

511368

**HOBS REPROGRAPHICS PLC
(FORMERLY HOBS REPROGRAPHICS LIMITED)**

YEAR ENDED 30 APRIL 2002



HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)

REPORTS AND ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2002

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HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)

DIRECTORS AND OTHER INFORMATION

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

SECRETARY AND
REGISTERED OFFICE: Joseph Benedict Hackett
19 Lower Baggot Street
Dublin 2
Ireland

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
Liverpool

Bank of Ireland International Banking
Colvill House
Talbot Street
Dublin 1

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

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2002

The directors submit their report together with the audited financial statements for the year ended 30 April 2002.

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 expanded its operations by purchasing two reprographics outlets of a competitor, Stanford Marsh Limited in Birmingham and Coventry respectively. The company acquired leasehold properties, fixed assets, stock and goodwill.

During the year the directors made the decision to close its Milton Keynes outlet. The associated costs with the closure are set out in note 3 to the financial statements.

The directors are satisfied with the company's performance during the year. Plans for the year ended 30 April 2003 are for further expansion of the company and the continued improvement of the company's trading performance and profitability.

RESULTS, DIVIDENDS AND RETENTIONS

	2002 £	2001 £
The results and appropriations are summarised as follows:-		
Profit for the year, after taxation	515,406	818,599
Balance at beginning of year	2,259,316	1,440,717
Balance at end of year	<u>2,774,722</u>	<u>2,259,316</u>

The directors do not recommend the declaration of a dividend.

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.

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.

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2002

CHANGE OF STATUS AND ALTERATION TO SHARE CAPITAL

On 14 November 2001, in accordance with section 43 of Companies Act 1985, the company having previously been a private company re-registered as a public limited company. The companies shares are not publicly available and it is not the intention of the directors to change this status in the foreseeable future.

On 23 August 2001, the company increased its authorised share capital from 1,000 Ordinary shares of £1 each to 100,000 Ordinary shares of £1 each.

On 24 August 2001 the company issued 49,000 Ordinary shares of £1 each at par to its parent undertaking, Hobs (Drawing Office Services) Limited.

DIRECTORS AND THEIR INTERESTS

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

None of the present directors or secretary had any interest in the share capital of the company but had the following shareholdings in the group at the balance sheet date:

	2002	2001
Ordinary shares of €1.269738 each :		
Joseph Dominick Hackett	250	250
Kieran John O'Brien	343	343
Joseph Benedict Hackett	257	257
"B" Ordinary shares of €1.269738 each:		
Joseph Benedict Hackett	1	1
"C" Ordinary shares of €1.269738 each:		
Joseph Dominick Hackett	1	1
"D" Ordinary shares of €1.269738 each:		
Kieran John O'Brien	1	1

On 4 May 2001 Joseph Benedict Hackett resigned as company secretary and Charles Johnson was appointed as company secretary. Charles Johnson resigned as company secretary on 5 May 2001 on which date Joseph Benedict Hackett was reappointed.

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

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2002

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

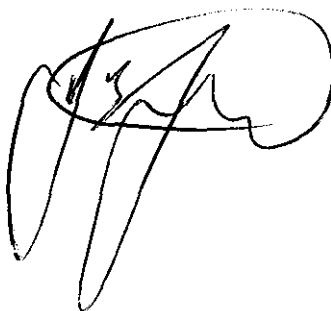
Movements in tangible fixed assets are disclosed in note 7 to the financial statements.

DATED THIS

22 - 11 - 2002

BY ORDER OF THE BOARD

SECRETARY

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned below the 'SECRETARY' title.

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)

We have audited the financial statements of Hobs Reprographics plc on pages 8 to 22 which comprise the accounting policies, the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the 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 misstatement within it.

BASIS OF 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 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.

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)**

**QUALIFIED OPINION ARISING FROM DISAGREEMENT CONCERNING THE ADEQUACY
OF A DISCLOSURE IN THE FINANCIAL STATEMENTS**

Certain disclosures required under FRS 17 "Retirement Benefits" in relation to the company's defined benefit pension scheme have not been made. The company has not disclosed;

- Whether the age profile of the active membership is rising significantly.
- Financial assumptions made in the valuation of the scheme, including the inflation assumption, the rate of increase in salaries, the rate of increase for pensions in payment and deferred pensions and the rate used to discount scheme liabilities.
- The fair value of the assets held by the pension at the beginning and end of the year.
- The present value of scheme liabilities.
- Any surplus or deficit in the scheme.

