

HOBS REPROGRAPHICS PLC

YEAR ENDED 30 APRIL 2005

COMPANY NO. 00511368



HOBBS REPROGRAPHICS PLC

**REPORTS AND ACCOUNTS FOR THE YEAR ENDED
30 APRIL 2005**

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HOBS REPROGRAPHICS PLC

DIRECTORS AND OTHER INFORMATION

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

**SECRETARIES AND
REGISTERED OFFICE:** Joseph Benedict Hackett
Anna Bourne

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
L69 2BZ

SOLICITORS: Wilson Cowie & Dillon
10 Duke Street
Liverpool
L1 5AS

HOBBS REPROGRAPHICS PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2005

The directors submit their report together with the audited financial statements for the year ended 30 April 2005.

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 2006 are for further expansion of the company and the continued improvement of the company's trading performance and profitability.

RESULTS, DIVIDENDS AND RETENTIONS

	2005 £	2004 £
The results and appropriations are summarised as follows:-		
Profit for the year, after taxation	1,552,779	1,476,021
Balance at beginning of year	4,607,688	3,131,667
Dividends	6,160,467 (2,520,000)	4,607,688 -
Balance at end of year	<u>3,640,467</u>	<u>4,607,688</u>

The directors have paid an interim dividend amounting to £2,520,000 and they do not recommend payment of a final 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. Details of the subsidiary undertaking are set out in note 7 to the financial statements.

HOBBS REPROGRAPHICS PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2005

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 beneficial interest in the share capital of the company but had the following shareholdings in the group at the balance sheet dates:

	2005	2004
Ordinary shares of £1 each :		
Joseph Dominic Hackett	-	-
Kieran John O'Brien	4,034	16
Joseph Benedict Hackett	3,025	9
Anna Bourne (Secretary)	-	-

On 9 September 2004 Anna Bourne was appointed company secretary.

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.

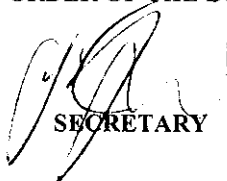
TANGIBLE FIXED ASSETS

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

DATED THIS

16 APRIL 2005

BY ORDER OF THE BOARD


SECRETARY

HOBBS REPROGRAPHICS PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOBBS REPROGRAPHICS PLC

We have audited the financial statements of Hobs Reprographics plc on pages 7 to 22 which comprise the accounting policies, the profit and loss account, the balance sheet 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 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, 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 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**

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2005 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: 10 November 2005

HOBBS 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%	straight line

STOCKS

Stocks are stated at the lower of cost and net realisable value. 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.

HOBBS REPROGRAPHICS PLC

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 applicable 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.

HOBBS REPROGRAPHICS PLC

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
30 APRIL 2005**

	Notes	2005 £	2004 £
TURNOVER		17,647,729	16,866,016
COST OF SALES		(4,098,277)	(3,815,308)
GROSS PROFIT		13,549,452	13,050,708
ADMINISTRATIVE EXPENSES		(11,567,540)	(10,760,516)
OPERATING PROFIT	1	1,981,912	2,290,192
BANK INTEREST RECEIVABLE		142,272	48,072
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,124,184	2,338,264
TAXATION	3	(571,405)	(862,243)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,552,779	1,476,021
RETAINED PROFIT AT BEGINNING OF YEAR		4,607,688	3,131,667
		6,160,467	4,607,688
DIVIDENDS	4	(2,520,000)	-
RETAINED PROFIT AT END OF YEAR		3,640,467	4,607,688

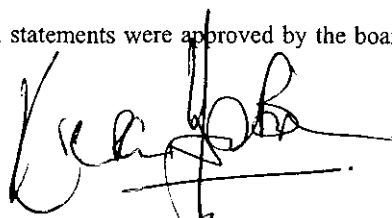
All of the turnover and profit arises from continuing activities. The company has no recognised gains or losses for the years ended 30 April 2005 and 30 April 2004 other than the profit for the year which has been calculated on an historical cost basis. This represents the only movement on shareholders' funds.

