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Hobs Reprographics plc

FINANCIAL STATEMENTS

for the year ended

30 April 2009



Hobs Reprographics plc

FINANCIAL STATEMENTS

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Hobs Reprographics plc

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J D Hackett
K J O'Brien
J B Hackett
D Gordon
S Lacey
C Horwood
C Stephens

SECRETARY

J Roberts
J B Hackett

REGISTERED OFFICE

St Andrews Building
Slater Street
Liverpool
L1 4BS

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
No. 1 Old Hall Street
Liverpool
L3 9SX

BANKERS

HSBC Bank plc
4 Dale Street
Liverpool
L69 2BZ

SOLICITORS

Wilson, Cowie and Dillon
10 Duke Street
Liverpool
L1 5AS

Hobs Reprographics plc

DIRECTORS' REPORT

The directors submit their report and financial statements of Hobs Reprographics plc for the year ended 30 April 2009.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the retailing of drawing office supplies and services.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £324,606. The directors have not recommended a dividend.

REVIEW OF THE BUSINESS

The directors are satisfied with the performance of the company during the year.

FUTURE DEVELOPMENTS

Plans for the year ended 30 April 2010 are for the continued improvement of the company's trading performance and profitability.

RISKS & 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

KEY PERFORMANCE INDICATORS

The directors review the key performance indicators of the company on an ongoing basis and are satisfied with the actual performance of the company against target.

DIRECTORS

The directors who served the company during the year were as follows:

J D Hackett
K J O'Brien
J B Hackett
D Gordon
S Lacey
C Horwood
C Stephens

(Appointed 5 January 2009)

Hobs Reprographics plc

DIRECTORS' REPORT

DISABLED EMPLOYEES

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.

EMPLOYEE INVOLVEMENT

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 development opportunities.

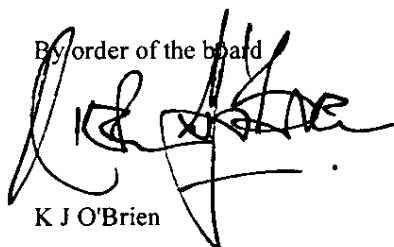
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP, Chartered Accountants, were appointed as auditor during the year and have expressed their willingness to continue in office.

By order of the board



K J O'Brien

Director

15 January 2010

Hobs Reprographics plc

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF HOBS REPROGRAPHICS PLC

We have audited the financial statements on pages 6 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion 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 2009 and its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

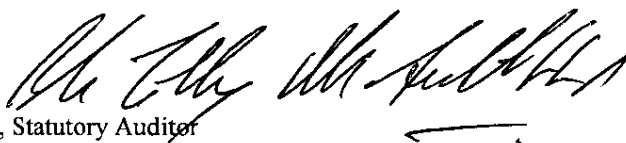
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

E ROBERT AITKEN (Senior Statutory Auditor)



For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants
No. 1 Old Hall Street
Liverpool
L3 9SX

15 January 2010

Hobs Reprographics plc
PROFIT AND LOSS ACCOUNT
for the year ended 30 April 2009

		2009	2008 (restated)
	Notes	£	£
TURNOVER	2	20,267,215	22,235,131
Cost of sales		(4,903,751)	(5,372,087)
Gross profit		15,363,464	16,863,044
Administrative expenses		(14,715,540)	(14,615,160)
Other operating income	3	78,165	—
OPERATING PROFIT	4	726,089	2,247,884
Other provisions	9	—	127,563
		726,089	2,375,447
Interest receivable		161,479	100,194
Amounts written off investments	7	(173,968)	—
		713,600	2,475,641
Interest payable and similar charges	8	(20,000)	(15,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		693,600	2,460,641
Taxation	10	(368,994)	(600,574)
PROFIT FOR THE FINANCIAL YEAR	25	<u>324,606</u>	<u>1,860,067</u>

The profit for the year arises from the company's continuing operations.

