

HOBS REPROGRAPHICS PLC

YEAR ENDED 30 APRIL 2006

Company Number : 00511368



A47 *AHSKDKRR* 192
COMPANIES HOUSE 23/11/2006

HOBS REPROGRAPHICS PLC

**REPORTS AND ACCOUNTS FOR THE YEAR ENDED
30 APRIL 2006**

CONTENTS	Page
Directors and other information	2
Report of the directors	3
Report of the auditors	6
Statement of accounting policies	8
<i>Profit and loss account</i>	10
Balance sheet	11
Statement of total recognised gains and losses	12
Reconciliation of movement in shareholders' funds	12
Cash flow statement	13
Notes to the financial statements	14

HOBBS 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
Merseyside
L1 5AS

HOBBS REPROGRAPHICS PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2006

The directors submit their report together with the audited financial statements for the year ended 30 April 2006.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 2007 are for further expansion of the company and the continued improvement of the company's trading performance and profitability.

RESULTS, DIVIDENDS AND RETENTIONS

	2006 £	2005 £ As restated
The results and appropriations are summarised as follows:-		
Profit for the year, after taxation	1,728,198	1,548,779
Balance at beginning of year	2,528,467	3,793,688
	4,256,665	5,342,467
Dividends	-	(2,520,000)
Actuarial loss	(46,000)	(294,000)
Balance at end of year	4,210,665	2,528,467

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.

HOBBS REPROGRAPHICS PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2006

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 8 to the financial statements.

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:

	2006	2005
Ordinary shares of £1 each :		
Joseph Dominic Hackett	-	-
Kieran John O'Brien	4,034	4,034
Joseph Benedict Hackett	3,025	3,025
Anna Bourne (Secretary)	-	-

On 6 January 2006 Anna Bourne resigned as company secretary and John Roberts was appointed as company secretary. On 9 January 2006 John Roberts resigned as company secretary and Anna Bourne was appointed as company secretary.

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

PRINCIPAL RISKS AND UNCERTAINTIES

The directors are responsible for the company's system of internal controls and for reviewing its effectiveness. The internal control system is designed to manage, rather than eliminate the risk of failure to achieve the company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The directors are not aware of any specific risks or uncertainties, which would have an impact on the company with the exception of pension scheme obligations, which may require the company to make additional contributions to the scheme.

EMPLOYEES

The company is committed to improving its employees' skills through training and development and encourages employees to work to their full potential. The company is also committed to involving employees in business developments.

The company is committed to fulfilling its obligations in accordance with the Disability Discrimination Act 1995 and best practice, giving equal consideration to applicants with disabilities in its employment criteria. The company is also committed to providing full support and appropriate training for employees who become disabled during the course of their employment so that they can continue to work in a position appropriate to their experience and abilities.

HOBBS REPROGRAPHICS PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2006

INFORMATION GIVEN TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985.

AUDITORS

Horwath Bastow Charleton is eligible and has expressed a willingness to continue in office.

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

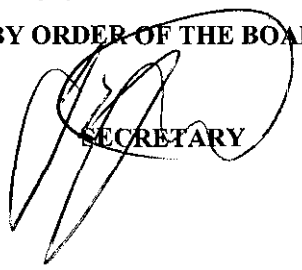
TANGIBLE FIXED ASSETS

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

DATED THIS

16-11-2006

BY ORDER OF THE BOARD


SECRETARY

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

We have audited the financial statements of Hobs Reprographics plc on pages 8 to 26 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.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act, 1985. Our audit has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 the 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 AUDIT OPINION

We conducted our audit in accordance with *International Standards on Auditing (UK and Ireland)* 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.

HOBBS REPROGRAPHICS PLC

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

OPINION

In our opinion, the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 30 April 2006 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Acts 1985.

In our opinion, the information given in the directors' report on pages 3 to 5 is consistent with the financial statements.


Chartered Accountants and Registered Auditors

Marine House
Clanwilliam Court
Dublin 2
Ireland

Date: 16 November 2006.

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%
----------	---	-----

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 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.