The pension scheme insurers have not provided the information necessary to enable such disclosures to be made. In our opinion these disclosures should have been made. We are unable to quantify the effect of such non disclosure on the financial statements.

Except for the absence of these disclosures in our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2002 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Chartered Accountants and Registered Auditors
Marine House
Clanwilliam Court
Dublin 2

Date: 27 November 2002

HOBS REPROGRAPHICS PLC (FORMERLY 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 PLC (FORMERLY 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

Full provision is provided for deferred tax liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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 PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2002**

	Notes	2002 £	2001 £
TURNOVER		15,211,402	14,239,141
COST OF SALES		(4,201,816)	(3,895,827)
GROSS PROFIT		<u>11,009,586</u>	<u>10,343,314</u>
ADMINISTRATIVE EXPENSES		<u>(10,000,160)</u>	<u>(9,380,332)</u>
OPERATING PROFIT	1	1,009,426	962,982
EXCEPTIONAL ITEMS	3	(74,767)	373,339
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		<u>934,659</u>	<u>1,336,321</u>
BANK INTEREST RECEIVABLE		14,661	10,675
INTEREST PAYABLE AND SIMILAR CHARGES	4	<u>(54,938)</u>	<u>(53,716)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		894,382	1,293,280
TAXATION	5	<u>(378,976)</u>	<u>(474,681)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		515,406	818,599
RETAINED PROFIT AT BEGINNING OF YEAR		<u>2,259,316</u>	<u>1,440,717</u>
RETAINED PROFIT AT END OF YEAR		<u><u>2,774,722</u></u>	<u><u>2,259,316</u></u>

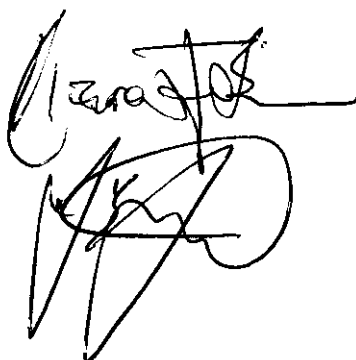
All of the turnover and profit arises from continuing activities. The company has no recognised gains or losses for the years ended 30 April 2002 and 30 April 2001 other than the profit for the year which has been calculated on an historical cost basis. Other movements on shareholders' funds are shown in the reconciliation of movement in shareholders' funds on page 12.

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)

BALANCE SHEET AS AT 30 APRIL 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Intangible assets	6	259,527	302,900
Tangible assets	7	3,348,187	3,168,314
		<u>3,607,714</u>	<u>3,471,214</u>
CURRENT ASSETS			
Stocks	8	475,131	443,179
Debtors	9	3,706,828	3,650,816
Cash at bank and in hand		813,683	445,809
		<u>4,995,642</u>	<u>4,539,804</u>
CREDITORS (Amounts falling due within one year)	10	(5,159,624)	(5,350,702)
NET CURRENT LIABILITIES		<u>(163,982)</u>	<u>(810,898)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,443,732	2,660,316
CREDITORS (Amounts falling due after more than one year)	11	(619,010)	(400,000)
TOTAL NET ASSETS		<u>2,824,722</u>	<u>2,260,316</u>
CAPITAL AND RESERVES			
Called up share capital	14	50,000	1,000
Profit and loss account		2,774,722	2,259,316
SHAREHOLDERS' FUNDS		<u>2,824,722</u>	<u>2,260,316</u>

The financial statements were approved by the board of directors on 22-11-2002 and signed on its behalf by:



)
Directors
)

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR
ENDED 30 APRIL 2002**

	2002 £	2001 £
TOTAL RECOGNISED GAINS FOR THE YEAR	515,406	818,599
ISSUE OF ORDINARY SHARES	49,000	-
OPENING SHAREHOLDERS' FUNDS	2,260,316	1,441,717
CLOSING SHAREHOLDERS' FUNDS	<u>2,824,722</u>	<u>2,260,316</u>