Hobs Reprographics plc

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 30 April 2009

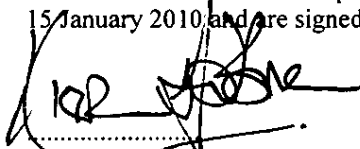
	2009	2008
	£	(restated) £
Profit for the financial year	324,606	1,860,067
Actuarial gain/(loss) in respect of defined benefit pension scheme	(112,000)	(777,000)
Total recognised gains and losses relating to the year	<u>212,606</u>	<u>1,083,067</u>
Prior year adjustments (see note 11)	(11,216)	—
Total recognised gains and losses since the last financial statements	<u>201,390</u>	<u>1,083,067</u>

Hobs Reprographics plc**BALANCE SHEET**

30 April 2009

	Notes	2009 £	2008 (restated) £
FIXED ASSETS			
Intangible assets	12	16,103	40,256
Tangible assets	13	2,879,242	3,018,681
Investments	14	1,110,721	1,284,689
		<u>4,006,066</u>	<u>4,343,626</u>
CURRENT ASSETS			
Stocks	15	463,770	527,769
Debtors	16	5,564,064	6,380,136
Cash at bank and in hand		4,271,435	2,776,297
		<u>10,299,269</u>	<u>9,684,202</u>
CREDITORS			
Amounts falling due within one year	18	(6,347,257)	(5,797,356)
NET CURRENT ASSETS		<u>3,952,012</u>	<u>3,886,846</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,958,078</u>	<u>8,230,472</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>7,958,078</u>	<u>8,230,472</u>
Defined benefit pension scheme liability	20	(155,000)	(640,000)
NET ASSETS INCLUDING PENSION LIABILITY		<u>7,803,078</u>	<u>7,590,472</u>
CAPITAL AND RESERVES			
Called up share capital	24	50,000	50,000
Profit and loss account	25	7,753,078	7,540,472
SHAREHOLDER'S FUNDS	26	<u>7,803,078</u>	<u>7,590,472</u>

The financial statements on pages 6 to 24 were approved by the board of directors and authorised for issue on 15 January 2010 and are signed on their behalf by:


K J O'Brien


C Stephens

Hobs Reprographics plc
CASH FLOW STATEMENT
for the year ended 30 April 2009

		2009	2008 (restated)
	Notes	£	£
Net cash flow from operating activities	27(i)	3,245,639	3,476,678
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		<u>161,479</u>	<u>100,194</u>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		161,479	100,194
TAXATION		(553,791)	(1,055,375)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(1,392,234)	(1,296,590)
Receipts from sale of fixed assets		<u>32,702</u>	<u>28,066</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(1,359,532)	(1,268,524)
ACQUISITIONS AND DISPOSALS			
Acquisition of shares in group undertakings		—	(434,920)
NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS		—	(434,920)
CASH INFLOW BEFORE FINANCING		<u>1,493,795</u>	<u>818,053</u>
FINANCING			
Capital element of hire purchase		<u>1,343</u>	—
NET CASH INFLOW FROM FINANCING		1,343	—
INCREASE IN CASH IN THE PERIOD		<u>1,495,138</u>	<u>818,053</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
		2009	2008 (restated)
		£	£
Increase in cash in the period		1,495,138	818,053
Cash outflow in respect of hire purchase		<u>(1,343)</u>	—
Change in net funds	27(ii)	<u>1,493,795</u>	<u>818,053</u>
Net funds at 1 May 2008	27(ii)	<u>2,776,297</u>	<u>1,958,244</u>
Net funds at 30 April 2009	27(ii)	<u>4,270,092</u>	<u>2,776,297</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2009

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

CONSOLIDATION

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, Hobs Reprographics Plc is not required to produce, and has not published, consolidated accounts.

TURNOVER

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

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.

AMORTISATION

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	- 33.33% straight line
----------	------------------------

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- 4% straight line
Leasehold property	- 20% straight line
Plant & equipment	- 20-50% straight line
Fixtures & 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 further costs to completion and all costs to be incurred in marketing, selling and distribution.

HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2009

1 ACCOUNTING POLICIES *(continued)*

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

PENSION COSTS

The company operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the company.

Current service costs, past service costs and gains and losses on settlements and curtailments are charged to the profit and loss account. Past service costs are recognised over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the profit and loss account during the period in which the settlement or curtailment occurs.

The interest cost and the expected return on assets are shown as a net amount in the profit and loss account as other finance costs or income. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Pension scheme assets are valued at fair value at the balance sheet date. Fair value is based on market price information and in the case of quoted securities is the published bid price. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. Pension scheme (either: "surpluses (to the extent that they can be recovered) OR "deficits") are recognised in full on the balance sheet, net of related deferred tax.