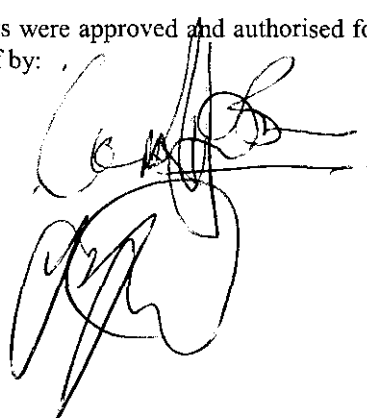
HOBS REPROGRAPHICS PLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2006

	Notes	2006 Stg £	2005 Stg £ As restated
TURNOVER		19,319,747	17,647,729
COST OF SALES		(4,472,840)	(4,098,277)
GROSS PROFIT		<u>14,846,907</u>	<u>13,549,452</u>
ADMINISTRATIVE EXPENSES		(12,858,419)	(11,571,540)
OPERATING PROFIT	2	1,988,488	1,977,912
BANK INTEREST RECEIVABLE		42,646	142,272
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>2,031,134</u>	<u>2,120,184</u>
TAXATION	4	(302,936)	(571,405)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR	20	<u>1,728,198</u>	<u>1,548,779</u>

All of the turnover and results arise from continuing operations. The company has no recognised gains or losses other than the profit for the year which has been calculated on an historical cost basis. This represents the only movement on shareholders funds.

The financial statements were approved and authorised for issue by the board of directors on 16-11-2006 and signed on its behalf by:

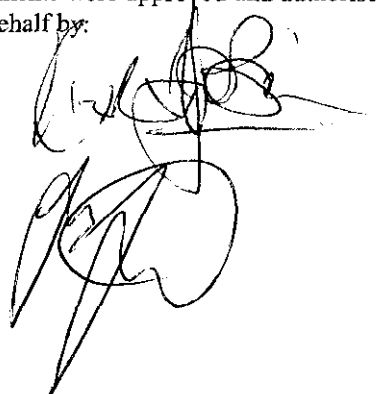
)
Director)

HOBS REPROGRAPHICS PLC

BALANCE SHEET AS AT 30 APRIL 2006

	Note	2006 Stg £	2005 Stg £ As restated
FIXED ASSETS			
Intangible assets	6	-	40,000
Tangible assets	7	3,393,445	2,699,616
Financial assets	8	85	80
		<u>3,393,530</u>	<u>2,739,696</u>
CURRENT ASSETS			
Stocks	9	493,055	487,289
Debtors	10	5,718,536	4,308,397
Cash at bank and in hand		1,204,920	1,003,632
		<u>7,416,511</u>	<u>5,799,318</u>
CREDITORS (Amounts falling due within one year)	11	<u>(5,383,376)</u>	<u>(4,848,547)</u>
NET CURRENT ASSETS		<u>2,033,135</u>	<u>950,771</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,426,665</u>	<u>3,690,467</u>
RETIREMENT BENEFIT SCHEME DEFICIT	17	<u>(1,166,000)</u>	<u>(1,112,000)</u>
TOTAL NET ASSETS		<u><u>4,260,665</u></u>	<u><u>2,578,467</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	50,000	50,000
Profit and loss account	20	4,210,665	2,528,467
SHAREHOLDERS' FUNDS		<u><u>4,260,665</u></u>	<u><u>2,578,467</u></u>

The financial statements were approved and authorised for issue by the board of directors on 16.11.2007 and signed on its behalf by:


)
 Director
)

HOBBS REPROGRAPHICS PLC**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 30 APRIL 2006**

	2006 Stg £	2005 Stg £ As restated
Profit on ordinary activities for the year	1,728,198	1,548,779
Actuarial loss on defined benefit pension scheme (Note 17)	(46,000)	(294,000)
Prior year adjustment (Note 1)	(1,112,000)	-
TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR	<u>570,198</u>	<u>1,254,779</u>

**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR
ENDED 30 APRIL 2006**

	2006 Stg £	2005 Stg £ As restated
Profit for the financial year	1,728,198	1,548,779
Dividends paid (Note 5)	-	(2,520,000)
Actuarial loss for the year (Note 17)	(46,000)	(294,000)
OPENING SHAREHOLDERS' FUNDS AS RESTATED	<u>2,578,467</u>	<u>3,843,688</u>
CLOSING SHAREHOLDERS' FUNDS	<u>4,260,665</u>	<u>2,578,467</u>

HOBS REPROGRAPHICS PLC**CASH FLOW STATEMENT FOR THE YEAR ENDED
30 APRIL 2006**

	Note	2006 Stg £	2005 Stg £
NET CASH INFLOW FROM OPERATING ACTIVITIES	14	3,492,649	3,047,002
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	15	42,646	(2,377,728)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	15	(2,133,091)	(1,347,803)
TAXATION PAID		(1,394,855)	(547,105)
		7,349	(1,225,634)
FINANCING - EXTERNAL	15	5,340	280,983
FINANCING - GROUP	15	207,883	(1,271,275)
INCREASE / (DECREASE) IN CASH IN THE YEAR	16	220,572	(2,215,926)

RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

INCREASE / (DECREASE) IN CASH IN THE YEAR	16	220,572	(2,215,926)
NET FUNDS AT BEGINNING OF YEAR	16	984,348	3,200,274
NET FUNDS AT END OF YEAR	16	1,204,920	984,348

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 APRIL 2006**

1. PRIOR YEAR ADJUSTMENT

In accordance with Financial Reporting Standard 17 Retirement Benefits, it is necessary to alter the company's accounting policy with regard to recognition of the defined benefit pension scheme deficit. In order to comply with FRS 17 the current annual service cost based on the most recent actuarial valuation has been charged to the profit and loss account. The net cost has been charged to the profit and loss account, with wages and salaries adjusted accordingly. The opening deficit on the scheme at 1 May 2004 of Stg£814,000 has been adjusted against opening reserves in the year ended 30 April 2005. The cumulative deficit being the difference between the assets and liabilities of the scheme has been shown as a deficit on the balance sheet. The actuarial loss has been recognised in the statement of total recognised gains and losses. The comparatives have been restated to comply with the change in this accounting policy in accordance with FRS 3, Reporting Financial Performance.

The effect of the above prior year adjustment is as follows:

	2005 £	2005 £	2005 £
	As previously stated	Prior year adjustment	Restated
Profit for the year after tax	1,552,779	(4,000)	1,548,779
Profit at the beginning of the year	4,607,688	(814,000)	3,793,688
Dividends	(2,520,000)	-	(2,520,000)
Actuarial loss recognised in the year	-	(294,000)	(294,000)
Retained profit at end of year	<u>3,640,467</u>	<u>(1,112,000)</u>	<u>2,528,467</u>

2. OPERATING PROFIT

Operating profit is stated after charging(crediting):

	2006 Stg £	2005 Stg £
Directors' emoluments:		
- For management	877,033	753,417
- Pension costs	30,408	40,369
Amortisation of goodwill	40,000	40,000
Depreciation of tangible assets	1,456,917	1,454,188
Profit on disposal of tangible fixed assets	(17,160)	(5,009)
Auditors' remuneration	<u>29,780</u>	<u>35,380</u>

The directors emoluments disclosed above includes £563,975 for management and £30,408 for pension costs in respect of the highest paid director.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2006

3. STAFF AND STAFF COSTS

The average number of persons (including executive directors) employed during the financial period was 263 (2005 : 243).

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

	2006 Stg £	2005 Stg £ As restated
Wages and salaries	7,323,994	6,423,346
Social welfare costs	680,170	600,967
Pension costs	190,904	200,652
Redundancy costs	70,176	42,946
	<u>8,265,244</u>	<u>7,267,911</u>

Wages and salaries includes £122,234 (2005: £174,351) which has been recharged from a fellow group undertaking, J.D. Hackett and Company Limited, in respect of the Finance Director, Joseph Benedict Hackett.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 APRIL 2006

4. TAXATION

	2006 Stg £	2005 Stg £
Analysis of tax charge in the period :		
<i>Current tax:</i>		
UK Corporation tax	702,149	662,650
Tax overprovided in prior year	(4,145)	(91,245)
<i>Total current tax</i>	<u>698,004</u>	<u>571,405</u>
Deferred tax (Note 12)	(395,068)	-
Total tax on profit on ordinary activities for the year	<u><u>302,936</u></u>	<u><u>571,405</u></u>

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

	£	£
Profit on ordinary activities before tax	<u>2,031,134</u>	<u>2,120,184</u>
Taxation at standard rate of 30% (2005: 30%)	609,340	636,055
Factors affecting charge:		
Depreciation and amortisation charged in excess of capital allowances	41,408	7,430
Expenses not deductible for tax purposes	56,699	25,946
Group relief claimed for nil payment	-	(6,781)
Profit on disposals of fixed assets	(5,298)	-
Prior year overprovision of corporation tax	(4,145)	(91,245)
Current tax charge for the year	<u><u>698,004</u></u>	<u><u>571,405</u></u>

5. DIVIDENDS

	2006 Stg £	2005 Stg £
Ordinary shares of £1 each : - interim dividend	<u>-</u>	<u>2,520,000</u>

The directors do not recommend the declaration of a dividend for the year ended 30 April 2006.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 APRIL 2006**

**6. INTANGIBLE ASSET
GOODWILL**

	Stg £
COST	
At 1 May 2005	840,286
Additions	-
At 30 April 2006	<u>840,286</u>
 AMORTISATION	
At 1 May 2005	800,286
Charge for the year	40,000
At 30 April 2006	<u>840,286</u>
 NET BOOK VALUE	
At 30 April 2006	-
	<u><u> </u></u>
At 30 April 2005	<u><u>40,000</u></u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 APRIL 2006**