HOBS REPROGRAPHICS PLC

BALANCE SHEET AS AT 30 APRIL 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Intangible assets	5	40,000	80,000
Tangible assets	6	2,699,616	2,801,687
Financial assets	7	80	-
		<u>2,739,696</u>	<u>2,881,687</u>
CURRENT ASSETS			
Stocks	8	487,289	509,662
Debtors	9	4,308,397	3,698,103
Cash at bank and in hand		1,003,632	3,200,274
		<u>5,799,318</u>	<u>7,408,039</u>
CREDITORS (Amounts falling due within one year)	10	<u>(4,848,547)</u>	<u>(5,632,038)</u>
NET CURRENT ASSETS		<u>950,771</u>	<u>1,776,001</u>
TOTAL NET ASSETS		<u><u>3,690,467</u></u>	<u><u>4,657,688</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	50,000	50,000
Profit and loss account		3,640,467	4,607,688
SHAREHOLDERS' FUNDS		<u><u>3,690,467</u></u>	<u><u>4,657,688</u></u>

The financial statements were approved by the board of directors on 10-11-2005 and signed on its behalf by:




)
Directors
)

HOBBS REPROGRAPHICS PLC

**CASH FLOW STATEMENT FOR THE YEAR ENDED
30 APRIL 2005**

	Note	2005 £	2004 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	13	3,047,002	3,548,943
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	14	(2,377,728)	48,072
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	14	(1,347,803)	(1,218,933)
TAXATION PAID		(547,105)	(317,366)
		<u>(1,225,634)</u>	<u>2,060,716</u>
FINANCING - EXTERNAL	14	280,983	-
FINANCING - GROUP	14	(1,271,275)	275,647
(DECREASE)/INCREASE IN CASH IN THE YEAR	15	<u>(2,215,926)</u>	<u>2,336,363</u>

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

(DECREASE)/INCREASE IN CASH IN THE YEAR	15	(2,215,926)	2,336,363
CHANGE IN NET FUNDS RESULTING FROM CASH FLOWS		<u>(2,215,926)</u>	<u>2,336,363</u>
NET FUNDS AT BEGINNING OF YEAR	15	3,200,274	863,911
NET FUNDS AT END OF YEAR	15	<u>984,348</u>	<u>3,200,274</u>

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005

1. OPERATING PROFIT

Operating profit is stated after charging:

	2005 £	2004 £
Directors' emoluments:		
- For management	753,417	599,097
- Pension costs	40,369	33,574
Amortisation of goodwill	40,000	40,000
Depreciation of tangible assets	1,454,188	1,571,230
(Profit)/Loss on disposal of tangible fixed assets	(5,009)	6,256
Auditors' remuneration	35,380	11,035

The directors remuneration disclosed above includes £380,593 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 243 (2004 : 248).

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

	2005 £	2004 £
Wages and salaries	6,423,346	5,786,401
Social welfare costs	600,967	538,668
Pension costs	224,652	213,955
Redundancy costs	42,946	15,370
	<u>7,291,911</u>	<u>6,554,394</u>

Wages and salaries includes £174,351 (2004: £103,934) which has been recharged from a fellow group undertaking, J.D. Hackett and Company Limited, in respect of the Finance Director.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005

3. TAXATION

	2005 £	2004 £
Analysis of tax charge in the period :		
<i>Current tax:</i>		
UK Corporation tax	662,650	862,243
Tax overprovided in prior year	(91,245)	-
<i>Total current tax</i>	<u>571,405</u>	<u>862,243</u>
<i>Deferred tax:</i>	-	-
Total tax on profit on ordinary activities for the year	<u>571,405</u>	<u>862,243</u>

Factors affecting corporation tax for the year - reconciliation of current taxation charge:

	£	£
Profit on ordinary activities before tax	<u>2,124,184</u>	<u>2,338,264</u>
Taxation at standard rate of 30% (2004: 30%)	637,255	701,479
Factors affecting charge:		
Depreciation and amortisation charged in excess of capital allowances	7,430	136,113
Expenses not deductible for tax purposes	24,746	24,651
Group relief claimed for nil payment	(6,781)	-
Prior year overprovision of corporation tax	(91,245)	-
Current tax charge for the year	<u>571,405</u>	<u>862,243</u>

Factors affecting future tax charges:

There is an unrecognised deferred tax asset of £336,134 relating to depreciation claimed in advance of capital allowances. This has not been recognised as it is not expected that this asset will reverse in the foreseeable future.