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

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2009

1 ACCOUNTING POLICIES *(continued)*

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2009	2008 <i>(restated)</i>
	£	£
United Kingdom	<u>20,267,215</u>	<u>22,235,131</u>

3 OTHER OPERATING INCOME

	2009	2008 <i>(restated)</i>
	£	£
Other operating income	<u>78,165</u>	<u>—</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2009

4 OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2009	2008 (restated)
	£	£
Amortisation of intangible assets	24,153	24,153
Depreciation of owned fixed assets	1,522,586	1,559,727
Depreciation of assets held under hire purchase agreements	2,988	—
Profit on disposal of fixed assets	(26,602)	(20,655)
Operating lease costs:		
- Other	1,030,681	1,053,274
Net (profit)/loss on foreign currency translation	(78,084)	59,572
Auditor's remuneration	18,000	35,580

	2009	2008 (restated)
	£	£
Auditor's remuneration - audit of the financial statements:		
-Baker Tilly UK Audit LLP	18,000	—
-Horwath Bastow Charleton	—	35,580
	<u>18,000</u>	<u>35,580</u>

5 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year was:

	2009	2008 (restated)
	No	No
Number of production staff	<u>298</u>	<u>301</u>

The aggregate payroll costs of the above were:

	2009	2008 (restated)
	£	£
Wages and salaries	8,676,818	8,472,669
Social security costs	735,621	700,289
Other pension costs	236,367	276,438
Directors' pensions costs	87,344	56,482
	<u>9,736,150</u>	<u>9,505,878</u>

Other pension costs are amounts charged to operating profit and do not include amounts charged to finance costs (see note 8) and amounts recognised in the statement of recognised gains and losses.

Wages and salaries includes £Nil (2008 - £121,718) which has been recharged from a fellow group undertaking, J.D. Hackett and Company Limited, in respect of the Director, J B Hackett.

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2009

6 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2009	2008 (restated)
	£	£
Remuneration receivable	1,852,955	1,501,448
Value of company pension contributions to money purchase schemes	87,344	56,482
	<u>1,940,299</u>	<u>1,557,930</u>

Remuneration of highest paid director:

	2009	2008 (restated)
	£	£
Total remuneration (excluding pension contributions)	940,032	1,042,556
Value of company pension contributions to money purchase schemes	34,524	32,785
	<u>974,556</u>	<u>1,075,341</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2009	2008 (restated)
	No	No
Money purchase schemes	<u>4</u>	<u>4</u>

7 AMOUNTS WRITTEN OFF INVESTMENTS

	2009	2008 (restated)
	£	£
Amount written off investments	<u>173,968</u>	<u>—</u>

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008 (restated)
	£	£
Net interest on Defined Benefit Pension Scheme	<u>20,000</u>	<u>15,000</u>

9 EXCEPTIONAL ITEM

The exceptional item "other provisions" relates to a loan forgiven by a connected company, Hackett Dyeline Limited.

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2009

10 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009 £	2008 (restated) £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 28% (2008 - 30%)	241,228	643,002
Over/under provision in prior year	34,879	64,652
Total current tax	276,107	707,654
Deferred tax:		
Origination and reversal of timing differences	92,887	(107,080)
Tax on profit on ordinary activities	368,994	600,574

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 - 30%), as explained below

	2009 £	2008 (restated) £
Profit on ordinary activities before taxation	693,600	2,460,641
Profit on ordinary activities by rate of tax	194,208	738,192
Effects of:		
Expenses not deductible for tax purposes	69,967	-
Difference between capital allowances for period and depreciation	120,628	77,160
Adjustments to tax charge in respect of previous periods	34,879	64,652
Other short-term timing differences	-	72,351
Income not taxable for tax purposes	(136,126)	(238,504)
Profit on disposal of fixed assets	(7,449)	(6,197)
Total current tax (note 10(a))	276,107	707,654

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2009

11 PRIOR YEAR ADJUSTMENTS

Deferred Tax Asset

Following a comprehensive review a fundamental error has been noted in relation to the prior year deferred tax asset, which was overstated as at 30 April 2008 by £474,622. The error arose as a result of the incorrect allocation of the net book value of qualifying assets.

Accruals

In addition to the above a fundamental error dating back to the year ended 30 April 2007 and prior years resulted in accruals being overstated at that date by £662,009. The effect on the corporation tax liability for that year has been an increase in the amount due of £198,603, which has been included in the Corporation Tax Creditor from 2007 and carried forward to the current year. The effect of the adjustment has been an increase in opening reserves at 1 May 2007 of £463,406, as a result of the increase in Profit after Tax in the 2007 year end financial statements. The error arose as a result of the methodology behind the calculation of the accrual being incorrect.