7. TANGIBLE FIXED ASSETS

	Freehold property Stg £	Leasehold improvements Stg £	Plant and equipment Stg £	Fixtures and fittings Stg £	Motor vehicles Stg £	Total Stg £
COST						
At 1 May 2005	309,304	790,631	6,044,706	324,999	930,897	8,400,537
Additions	-	321,729	1,585,562	34,079	233,809	2,175,179
Disposals/write off of assets	-	(317,680)	(159,798)	(87,615)	(153,125)	(718,218)
At 30 April 2006	309,304	794,680	7,470,470	271,463	1,011,581	9,857,498
DEPRECIATION						
At 1 May 2005	61,860	517,034	4,471,028	189,750	461,249	5,700,921
Charge for the year	12,372	107,806	1,070,190	54,623	211,926	1,456,917
Disposals/write off of assets	-	(317,680)	(150,515)	(87,615)	(137,975)	(693,785)
At 30 April 2006	74,232	307,160	5,390,703	156,758	535,200	6,464,053
NET BOOK VALUE						
At 30 April 2006	235,072	487,520	2,079,767	114,705	476,381	3,393,445
At 30 April 2005	247,444	273,597	1,573,678	135,249	469,648	2,699,616

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 2006

8. FINANCIAL ASSETS

	2006	2005
	Stg £	Stg £
Balance at beginning of year	80	-
Additions	5	80
Balance at end of year	<u>85</u>	<u>80</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:	85%
Profit for the period ended 30 April 2006:	£42,138
Shareholders' funds at 30 April 2006:	£3,783

9. STOCKS

	2006	2005
	Stg £	Stg £
Goods and consumables	<u>493,055</u>	<u>487,289</u>

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

10. DEBTORS

	2006	2005
	Stg £	Stg £
Amounts falling due within one year:		
Trade debtors	4,136,422	3,409,676
Amounts owed by group undertakings (note 19)	535,448	410,082
Deferred tax asset (Note 12)	395,068	-
Corporation tax refundable	128,653	-
Other debtors	31,580	28,847
Prepayments	491,365	459,792
	<u>5,718,536</u>	<u>4,308,397</u>

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2006

11. CREDITORS (amounts falling due within one year)

	2006 Stg £	2005 Stg £
Bank overdraft	-	19,284
Trade creditors (see note below)	1,066,521	744,175
Amounts owed to group undertakings (note 19)	2,442,771	2,109,522
Amounts owed to connected undertakings (note 19)	286,323	280,983
Corporation tax	-	568,198
Value added tax	308,083	337,037
Payroll taxes	235,351	197,687
Accrued expenses	1,044,327	591,661
	<u>5,383,376</u>	<u>4,848,547</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.

12. DEFERRED TAXATION ASSET

	2006 £	2005 £
At 1 May 2005	-	-
Transferred from profit and loss account (Note 4)	395,068	-
At 30 April 2006	<u>395,068</u>	<u>-</u>

The deferred tax asset arose due to timing differences between depreciation charged to the accounts and the capital allowances claimed.

13. CALLED UP SHARE CAPITAL

	2006 Stg £	2005 Stg £
Ordinary shares of £1 each:		
Authorised (100,000 shares)	100,000	100,000
Allotted, called up and fully paid (50,000 shares)	<u>50,000</u>	<u>50,000</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 APRIL 2006**

14. CASH FLOW STATEMENT

**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM
OPERATING ACTIVITIES**

	2006 Stg £	2005 Stg £ As restated
Operating profit	1,988,488	1,977,912
Depreciation	1,456,917	1,454,188
Amortisation of goodwill	40,000	40,000
Foreign exchange loss on inter company loans	5,289	616
(Increase)/decrease in stocks	(5,766)	22,373
Increase in debtors	(761,052)	(433,448)
Increase/(decrease) in creditors	778,433	(13,630)
Profit on disposal of tangible fixed assets	(17,660)	(5,009)
Increase in pension deficit (exclusive of actuarial loss)	8,000	4,000
Net cash inflow from operating activities	<u>3,492,649</u>	<u>3,047,002</u>

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

15.1 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2006 Stg £	2005 Stg £
Dividends paid	-	(2,520,000)
Interest received	42,646	142,272
	<u>42,646</u>	<u>(2,377,728)</u>

15.2 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2006 Stg £	2005 Stg £
Purchase of tangible fixed assets	(2,175,179)	(1,401,470)
Receipts from sale of tangible fixed assets	42,093	53,747
Payments to acquire financial assets	(5)	(80)
	<u>(2,133,091)</u>	<u>(1,347,803)</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 APRIL 2006**

