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HOBS REPROGRAPHICS PLC

YEAR ENDED 30 APRIL 2003



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HOBS REPROGRAPHICS PLC

**REPORTS AND ACCOUNTS FOR THE YEAR ENDED
30 APRIL 2003**

CONTENTS	Page
Directors and other information	2
Report of the directors	3
Report of the auditors	5
Statement of accounting policies	7
Profit and loss account	9
Balance sheet	10
Reconciliation of movement in shareholders' funds	11
Cash flow statement	12
Notes to the financial statements	13
Supplementary information	22

HOBS REPROGRAPHICS PLC

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 Liverpool L1 4BS Bank of Ireland International Banking Colvill House Talbot Street Dublin 1
SOLICITORS:	Wilson Cowie & Dillon 10 James Street Liverpool L2 7PL

HOBS REPROGRAPHICS PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2003

The directors submit their report together with the audited financial statements for the year ended 30 April 2003.

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.

The directors are satisfied with the company's performance during the year. Plans for the year ended 30 April 2004 are for further expansion of the company and the continued improvement of the company's trading performance and profitability.

RESULTS, DIVIDENDS AND RETENTIONS

	2003 £	2002 £
The results and appropriations are summarised as follows:-		
Profit for the year, after taxation	356,945	515,406
Balance at beginning of year	2,774,722	2,259,316
Balance at end of year	<u>3,131,667</u>	<u>2,774,722</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

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2003

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 dates:

	2003	2002
Ordinary shares of €1.269738 each :		
Joseph Dominick Hackett	250	250
Kieran John O'Brien	343	343
Joseph Benedict Hackett	257	257
	<u> </u>	<u> </u>
"B" Ordinary shares of €1.269738 each:		
Joseph Benedict Hackett	1	1
	<u> </u>	<u> </u>
"C" Ordinary shares of €1.269738 each:		
Joseph Dominick Hackett	1	1
	<u> </u>	<u> </u>
"D" Ordinary shares of €1.269738 each:		
Kieran John O'Brien	1	1
	<u> </u>	<u> </u>

On 17 October 2002 Joseph Benedict Hackett resigned as company secretary and Anna Bourne was appointed as company secretary. Anna Bourne resigned as company secretary on 18 October 2002 on which date Joseph Benedict Hackett was reappointed. On 14 March 2003 Joseph Benedict Hackett resigned as company secretary and Anna Bourne was reappointed as company secretary. Anna Bourne resigned as company secretary on 21 March 2003 on which date Joseph Benedict Hackett was reappointed.

In accordance with the Articles of Association, Kieran John O'Brien retires by rotation and, being eligible, offers himself for re-election.

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

26-11-2003

BY ORDER OF THE BOARD

SECRETARY

HOBS REPROGRAPHICS PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOBS REPROGRAPHICS PLC

We have audited the financial statements of Hobs Reprographics plc on pages 7 to 21 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.

The 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 auditors' report and for 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, or for the opinions we have formed.

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

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
HOBS REPROGRAPHICS PLC**

**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.
- Current service costs
- Past service costs
- Expected return on pension scheme liabilities
- Interest on pension liabilities
- Difference between the expected and actual return on scheme assets (and as % of the schemes liabilities)
- Changes in assumption underlying the present value of liabilities
- The amounts that would be recognisable in the statement of total recognised gains and losses
- Experience gains and losses on scheme liabilities (and as % of the schemes liabilities)
- Overall actuarial loss

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.

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2003 and of its profit 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: 26 November 2003

HOBS REPROGRAPHICS PLC

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 equipment	-	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%
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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.

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**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
30 APRIL 2003**

	Notes	2003 £	2002 £
TURNOVER		15,035,864	15,211,402
COST OF SALES		(3,677,148)	(4,201,816)
GROSS PROFIT		<u>11,358,716</u>	<u>11,009,586</u>
ADMINISTRATIVE EXPENSES		(10,414,390)	(10,000,160)
OPERATING PROFIT	1	944,326	1,009,426
EXCEPTIONAL ITEM	3	-	(74,767)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		<u>944,326</u>	<u>934,659</u>
BANK INTEREST RECEIVABLE		10,618	14,661
INTEREST PAYABLE AND SIMILAR CHARGES	4	(23,604)	(54,938)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>931,340</u>	<u>894,382</u>
TAXATION	5	(574,395)	(378,976)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>356,945</u>	<u>515,406</u>
RETAINED PROFIT AT BEGINNING OF YEAR		<u>2,774,722</u>	<u>2,259,316</u>
RETAINED PROFIT AT END OF YEAR		<u><u>3,131,667</u></u>	<u><u>2,774,722</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 2003 and 30 April 2002 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 11.