The comparative figures in the financial statements and notes have been restated to reflect these errors. As a result of the nature of the adjustment made to accruals, there was an increase in profit of £463,406, which is reflected as an increase in the 2008 opening reserves position, and a decrease in accruals of £662,009 in the 2007 year end.

The effect of this change is as follows:

	2009 £	2008 £
<i>Profit and loss account</i>		
Decrease in profit for the financial year	–	(474,622)
<i>Balance sheet</i>		
Decrease in Debtors	–	(474,622)
Decrease in Creditors		463,406
Total effect on opening reserves at 1 May 2008	–	(11,216)

12 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 May 2008 and 30 April 2009	<u>72,460</u>
Amortisation	
At 1 May 2008	32,204
Charge for the year	<u>24,153</u>
At 30 April 2009	<u>56,357</u>
Net book value	
At 30 April 2009	<u>16,103</u>
At 30 April 2008	<u>40,256</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2009

13 TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold improvements £	Plant & equipment £	Fixtures & fittings £	Motor vehicles £	Total £
Cost						
At 1 May 2008	309,304	1,080,502	6,391,925	322,112	1,091,022	9,194,865
Additions	—	236,086	953,585	43,596	158,967	1,392,234
Disposals	—	—	(38,086)	—	(142,439)	(180,525)
Write off of assets	—	(249,743)	(3,708,675)	(140,146)	(403,836)	(4,502,400)
At 30 Apr 2009	<u>309,304</u>	<u>1,066,845</u>	<u>3,598,749</u>	<u>225,562</u>	<u>703,714</u>	<u>5,904,174</u>
Depreciation						
At 1 May 2008	98,976	579,361	4,627,045	197,693	673,109	6,176,184
Charge for the year	12,372	195,488	1,032,212	51,541	233,961	1,525,574
On disposals	—	—	(36,721)	—	(137,704)	(174,425)
Write off of assets	—	(249,743)	(3,708,675)	(140,146)	(403,837)	(4,502,401)
At 30 Apr 2009	<u>111,348</u>	<u>525,106</u>	<u>1,913,861</u>	<u>109,088</u>	<u>365,529</u>	<u>3,024,932</u>
Net book value						
At 30 Apr 2009	<u>197,956</u>	<u>541,739</u>	<u>1,684,888</u>	<u>116,474</u>	<u>338,185</u>	<u>2,879,242</u>
At 30 Apr 2008	<u>210,328</u>	<u>501,141</u>	<u>1,764,880</u>	<u>124,419</u>	<u>417,913</u>	<u>3,018,681</u>

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 write off of assets above.

Hire purchase agreements

Included within the net book value of £2,879,242 is £5,536 (2008 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £2,988 (2008 - £Nil).

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2009

14 INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 May 2008 and 30 April 2009	<u>1,284,689</u>
Amounts written off	
Written off in year	<u>173,968</u>
At 30 April 2009	<u>173,968</u>
Net book value	
At 30 April 2009	<u>1,110,721</u>
At 30 April 2008	<u>1,284,689</u>

The company owns 85% of the issued share capital of Hobs Legal Docs Limited incorporated in England. The principal activity of Hobs Legal Docs Limited is reprographic services.

The aggregate capital and reserves of Hobs Legal Docs Limited at 30 April 2009 was £1,321,581 and its profit for the year was £85,554.

The company owns 100% of the issued share capital of Miller Reprographics Limited incorporated in Scotland. The principal activity of Miller Reprographics Limited is reprographic services.

The aggregate capital and reserves of Miller Reprographics Limited at 30 April 2009 was £560,729 and its profit for the year was £18,894.

The company owns 100% of the issued share capital of Copy Right Reprographics Limited incorporated in England. The principal activity of Miller Reprographics Limited is reprographic services.

The aggregate capital and reserves of Copy Right Reprographics Limited at 30 April 2009 was £13,784 and its loss for the year was £(18,791).