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2002**

	Note	2002 £	2001 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	15	2,595,628	2,362,346
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	16	(40,277)	(44,398)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	16	(1,819,476)	(1,969,674)
TAXATION PAID		(405,377)	(216,892)
		<u>330,498</u>	<u>131,382</u>
FINANCING - EXTERNAL	16	293,879	(159,817)
FINANCING - GROUP	16	(58,559)	(119,255)
INCREASE (DECREASE) IN CASH IN THE YEAR		<u>565,818</u>	<u>(147,690)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

INCREASE (DECREASE) IN CASH IN THE YEAR		565,818	(147,690)
CASH OUTFLOW ON BANK LOANS	17	229,121	4,377
CASH OUTFLOW ON LEASE PAYMENTS	17	32,215	155,440
		<u>827,154</u>	<u>12,127</u>
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS			
NEW BANK LOANS	17	(500,000)	-
NEW FINANCE LEASES	17	(6,215)	-
		<u>320,939</u>	<u>12,127</u>
MOVEMENT IN NET DEBT			
NET DEBT AT BEGINNING OF YEAR	17	(354,454)	(366,581)
NET DEBT AT END OF YEAR	17	<u>(33,515)</u>	<u>(354,454)</u>

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2002****1. OPERATING PROFIT**

Operating profit is stated after charging (crediting) :

	2002	2001
	£	£
Directors emoluments:		
- For management	383,992	290,507
- Pension costs	38,634	28,942
Amortisation of goodwill	211,557	187,464
Depreciation of tangible assets	1,402,904	1,442,117
Loss (profit) on disposal of tangible fixed assets	2,410	(23,285)
Auditors' remuneration	28,399	25,485

The emoluments disclosed above are in respect of Kieran O'Brien. The remaining directors did not receive any remuneration from the company.

2. STAFF AND STAFF COSTS

The average number of persons (including executive directors) employed during the financial period was 267 (2001 : 242).

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

	2002	2001
	£	£
Wages and salaries	5,079,372	4,599,450
Social welfare costs	418,035	408,712
Pension costs	234,246	239,089
Redundancy costs	57,702	-
	<u>5,789,355</u>	<u>5,247,251</u>

Wages and salaries includes £95,118 which has been a recharge from J.D Hackett and Company Limited in respect of the Finance Director.

3. EXCEPTIONAL ITEMS

	2002	2001
	£	£
Closure of Milton Keynes branch	(74,767)	-
Write off of loans from fellow subsidiaries	-	373,339
	<u>(74,767)</u>	<u>373,339</u>

During the year the directors made the decision to close its Milton Keynes outlet. The exceptional costs associated with the closure are write off of goodwill £31,816, write off of tangible fixed assets £34,289 and redundancy costs £8,662.

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2002

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank interest	52,450	44,261
On finance leases	2,488	9,455
	<u>54,938</u>	<u>53,716</u>

5. TAXATION

	2002	2001
	£	£
Based on profit for the year :		
Corporation tax @ 30% (2001 : 30%)	344,000	366,825
Corporation tax underprovided in prior periods	34,976	107,856
	<u>378,976</u>	<u>474,681</u>

**6. INTANGIBLE ASSET
GOODWILL**

	£
COST	
At 1 May 2001	719,825
Additions (Note 19)	200,000
Disposals	(79,539)
At 30 April 2002	<u>840,286</u>
AMORTISATION	
At 1 May 2001	416,925
Charge for the year	211,557
Disposals	(47,723)
At 30 April 2002	<u>580,759</u>
NET BOOK VALUE	
At 30 April 2002	<u>259,527</u>
At 30 April 2001	<u>302,900</u>

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2002

7. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
COST						
At 1 May 2001	309,304	902,825	7,069,506	796,120	721,405	9,799,160
Additions	-	104,534	1,347,460	93,835	188,117	1,733,946
Disposals/write off of assets	-	(181,617)	(3,984,396)	(321,623)	(171,198)	(4,658,834)
At 30 April 2002	309,304	825,742	4,432,570	568,332	738,324	6,874,272
DEPRECIATION						
At 1 May 2001	12,372	507,626	5,352,055	538,304	220,489	6,630,846
Charge for the year	12,372	129,189	978,813	119,141	163,389	1,402,904
Disposals/write off of assets	-	(163,789)	(3,936,477)	(307,638)	(99,761)	(4,507,665)
At 30 April 2002	24,744	473,026	2,394,391	349,807	284,117	3,526,085
NET BOOK VALUE						
At 30 April 2002	284,560	352,716	2,038,179	218,525	454,207	3,348,187
At 30 April 2001	296,932	395,199	1,717,451	257,816	500,916	3,168,314