4. DIVIDENDS

	2005 £	2004 £
Ordinary shares of £1 each : - interim dividend	<u>2,520,000</u>	<u>-</u>

On 6 April 2005 the company paid an interim dividend of £50.40 per ordinary share.

HOBBS REPROGRAPHICS PLC

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 APRIL 2005**

**5. INTANGIBLE ASSET
GOODWILL**

	£
COST	
At 1 May 2004	840,286
Additions	-
At 30 April 2005	<u>840,286</u>
 AMORTISATION	
At 1 May 2004	760,286
Charge for the year	40,000
At 30 April 2005	<u>800,286</u>
 NET BOOK VALUE	
At 30 April 2005	<u>40,000</u>
At 30 April 2004	<u><u>80,000</u></u>

HOBBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005

6. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
COST						
At 1 May 2004	309,304	861,624	5,381,901	529,336	843,585	7,925,750
Additions	-	122,129	915,915	37,531	325,895	1,401,470
Disposals/write off of assets	-	(193,122)	(253,110)	(241,868)	(238,583)	(926,683)
At 30 April 2005	309,304	790,631	6,044,706	324,999	930,897	8,400,537
DEPRECIATION						
At 1 May 2004	49,488	584,583	3,664,510	373,390	452,092	5,124,063
Charge for the year	12,372	125,573	1,056,497	58,228	201,518	1,454,188
Disposals/write off of assets	-	(193,122)	(249,979)	(241,868)	(192,361)	(877,330)
At 30 April 2005	61,860	517,034	4,471,028	189,750	461,249	5,700,921
NET BOOK VALUE						
At 30 April 2005	247,444	273,597	1,573,678	135,249	469,648	2,699,616
At 30 April 2004	259,816	277,041	1,717,391	155,946	391,493	2,801,687

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.

HOBS REPROGRAPHICS PLC**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 APRIL 2005****7. FINANCIAL ASSETS**

	2005	2004
	£	£
Balance at beginning of year	-	-
Additions	80	-
Balance at end of year	<u>80</u>	<u>-</u>

The directors are of the opinion that the market value of the investment is not less than the amount stated above.

Name of Company:	Hobs Legal Docs Limited
Nature of business:	Reprographic Services
Registered Office:	St. Andrews Building, Slater St, Liverpool L1 4BS
Country of Incorporation:	United Kingdom
Description of holding:	Ordinary shares of £1 each
Proportion of Holding:	80%
Loss for the period ended 30 April 2005:	(£38,455)
Shareholders' funds at 30 April 2005:	(£38,355)

8. STOCKS

	2005	2004
	£	£
Goods and consumables	<u>487,289</u>	<u>509,662</u>

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

9. DEBTORS

	2005	2004
	£	£
Amounts falling due within one year:		
Trade debtors	3,409,676	3,096,030
Amounts owed by group undertakings (note 18)	410,082	233,236
Other debtors	28,847	16,833
Prepayments	459,792	352,004
	<u>4,308,397</u>	<u>3,698,103</u>

HOBS REPROGRAPHICS PLC**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 APRIL 2005****10. CREDITORS (amounts falling due within one year)**

	2005	2004
	£	£
Bank overdraft	19,284	-
Trade creditors (see note below)	744,175	847,663
Amounts owed to group undertakings (note 18)	2,109,522	3,203,951
Amounts owed to connected undertakings (note 18)	280,983	-
Corporation tax	568,198	543,898
Value added tax	337,037	340,656
Payroll taxes	197,687	168,937
Accrued expenses	591,661	526,933
	<u>4,848,547</u>	<u>5,632,038</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.

The company is contingently liable to HSBC Bank under an unlimited multilateral guarantee in respect of liabilities of fellow group undertakings.

11. DEFERRED TAXATION

No provision has been made in the accounts for a deferred tax asset of £404,063 (2004: £338,496) 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.