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

15 STOCKS

	2009	2008 (restated)
	£	£
Finished goods	<u>463,770</u>	<u>527,769</u>

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 2009

16 DEBTORS

	2009	2008 (restated)
	£	£
Trade debtors	3,906,285	5,061,246
Amounts owed by group undertakings	322,821	322,821
Corporation tax repayable	151,079	—
Other debtors	276,746	19,367
Prepayments and accrued income	421,407	398,089
Deferred taxation (note 17)	485,726	578,613
	<u>5,564,064</u>	<u>6,380,136</u>

17 DEFERRED TAXATION

The deferred taxation included in the balance sheet is as follows:

	2009	2008 (restated)
	£	£
Included in debtors (note 16)	<u>485,726</u>	<u>578,613</u>

The movement in the deferred taxation account during the year was:

	2009	2008 (restated)
	£	£
Balance brought forward	578,613	471,533
Profit and loss account movement arising during the year	(92,887)	107,080
Balance carried forward	<u>485,726</u>	<u>578,613</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2009	2008 (restated)
	£	£
Excess of depreciation over taxation allowances	<u>485,726</u>	<u>578,613</u>
	<u>485,726</u>	<u>578,613</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2009

18 CREDITORS: Amounts falling due within one year

	2009	2008 (restated)
	£	£
Trade creditors	541,918	787,877
Amounts owed to group undertakings	4,528,227	2,678,794
Amounts owed to undertakings in which the company has a participating interest	358,994	437,078
Corporation tax	–	126,605
Other taxation and social security	453,066	746,463
Obligations under hire purchase agreements	1,343	–
Accruals and deferred income	463,709	1,020,539
	<u>6,347,257</u>	<u>5,797,356</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.

There is a debenture dated 26 April 2005, in favour of HSBC Bank Plc secured by a fixed and floating charge over all assets of the company.

19 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2009	2008 (restated)
	£	£
Amounts payable within 1 year	1,343	–
	<u>1,343</u>	<u>–</u>

20 PENSIONS AND OTHER POST RETIREMENT BENEFITS

The company operates a defined benefit and defined contribution pension scheme for employees which the company insures. The assets of the schemes are held in separate trustee administered funds.

The defined benefit scheme is a final salary scheme. The contribution rate is determined by actuaries on the basis of periodic valuations using the projected unit method. The most recent actuarial valuation of the scheme was carried out at 6 April 2006.

The amounts recognised in the profit and loss account are as follows:

	2009	2008
	£	£
<i>Amounts charged to operating profit:</i>		
Current service cost	160,000	121,000
Total operating charge	<u>160,000</u>	<u>121,000</u>
<i>Amounts included in other finance cost:</i>		
Expected return on scheme assets	(264,000)	(199,000)
Interest on scheme liabilities	284,000	214,000
Other finance cost	<u>20,000</u>	<u>15,000</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2009

20 PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)*

	2009 £	2008 £
Total charge to the profit and loss account	180,000	136,000
Actual return on scheme assets	(1,191,000)	(157,000)

Other finance cost is included in the profit and loss account within interest payable and similar charges.

The amounts recognised in the statement of total recognised gains and losses are as follows:

	2009 £	2008 (restated) £
Actual return less expected return on pension scheme assets	(1,455,000)	(356,000)
Experience gains and losses arising on scheme liabilities including changes in assumptions underlying the present value of the scheme liabilities	1,343,000	(421,000)
Actuarial loss	(112,000)	(777,000)

The amounts recognised in the balance sheet are as follows:

	2009 £	2008 £
Present value of funded obligations	(3,696,000)	(4,597,000)
Fair value of scheme assets	3,541,000	3,957,000
Net pension liability	(155,000)	(640,000)

Changes in the present value of the defined benefit obligation scheme are as follows:

	2009 £	2008 £
Opening defined benefit obligation	4,597,000	3,810,000
Current service cost	160,000	121,000
Interest on scheme liabilities	284,000	214,000
Actuarial (gain)/loss	(1,343,000)	421,000
Contributions by scheme participants	28,000	31,000
Benefits paid	(30,000)	—
Closing defined benefit obligation	3,696,000	4,597,000

Changes in the fair value of scheme assets are as follows:

	2009 £	2008 £
Opening fair value of scheme assets	3,957,000	3,228,000
Expected return on scheme assets	264,000	199,000
Contributions by employer	777,000	855,000
Contributions by scheme participants	28,000	31,000
Actuarial loss	(1,455,000)	(356,000)
Benefits paid	(30,000)	—
Closing fair value of scheme assets	3,541,000	3,957,000

The company expects to contribute £289,000 to its defined benefit pension scheme in 2010.