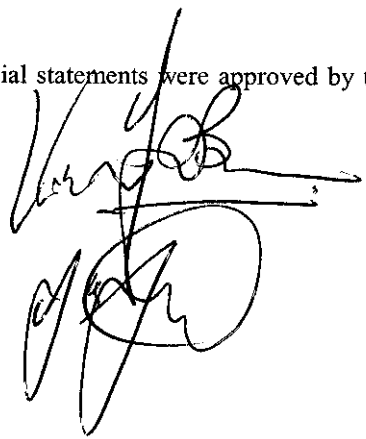
HOBS REPROGRAPHICS PLC

BALANCE SHEET AS AT 30 APRIL 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Intangible assets	6	120,000	259,527
Tangible assets	7	3,160,240	3,348,187
		<u>3,280,240</u>	<u>3,607,714</u>
CURRENT ASSETS			
Stocks	8	479,974	475,131
Debtors	9	3,712,737	3,706,828
Cash at bank and in hand		863,911	813,683
		<u>5,056,622</u>	<u>4,995,642</u>
CREDITORS (Amounts falling due within one year)	10	<u>(5,155,195)</u>	<u>(5,159,624)</u>
NET CURRENT LIABILITIES		<u>(98,573)</u>	<u>(163,982)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,181,667	3,443,732
CREDITORS (Amounts falling due after more than one year)	11	-	(619,010)
TOTAL NET ASSETS		<u>3,181,667</u>	<u>2,824,722</u>
CAPITAL AND RESERVES			
Called up share capital	13	50,000	50,000
Profit and loss account		3,131,667	2,774,722
SHAREHOLDERS' FUNDS		<u>3,181,667</u>	<u>2,824,722</u>

The financial statements were approved by the board of directors on 26.11.2003 and signed on its behalf by:

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X



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Directors
)

HOBS REPROGRAPHICS PLC**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 30 APRIL 2003**

	2003 £	2002 £
TOTAL RECOGNISED GAINS FOR THE YEAR	356,945	515,406
ISSUE OF ORDINARY SHARES	-	49,000
OPENING SHAREHOLDERS' FUNDS	2,824,722	2,260,316
CLOSING SHAREHOLDERS' FUNDS	<u>3,181,667</u>	<u>2,824,722</u>

HOBS REPROGRAPHICS PLC**CASH FLOW STATEMENT FOR THE YEAR ENDED
30 APRIL 2003**

	Note	2003 £	2002 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	14	3,094,090	2,595,628
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	15	(12,986)	(40,277)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	15	(1,308,625)	(1,819,476)
TAXATION PAID		(915,798)	(405,377)
		<u>856,681</u>	<u>330,498</u>
FINANCING - EXTERNAL	15	(847,198)	293,879
FINANCING - GROUP	15	40,745	(58,559)
		<u>50,228</u>	<u>565,818</u>
INCREASE IN CASH IN THE YEAR			

RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS/(DEBT)

INCREASE IN CASH IN THE YEAR		50,228	565,818
CASH OUTFLOW ON BANK LOANS	16	12,434	229,121
CASH OUTFLOW ON LEASE PAYMENTS	16	834,764	32,215
		<u>897,426</u>	<u>827,154</u>
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS			
NEW BANK LOANS		-	(500,000)
NEW FINANCE LEASES		-	(6,215)
		<u>897,426</u>	<u>320,939</u>
MOVEMENT IN FUNDS			
NET DEBT AT BEGINNING OF YEAR	16	(33,515)	(354,454)
		<u>863,911</u>	<u>(33,515)</u>
NET FUNDS (DEBT) AT END OF YEAR	16		

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2003

1. OPERATING PROFIT

Operating profit is stated after charging:

	2003	2002
	£	£
Directors emoluments:		
- For management	375,272	383,992
- Pension costs	32,152	38,634
Amortisation of goodwill	139,527	211,557
Depreciation of tangible assets	1,475,941	1,402,904
Loss on disposal of tangible fixed assets	20,631	2,410
Auditors' remuneration	37,512	28,399

The directors remuneration disclosed above includes £297,639 in respect of the highest paid director.

2. STAFF AND STAFF COSTS

The average number of persons (including executive directors) employed during the financial period was 255 (2002 : 267).

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

	2003	2002
	£	£
Wages and salaries	5,110,494	5,079,372
Social welfare costs	428,611	418,035
Pension costs	462,069	234,246
Redundancy costs	64,794	57,702
	<u>6,065,968</u>	<u>5,789,355</u>

Wages and salaries includes £109,785 (2002: £95,118) which has been recharged from a fellow group undertaking, J.D. Hackett and Company Limited, in respect of the Finance Director.