12. CALLED UP SHARE CAPITAL

	2005	2004
	£	£
Ordinary shares of £1 each:		
Authorised (100,000 shares)	100,000	100,000
	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid (50,000 shares)		

HOBS REPROGRAPHICS PLC**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 APRIL 2005****13. CASH FLOW STATEMENT****RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM
OPERATING ACTIVITIES**

	2005	2004
	£	£
Operating profit	1,981,912	2,290,192
Depreciation	1,454,188	1,571,230
Amortisation of goodwill	40,000	40,000
Foreign exchange loss (profit) on inter company loans	616	(5,914)
Decrease/(increase) in stocks	22,373	(29,688)
Increase in debtors	(433,448)	(156,989)
Decrease in creditors	(13,630)	(166,144)
(Profit)/Loss on disposal of tangible fixed assets	(5,009)	6,256
Net cash inflow from operating activities	<u>3,047,002</u>	<u>3,548,943</u>

**14. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW
STATEMENT****14.1 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	2005	2004
	£	£
Dividends paid	(2,520,000)	-
Interest received	142,272	48,072
	<u>(2,377,728)</u>	<u>48,072</u>

14.2 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2005	2004
	£	£
Purchase of tangible fixed assets	(1,401,470)	(1,277,930)
Receipts from sale of tangible fixed assets	53,747	58,997
Payments to acquire financial assets	(80)	-
	<u>(1,347,803)</u>	<u>1,218,933</u>

14.3 FINANCING - EXTERNAL

	2005	2004
	£	£
Loans advanced by connected undertakings	<u>280,983</u>	<u>-</u>

HOBBS REPROGRAPHICS PLC

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 APRIL 2005**

14.3 FINANCING - GROUP

	2005	2004
	£	£
Amounts advanced by group undertakings	<u>1,271,275</u>	<u>(275,647)</u>

15. ANALYSIS OF CHANGES IN NET FUNDS

	2004	Cash flows	2005
	£	£	£
Cash at bank and in hand	3,200,274	(2,196,642)	1,003,632
Bank overdrafts	-	(19,284)	(19,284)
TOTAL	<u>3,200,274</u>	<u>(2,215,926)</u>	<u>984,348</u>

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005

16. PENSIONS COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered scheme. The pension cost represents contributions payable to the funds and amounted to £80,106 (2004 : £73,921).

The company also operates a defined benefit pension scheme for employees. Scheme assets are held in separate trustee administered funds.

A. SSAP 24 DISCLOSURES

The contributions to the defined benefit scheme are charged to the profit and loss account of the undertaking so as to spread the cost of pensions incurred over employees' working lives. The assets of the scheme are held in separate trustee administered funds. Contributions are determined by qualified actuaries on the basis of periodic valuations using the attained age method. The most recent actuarial valuation of the scheme was carried out at 6 April 2002 and is not available for public inspection. The actuarial report showed that at that date the market value of the scheme's assets was £1,424,361 which, on an actuarial basis, was sufficient to cover approximately 77% of the accrued liabilities allowing for expected future increases in earnings. A once-off contribution of Stg£250,000 was provided in the year ended 30 April 2003 to fund the excess of the accumulated pension cost over the amount funded. From November 2003 the company increased pension contributions by 1%. These contributions will be charged over the average remaining service lives of employees as a fixed percentage of expected future pay.

The costs charged to the profit and loss account in 2005 were £144,546 (2004: £140,034). Actuarial reports are available to members only.

B. FRS 17 DISCLOSURES

The most recent full valuation was carried out at 6 April 2002 as noted above. This valuation has been updated by an independent qualified actuary as at 30 April 2005 in order to fulfil the requirements of FRS 17. The valuation has been completed using the projected unit basis.