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2009

20 PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)*

The fair value of the major categories of scheme assets as a percentage of total scheme assets and the expected rate of return at the balance sheet date are as follows:

	Expected return		Fair value of assets	
	2009	2008	2009	2008
	%	%	%	%
Other assets	6.00	6.00	100.00	100.00

The principal actuarial assumptions as at the balance sheet date were:

	2009	2008
	%	%
Discount rate	7.00	6.00
Expected return on scheme assets	6.00	6.00
Rate of increase in salaries	4.00	5.00
Rate of increase in pensions in payment	3.00	—
Rate of increase in deferred pensions	3.00	4.00
Inflation	3.00	4.00

Amounts for the current and previous four periods are as follows:

	2009	2008	2007	2006	2005
	£	£	£	£	£
Defined benefit obligation	(3,696,000)	(4,597,000)	(3,810,000)	(4,033,000)	(3,229,000)
Fair value of scheme assets	<u>3,541,000</u>	<u>3,957,000</u>	<u>3,228,000</u>	<u>2,867,000</u>	<u>2,117,000</u>
Surplus/(deficit) in the scheme	<u>(155,000)</u>	<u>(640,000)</u>	<u>(582,000)</u>	<u>(1,166,000)</u>	<u>(1,112,000)</u>

21 COMMITMENTS UNDER OPERATING LEASES

At 30 April 2009 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2009	2008
	£	(restated) £
Operating leases which expire:		
Within 2 to 5 years	283,850	296,251
After more than 5 years	<u>519,449</u>	<u>504,021</u>
	<u>803,299</u>	<u>800,272</u>

22 CONTINGENCIES

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

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2009

23 RELATED PARTY TRANSACTIONS

	Opening balance £	Advances £	Foreign exchange translation £	Closing balance £
Hackett Dyeline Limited	(115,853)	–	(16,466)	(132,319)
J. D. Hackett and Company Limited	(321,225)	–	94,550	(226,675)
Total	(437,078)	–	78,084	(358,994)

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

As the company was 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. There are no other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

24 SHARE CAPITAL

	2009 £	2008 (restated) £
Authorised: 100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
	2009 £	2008 (restated) £
Allotted, called up and fully paid: 50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

25 PROFIT AND LOSS ACCOUNT

	2009 £	2008 (restated) £
Balance brought forward as previously reported	7,551,688	6,457,405
Prior year adjustment (see note 11)	(11,216)	–
Balance brought forward restated	<u>7,540,472</u>	<u>6,457,405</u>
Profit for the financial year	324,606	1,860,067
Actuarial gain/(loss) in respect of defined benefit pension scheme	(112,000)	(777,000)
Closing profit and loss account	<u>7,753,078</u>	<u>7,540,472</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2009

26 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2009	2008 (restated)
	£	£
Profit for the financial year	324,606	1,860,067
Actuarial gain/(loss) in respect of defined benefit pension scheme	(112,000)	(777,000)
Net addition to shareholder's funds	212,606	1,083,067
Opening shareholder's funds	7,601,688	6,507,405
Prior year adjustment (see note 11)	(11,216)	—
Closing shareholder's funds	<u>7,803,078</u>	<u>7,590,472</u>

27 CASH FLOWS

(i) Reconciliation of operating profit to net cash inflow from operating activities

	2009	2008 (restated)
	£	£
Operating profit	726,089	2,247,884
Amortisation	24,153	24,153
Depreciation	1,525,574	1,559,727
Profit on disposal of fixed assets	(26,602)	(20,655)
Decrease/(increase) in stocks	63,999	(15,663)
Decrease/(increase) in debtors	874,264	(597,871)
Increase in creditors	713,751	953,531
(Gain)/loss on foreign currency retranslation on debt	(38,589)	59,572
Provision for service cost of defined benefit pension scheme	160,000	121,000
Defined benefit pension scheme contributions paid	(777,000)	(855,000)
Net cash inflow from operating activities	<u>3,245,639</u>	<u>3,476,678</u>

(ii) Analysis of net funds

	At 1 May 2008	Cash flows	At 30 Apr 2009
	£	£	£
Cash in hand and at bank	2,776,297	1,495,138	4,271,435
Hire purchase agreements	—	(1,343)	(1,343)
Total	<u>2,776,297</u>	<u>1,493,795</u>	<u>4,270,092</u>

28 ULTIMATE PARENT COMPANY

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

The directors considered Vesontio Limited, a company incorporated in the Republic of Ireland, to be the ultimate holding company at the balance sheet date.

The company is ultimately controlled by K J O'Brien and J B Hackett who own 57.1% and 42.9% respectively of the share capital of Vesontio Limited.