3. EXCEPTIONAL ITEM

	2003	2002
	£	£
Closure of Milton Keynes branch	<u>-</u>	<u>(74,767)</u>

During the year ended 30 April 2002, 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2003

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £	2002 £
Bank interest	23,449	52,450
On finance leases	155	2,488
	<u>23,604</u>	<u>54,938</u>

5. TAXATION

Corporation tax	<u>574,395</u>	<u>378,976</u>
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Factors affecting corporation tax for period - reconciliation of current taxation charge:

	€	€
Taxation at standard rate of 30% (2002: 30%)	279,402	268,315

Factors affecting charge:

Capital allowances in excess of depreciation	169,348	(23,036)
Expenses not deductible for tax purposes	90,179	25,709
Adjustments to tax charge in respect of previous periods	(6,392)	34,976
Amortisation of goodwill	41,858	73,012
Corporation tax charge for period	<u>574,395</u>	<u>378,976</u>

HOBBS REPROGRAPHICS PLC

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 APRIL 2003**

**6. INTANGIBLE ASSET
GOODWILL**

	£
COST	
At 1 May 2002	840,286
Additions	-
At 30 April 2003	<u>840,286</u>
 AMORTISATION	
At 1 May 2002	580,759
Charge for the year	<u>139,527</u>
At 30 April 2003	<u>720,286</u>
 NET BOOK VALUE	
At 30 April 2003	<u>120,000</u>
At 30 April 2002	<u>259,527</u>

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2003

7. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
COST						
At 1 May 2002	309,304	825,742	4,432,570	568,332	738,324	6,874,272
Additions	-	37,081	1,136,239	24,821	148,638	1,346,779
Disposals/write off of assets	-	(122,379)	(822,598)	(84,350)	(114,530)	(1,143,857)
At 30 April 2003	309,304	740,444	4,746,211	508,803	772,432	7,077,194
DEPRECIATION						
At 1 May 2002	24,744	473,026	2,394,391	349,807	284,117	3,526,085
Charge for the year	12,372	140,242	1,079,294	113,752	130,281	1,475,941
Disposals/write off of assets	-	(122,223)	(812,708)	(83,773)	(66,368)	(1,085,072)
At 30 April 2003	37,116	491,045	2,660,977	379,786	348,030	3,916,954
NET BOOK VALUE						
At 30 April 2003	272,188	249,399	2,085,234	129,017	424,402	3,160,240
At 30 April 2002	284,560	352,716	2,038,179	218,525	454,207	3,348,187

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 £Nil (2002 : £5,179) in respect of assets held under finance leases. The depreciation charge for the year in respect of these assets amounted to £5,179 (2002 : £5,179).

8. STOCKS

	2003 £	2002 £
Goods and consumables	479,974	475,131

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

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2003

9. DEBTORS

	2003	2002
	£	£
Amounts falling due within one year:		
Trade debtors	2,932,700	2,993,223
Amounts owed by group undertakings	404,949	332,450
Corporation tax refundable	979	-
Other debtors	34,911	26,734
Prepayments	339,198	354,421
	<u>3,712,737</u>	<u>3,706,828</u>

10. CREDITORS (amounts falling due within one year)

	2003	2002
	£	£
Bank loans	-	215,754
Obligations under finance leases	-	12,434
Trade creditors (see note below)	851,084	748,654
Amounts owed to group undertakings	3,105,931	2,969,521
Corporation tax	-	340,424
Value added tax	315,661	250,017
Payroll taxes	160,195	149,260
Accrued expenses	722,324	473,560
	<u>5,155,195</u>	<u>5,159,624</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)

	2003	2002
	£	£
Bank loans	<u>-</u>	<u>619,010</u>

12. DEFERRED TAXATION

No provision has been made in these accounts for a deferred tax asset of £25,630 (2002: £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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 APRIL 2003

13. CALLED UP SHARE CAPITAL

	2003	2002
	£	£
Ordinary shares of £1 each:		
Authorised	100,000	100,000
Allotted, called up and fully paid	50,000	50,000

14. CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM
OPERATING ACTIVITIES

	2003	2002
	£	£
Operating profit	944,326	1,009,426
Depreciation	1,475,941	1,402,904
Amortisation of goodwill	139,527	211,557
Foreign exchange loss on inter company loans	23,166	-
Exceptional item	-	(8,662)
(Increase) in stocks	(4,843)	(31,952)
Decrease in debtors	66,590	75,548
Increase (decrease) in creditors	428,752	(65,603)
Loss on disposal of tangible fixed assets	20,631	2,410
Net cash inflow from operating activities	3,094,090	2,595,628