15.3 FINANCING - EXTERNAL

	2006	2005
	Stg £	Stg £
Loans advanced by connected undertakings	<u>5,340</u>	<u>280,983</u>

15.3 FINANCING - GROUP

	2006	2005
	Stg £	Stg £
Amounts advanced by group undertakings	<u>207,883</u>	<u>(1,271,275)</u>

16. ANALYSIS OF CHANGES IN NET FUNDS

	2005	Cash flows	2006
	Stg £	Stg £	Stg £
Cash at bank and in hand	1,003,632	201,288	1,204,920
Bank overdrafts	(19,284)	19,284	-
TOTAL	<u>984,348</u>	<u>220,572</u>	<u>1,204,920</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 APRIL 2006**

17. 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 £65,960 (2005 : £80,106).

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

The costs charged to the profit and loss account in 2006 were £124,944 (2005, as restated: £120,546). Actuarial reports are available to members only.

FRS 17 DISCLOSURES

The most recent full valuation was carried out at 6 April 2002. This valuation has been updated by an independent qualified actuary as at 30 April 2006 in order to fulfill the requirements of FRS 17. The valuation has been completed using the projected unit basis.

The major assumptions used by the actuary were:

	2006 % per annum
Discount rate	5.1%
Inflation rate	3.0%
Pensionable salary increases	4.0%
Increase to statutory pensions in deferment	3.0%

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

	Long term rate of return expected 2006	Value 2006 Stg£'000
Policy of insurance	5.75%	2,867
Total market value of all assets		2,867
Present value of scheme liabilities		(4,033)
Deficit in the scheme		(1,166)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 APRIL 2006**

17 PENSION COSTS (continued)

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

	2006 Stg£'000	2005 Stg£'000
Chargeable against operating profit		
Current service cost	(136)	(120)
Past service cost	-	-
Gains on settlements and curtailments	-	-
Total operating charge	<u>(136)</u>	<u>(120)</u>
Creditable to other finance income		
Expected return on pension scheme assets	142	124
Interest on pension scheme liabilities	<u>(171)</u>	<u>(152)</u>
Net return	<u>(29)</u>	<u>(28)</u>
Recognisable in the statement of total recognised gains and losses (STRGL)		
Actual return less expected return on pension scheme assets	459	1
Experience gains and losses arising on scheme liabilities	(56)	23
Changes in assumptions underlying the present value of liabilities	<u>(449)</u>	<u>(318)</u>
Actuarial loss recognisable in STRGL	<u>(46)</u>	<u>(294)</u>
Movement in deficit during the year		
Deficit in scheme at the beginning of the year	(1,112)	(814)
Movement in year:		
Current service cost	(136)	(120)
Contributions	157	144
Other finance income	(29)	(28)
Actuarial loss	<u>(46)</u>	<u>(294)</u>
Deficit in scheme at end of year	<u>(1,166)</u>	<u>(1,112)</u>
History of experience gains and losses	2006	2005
Difference between the expected and the actual return on scheme assets:		
Amount (Stg£'000)	459	1
Percentage of scheme assets	16%	0%
Experience gains and losses on scheme liabilities:		
Amount (Stg£'000)	(56)	23
Percentage of present value of scheme liabilities	1%	1%
Total amount recognisable in STRGL:		
Amount (Stg£'000)	(449)	(294)
Percentage of present value of scheme liabilities	11%	9%

HOBBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2006

18. COMMITMENTS OPERATING LEASES

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

	Leasehold property Stg £
Payable on leases which expire	
-within two years	122,416
-within five years	158,060
-after five years	399,254
	<u>679,730</u>

19. RELATED PARTY TRANSACTIONS

19.1 TRANSACTIONS WITH CONNECTED UNDERTAKINGS

	Opening balance £	Foreign exchange translation £	Closing balance £
Hackett Dyeline Limited	(208,700)	(5,144)	(213,844)
J.D. Hackett and Company Limited	(72,283)	(196)	(72,479)
Total	<u>(280,983)</u>	<u>(5,340)</u>	<u>(286,323)</u>

The above companies are considered to be connected undertakings as the companies have common directors.

19.2 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.

20. PROFIT AND LOSS ACCOUNT

	2006 Stg £	2005 Stg £ As restated
Balance at beginning of year	2,528,467	3,793,688
Profit for the financial year	1,728,198	1,548,779
Dividend paid	-	(2,520,000)
Actuarial loss	(46,000)	(294,000)
Balance at end of year	<u>4,210,665</u>	<u>2,528,467</u>

21. CONTINGENT LIABILITIES

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