The major assumptions used by the actuary were:

	2005 % per annum
Discount rate	5.20%
Inflation rate	2.90%
Pensionable salary increases	3.90%
Increase to statutory pensions in deferment	2.90%

The assets in the scheme and the expected rate of return were:

	Long term rate of return expected 2005	Value 2005 Stg£'000
Policy of insurance	6.50%	2,117
Total market value of all assets		2,117
Present value of scheme liabilities		(3,229)
Deficit in the scheme		(1,112)

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005

16 PENSION COSTS (continued)

The full amount that would be chargeable/creditable under the full implementation of FRS 17 are detailed below:

	2005 Stg£'000	2004 Stg£'000
Chargeable against operating profit		
Current service cost	(120)	(100)
Past service cost	-	-
Gains on settlements and curtailments	-	-
Total operating charge	(120)	(100)
Creditable to other finance income		
Expected return on pension scheme assets	124	92
Interest on pension scheme liabilities	(152)	(121)
Net return	(28)	(29)
Recognisable in the statement of total recognised gains and losses (STRGL)		
Actual return less expected return on pension scheme assets	1	90
Experience gains and losses arising on scheme liabilities	23	(81)
Changes in assumptions underlying the present value of liabilities	(318)	(72)
Actuarial loss recognisable in STRGL	(294)	(63)
Movement in deficit during the year		
Deficit in scheme at the beginning of the year	(814)	(1,017)
Movement in year:		
Current service cost	(120)	(100)
Contributions	144	395
Other finance income	(28)	(29)
Actuarial loss	(294)	(63)
Deficit in scheme at end of year	(1,112)	(814)
History of experience gains and losses	2005	2004
Difference between the expected and the actual return on scheme assets:		
Amount (Stg£'000)	1	90
Percentage of scheme assets	0%	4.9%
Experience gains and losses on scheme liabilities:		
Amount (Stg£'000)	23	(81)
Percentage of present value of scheme liabilities	1%	3.1%
Total amount recognisable in STRGL:		
Amount (Stg£'000)	(294)	(63)
Percentage of present value of scheme liabilities	9%	2.4%

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2005

17. 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	186,930	-	186,930
-within five years	68,801	28,368	97,169
-after five years	338,624	-	338,624
	<u>594,355</u>	<u>28,368</u>	<u>622,723</u>

18. RELATED PARTY TRANSACTIONS

18.1 TRANSACTIONS WITH CONNECTED UNDERTAKINGS

	Opening balance £	Advances £	Foreign exchange translation £	Repayments £	Closing balance £
Hackett Dyeline Limited	(208,084)	-	(616)	-	(208,700)
J.D. Hackett and Company Limited	(961,832)	(174,351)	-	1,063,900	(72,283)
Total	<u>(1,169,916)</u>	<u>(174,351)</u>	<u>(616)</u>	<u>1,063,900</u>	<u>(280,983)</u>

On 1 May 2004 the above companies left the group as a result of a group restructuring process and are now considered connected undertakings as the companies have common directors.

18.2 TRANSACTIONS WITH GROUP UNDERTAKINGS

As the company is ultimately controlled by Vesontio Limited at the balance sheet date, 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 2005
(not covered by the report of the auditors)**

	2005 £	2004 £
COST OF SALES		
Opening stocks	509,662	479,974
Purchases and related carriage	4,075,904	3,844,996
	<u>4,585,566</u>	<u>4,324,970</u>
Closing stocks	(487,289)	(509,662)
	<u>4,098,277</u>	<u>3,815,308</u>
 ADMINISTRATIVE EXPENSES		
Wages and salaries	6,498,125	5,921,723
Directors remuneration	753,417	599,097
Directors' pension costs	40,369	33,574
Staff training	7,607	12,758
Rent, rates and service charges	937,215	761,447
Insurance	97,096	103,662
Light and heat	74,762	34,189
Office cleaning	63,935	60,613
Repairs and maintenance	194,357	90,946
Printing, postage and stationery	98,854	124,326
Advertising and sales promotion	114,766	70,657
Recruitment	104,601	65,605
Telephone and fax	165,975	168,017
Data processing	-	47,320
Motor and travel expenses	657,562	709,549
Legal and professional fees	51,746	113,275
Auditors' remuneration	35,380	11,035
Bank charges	34,740	36,025
Bad debts	40,876	53,945
Loss (profit) on foreign exchange	616	(5,914)
General expenses	88,447	112,682
Subscriptions and donations	17,915	18,499
Amortisation of goodwill	40,000	40,000
(Profit) loss on disposal of tangible assets	(5,009)	6,256
Depreciation	1,454,188	1,571,230
	<u>11,567,540</u>	<u>10,760,516</u>