited. The company acquired leasehold properties, fixed assets, sale contracts and goodwill.

20. CONTINGENT LIABILITIES

- (a) The company is contingently liable to HSBC Bank under unlimited multilateral guarantees and a second fixed and floating charge over the assets of the company in respect of liabilities of fellow group undertakings.
- (b) The company is a party to guarantees and debentures provided to Bank of Ireland in respect of the liabilities of fellow group undertakings to the extent of IR£510,000 and £3,200,000.

21. RELATED PARTY TRANSACTIONS

As the company is ultimately controlled by Vesontio Limited, the consolidated accounts of which are publicly available from the Irish Companies Registration Office, advantage has been taken of the exemption from disclosing transactions with other group undertakings.

During the year the company purchased freehold property at 18a Slater Street, Liverpool for £300,000 from Baggot Holdings, a company which is wholly owned by Joseph Dominick Hackett (director).