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

15.1 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2003	2002
	£	£
Interest paid	(23,449)	(52,450)
Lease interest paid	(155)	(2,488)
Interest received	10,618	14,661
	(12,986)	(40,277)

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2003

15.2 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2003	2002
	£	£
Purchase of tangible fixed assets	(1,346,779)	(1,733,946)
Receipts from sale of tangible fixed assets	38,154	114,470
Payments to acquire intangible assets	-	(200,000)
	<u>(1,308,625)</u>	<u>(1,819,476)</u>

15.3 FINANCING - EXTERNAL

	2003	2002
	£	£
Repayment of finance lease obligation	(12,434)	(26,000)
Issue of ordinary share capital	-	49,000
Bank loans received	-	500,000
Bank loans repaid	(834,764)	(229,121)
	<u>(847,198)</u>	<u>293,879</u>

15.4 FINANCING - GROUP

	2003	2002
	£	£
Amounts advanced by/(to) group undertakings	<u>40,745</u>	<u>(58,559)</u>

16. ANALYSIS OF CHANGES IN NET FUNDS

	2002	Cash flows	2003
	£	£	£
Cash at bank and in hand	813,683	50,228	863,911
	<u>813,683</u>	<u>50,228</u>	<u>863,911</u>
Bank loans	(834,764)	834,764	-
Finance leases	(12,434)	12,434	-
TOTAL	<u>(33,515)</u>	<u>897,426</u>	<u>863,911</u>

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2003

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.

On the basis of the most recent actuarial valuation which was carried out at 6 April 2002, which is not available for public inspection, the value of the scheme's assets at that date was Stg£1,424,361. The level of funding was 85% after allowing for expected future pay increases. The principal actuarial assumption adopted in the valuation of the pension scheme was that the annual rate of investment returns would not exceed general salary increases by more than 1.5%. A once-off provision of Stg£250,000 is included in creditors, this being the excess of the accumulated pension cost over the amount funded. From November 2003, the company will be increasing pension contributions by 1%. The pension cost charged to the profit and loss account of the company was £386,925 (30/04/02 - £161,833).

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 £75,144 (2002 - £72,413).

18. COMMITMENTS 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	68,301	-	68,301
-within five years	153,930	29,073	183,003
-after five years	229,471	-	229,471
	<u>451,702</u>	<u>29,073</u>	<u>480,775</u>

19. CONTINGENT LIABILITIES

- (a) The company is contingently liable to HSBC Bank under an unlimited multilateral guarantee in respect of liabilities of fellow group undertakings.
- (b) The company is party to guarantees and debentures provided to Bank of Ireland in respect of the liabilities of fellow group undertakings to the extent of €758,033 and Stg£3,830,000.
- (c) The company is party to guarantees and debentures provided to Ulster Bank in respect of the liabilities of fellow group undertakings to the extent of Stg£400,000.

20. 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

SUPPLEMENTARY INFORMATION: DETAILED COST OF SALES AND OVERHEADS SCHEDULES FOR THE YEAR ENDED 30 APRIL 2003 (not covered by the report of the auditors)

	2003	2002
	£	£
COST OF SALES		
Opening stocks	475,131	443,179
Purchases and related carriage	3,681,991	4,233,768
	<u>4,157,122</u>	<u>4,676,947</u>
Closing stocks	(479,974)	(475,131)
	<u>3,677,148</u>	<u>4,201,816</u>
 ADMINISTRATIVE EXPENSES		
Wages and salaries	5,658,544	5,366,729
Directors remuneration	375,272	383,992
Directors' pension costs	32,152	38,634
Staff training	16,905	14,173
Rent, rates and service charges	900,326	702,129
Insurance	72,753	68,492
Light and heat	57,398	73,197
Office cleaning	51,055	57,773
Repairs and maintenance	156,896	125,515
Printing, postage and stationery	57,209	112,224
Advertising and sales promotion	73,192	48,716
Recruitment	49,768	81,051
Telephone and fax	187,122	189,001
Data processing	51,609	76,357
Motor and travel expenses	784,168	709,995
Legal and professional fees	58,079	122,165
Auditors' remuneration	37,512	28,399
Bank charges	32,492	36,018
Bad debts	23,032	46,235
Loss on foreign exchange	23,166	-
General expenses	70,846	96,632
Subscriptions and donations	8,795	5,862
Amortisation of goodwill	139,527	211,557
Loss on disposal of tangible assets	20,631	2,410
Depreciation	1,475,941	1,402,904
	<u>10,414,390</u>	<u>10,000,160</u>