The directors have adopted a policy of writing off all assets with a net book value of £nil at the year end. The cost and corresponding accumulated depreciation on these assets is included in disposal/write off of assets above.

The net book value of the tangible fixed assets includes £5,179 (2001 : £28,050) in respect of assets held under finance leases. The depreciation charge for the year in respect of these assets amounted to £29,086 (2001 : £99,343).

8. STOCKS

	2002 £	2001 £
Goods and consumables	475,131	443,179
	<u>475,131</u>	<u>443,179</u>

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

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2002****9. DEBTORS**

	2002	2001
	£	£
Amounts falling due within one year:		
Trade debtors	2,993,223	3,092,393
Amounts owed by group undertakings	332,450	200,890
Other debtors	26,734	54,031
Prepayments	354,421	303,502
	<u>3,706,828</u>	<u>3,650,816</u>

10. CREDITORS (amounts falling due within one year)

	2002	2001
	£	£
Bank loans and overdrafts (Note 12)	215,754	361,829
Obligations under finance leases	12,434	38,434
Trade creditors (see note below)	748,654	799,258
Amounts owed to group undertakings	2,969,521	2,896,520
Corporation tax	340,424	366,825
Value added tax	250,017	210,810
Payroll taxes	149,260	151,418
Accrued expenses	473,560	525,608
	<u>5,159,624</u>	<u>5,350,702</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)

	2002	2001
	£	£
Bank loans (Note 12)	<u>619,010</u>	<u>400,000</u>

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2002

12. BANK LOANS AND OVERDRAFTS

The loan and overdraft are repayable as follows :

	2002 £	2001 £
Otherwise than by instalment:		
Within one year	-	197,944
By Instalment:		
Within one year	215,754	163,885
Within one to two years	220,673	125,000
Within two to five years	398,337	275,000
	<u>834,764</u>	<u>761,829</u>

The HSBC Bank overdraft facility amounting to £nil at 30 April 2002 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 £434,764 at 30 April 2002 (30 April 2001 : £197,944) is secured by way of guarantees and debentures from the company and fellow group undertakings.

The Ulster Bank loan facility amounting to £400,000 at 30 April 2002 is secured by way of debentures and guarantees from the company and its fellow group undertakings.

13. DEFERRED TAXATION

No provision has been made in these accounts for a deferred tax asset of £226,471 on the basis that such an asset would not reverse in the foreseeable future under the company's tangible fixed asset renewals and depreciation policy.

14. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Ordinary shares of £1 each:		
Authorised	100,000	1,000
Allotted, called up and fully paid	<u>50,000</u>	<u>1,000</u>

On 23 August 2001, the company increased its authorised share capital from 1,000 ordinary shares of £1 each to 100,000 ordinary shares of £1 each. On 24 August 2001 the company issued 49,000 ordinary shares of £1 each at par to its parent undertaking, Hobs (Drawing Office Services) Limited.

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2002****15. CASH FLOW STATEMENT****RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2002	2001
	£	£
Operating profit	1,009,426	962,982
Depreciation	1,402,904	1,442,117
Amortisation of goodwill	211,557	187,464
Exceptional item	(8,662)	-
Decrease in stocks	(31,952)	(56,039)
Decrease in debtors	75,548	112,586
Decrease in creditors	(65,603)	(263,479)
Loss (profit) on disposal of tangible fixed assets	2,410	(23,285)
Net cash inflow from operating activities	<u>2,595,628</u>	<u>2,362,346</u>

16. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW**16.1 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	2002	2001
	£	£
Bank interest paid	(52,450)	(45,618)
Lease interest paid	(2,488)	(9,455)
Interest received	14,661	10,675
	<u>(40,277)</u>	<u>(44,398)</u>

16.2 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2002	2001
	£	£
Purchase of tangible fixed assets	(1,733,946)	(1,896,471)
Receipts from sale of tangible fixed assets	114,470	47,886
Purchase of intangible assets	(200,000)	(145,000)
Receipts from sale of intangible assets	-	23,911
	<u>(1,819,476)</u>	<u>(1,969,674)</u>

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2002

16.3 FINANCING - EXTERNAL

	2002	2001
	£	£
Repayment of finance lease obligations	(26,000)	(155,440)
Issue of ordinary share capital	49,000	-
Bank loan received	500,000	-
Repayments of bank loans	(229,121)	(4,377)
	<u>293,879</u>	<u>(159,817)</u>

16.4 FINANCING - GROUP

	2002	2001
	£	£
Amounts advanced by group undertaking	(58,559)	177,172
Amounts advanced to group undertaking	-	(296,427)
	<u>(58,559)</u>	<u>(119,255)</u>

17. ANALYSIS OF CHANGES IN NET FUNDS

	2001	Cash flows	2002
	£	£	£
Cash at bank and in hand	445,809	367,874	813,683
Bank overdraft	(197,944)	197,944	-
Cash	<u>247,865</u>	<u>565,818</u>	<u>813,683</u>
Finance leases	(38,434)	26,000	(12,434)
Bank loans	(563,885)	(270,879)	(834,764)
TOTAL	<u>(354,454)</u>	<u>320,939</u>	<u>(33,515)</u>

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2002

18. 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 cost charged to the profit and loss account of the company was £161,833 (2001 - £169,455).

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 £72,413 (2001 - £69,634).

19. COMMITMENTS

19.1 FINANCE LEASES

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

	2002 £	2001 £
Within one year	<u>12,434</u>	<u>38,434</u>

19.2 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	45,042	-	45,042
-within five years	278,430	25,186	303,616
-after five years	232,711	-	232,711
	<u>556,183</u>	<u>25,186</u>	<u>581,369</u>

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2002

20. PURCHASE OF BUSINESS

	2001
	£
Net assets acquired:	
Leasehold improvements	1
Plant and equipment	373,000
Stock	25,000
Motor vehicle	2,000
Goodwill	200,000
	600,001
Satisfied by:	
Cash	600,001

During the year the company purchased two reprographics outlets of a competitor, Stanford Marsh Limited. The company acquired leasehold properties, fixed assets, stock and goodwill.

21. 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 €647,566 and £3,200,000.

22. 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.

HOBS REPROGRAPHICS PLC (FORMERLY HOBS REPROGRAPHICS LIMITED)**SUPPLEMENTARY INFORMATION:****DETAILED COST OF SALES AND OVERHEADS SCHEDULES for the year ended 30 April 2002****(not covered by the report of the auditors)**

	2002	2001
	£	£
COST OF SALES		
Opening stocks	443,179	387,140
Purchases and related carriage	4,233,768	3,951,866
	<u>4,676,947</u>	<u>4,339,006</u>
Closing stocks	(475,131)	(443,179)
	<u>4,201,816</u>	<u>3,895,827</u>
 ADMINISTRATIVE EXPENSES		
Wages and salaries	5,366,729	4,927,802
Directors remuneration	383,992	290,507
Directors' pension costs	38,634	28,942
Staff training	14,173	46,517
Rent, rates and service charges	702,129	519,197
Insurance	68,492	59,205
Light and heat	73,197	70,794
Office cleaning	57,773	57,896
Repairs and maintenance	125,515	111,585
Printing, postage and stationery	112,224	130,834
Advertising and sales promotion	48,716	61,109
Recruitment	81,051	123,127
Telephone and fax	189,001	184,656
Data processing	76,357	52,977
Motor and travel expenses	709,995	765,732
Legal and professional fees	122,165	93,629
Auditors' remuneration	28,399	25,485
Bank charges	36,018	32,565
Bad debts	46,235	86,922
General expenses	96,632	96,766
Subscriptions and donations	5,862	7,789
Amortisation of goodwill	211,557	187,464
Loss (profit) on disposal of tangible assets	2,410	(23,285)
Depreciation	1,402,904	1,442,117
	<u>10,000,160</u>	<u>9,380,332</u>