

Hobs Reprographics plc

FINANCIAL STATEMENTS

for the year ended

30 April 2010



Hobs Reprographics plc

FINANCIAL STATEMENTS

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Statement of directors' responsibilities	4
Independent auditor's report to the member	5
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8
Cash flow statement	9
Notes to the financial statements	10
The following pages do not form part of the financial statements	
Detailed profit and loss account	25
Notes to the detailed profit and loss account	26

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

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 2010

PRINCIPAL ACTIVITIES

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

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 2011 are for the continued improvement of the company's trading performance and profitability

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £151,025. The directors have not recommended a dividend

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.

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

DONATIONS

During the year the company made the following contributions:

	2010	2009
	£	£
Charitable donations	<u>4,630</u>	<u>1,015</u>

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

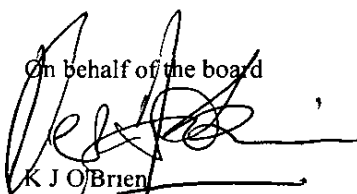
The company is committed to improving its employees' skills through training and development and encourages employees to work to their full potential. The company is also committed to involving employees in business development opportunities.

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 has 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 have expressed their willingness to continue in office.

On behalf of the board

K J O'Brien
Director

15 October 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 23. 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 Chapter 3 of Part 16 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 2010 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

15 October 2010

Hobs Reprographics plc
PROFIT AND LOSS ACCOUNT
for the year ended 30 April 2010

		2010	2009
	<i>Notes</i>	£	£
TURNOVER	2	18,407,477	20,267,215
Cost of sales		(4,656,212)	(4,903,751)
Gross profit		13,751,265	15,363,464
Administrative expenses		(13,321,524)	(14,715,540)
Other operating income	3	–	78,165
OPERATING PROFIT	4	429,741	726,089
Interest receivable		4,770	161,479
Amounts written off investments	7	–	(173,968)
		434,511	713,600
Interest payable and similar charges	8	(20,000)	(20,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		414,511	693,600
Taxation	9	(263,486)	(368,994)
PROFIT FOR THE FINANCIAL YEAR	23	151,025	324,606

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 2010

	2010 £	2009 £
Profit for the financial year	151,025	324,606
Actuarial gain/(loss) in respect of defined benefit pension scheme	423,000	(112,000)
Total recognised gains and losses relating to the year	<u>574,025</u>	<u>212,606</u>
Prior year adjustment	–	(11,216)
Total recognised gains and losses since the last financial statements	<u>574,025</u>	<u>201,390</u>

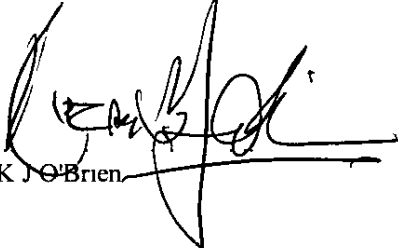
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BALANCE SHEET

30 April 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Intangible assets	10	1,181,354	16,103
Tangible assets	11	2,192,336	2,879,242
Investments	12	—	1,110,721
		<u>3,373,690</u>	<u>4,006,066</u>
CURRENT ASSETS			
Stocks	13	395,107	463,770
Debtors	14	4,963,645	5,564,064
Cash at bank and in hand		4,783,074	4,271,435
		<u>10,141,826</u>	<u>10,299,269</u>
CREDITORS			
Amounts falling due within one year	16	(5,354,413)	(6,347,257)
NET CURRENT ASSETS			
		<u>4,787,413</u>	<u>3,952,012</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>8,161,103</u>	<u>7,958,078</u>
PROVISIONS FOR LIABILITIES			
		(73,000)	—
NET ASSETS EXCLUDING PENSION ASSET/(LIABILITY)			
		<u>8,088,103</u>	<u>7,958,078</u>
Defined benefit pension scheme asset/(liability)	18	289,000	(155,000)
NET ASSETS INCLUDING PENSION ASSET/(LIABILITY)			
		<u>8,377,103</u>	<u>7,803,078</u>
CAPITAL AND RESERVES			
Called up share capital	22	50,000	50,000
Profit and loss account	23	8,327,103	7,753,078
SHAREHOLDER'S FUNDS			
	24	<u>8,377,103</u>	<u>7,803,078</u>

The financial statements on pages 6 to 23 were approved by the board of directors and authorised for issue on 15 October 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 2010

		2010	2009
	Notes	£	£
Net cash flow from operating activities	25(i)	1,701,320	3,245,639
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		<u>4,770</u>	<u>161,479</u>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		4,770	161,479
TAXATION		(280,767)	(553,791)
CAPITAL EXPENDITURE			
Payments to acquire intangible fixed assets		(309,999)	–
Payments to acquire tangible fixed assets		(655,719)	(1,392,234)
Receipts from sale of fixed assets		<u>53,200</u>	<u>32,702</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(912,518)	(1,359,532)
CASH INFLOW BEFORE FINANCING		512,805	1,493,795
FINANCING			
Capital element of hire purchase		<u>(1,343)</u>	<u>1,343</u>
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(1,343)	1,343
INCREASE IN CASH IN THE PERIOD		<u>511,462</u>	<u>1,495,138</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		2010	2009
		£	£
Increase in cash in the period		511,462	1,495,138
Cash outflow in respect of hire purchase		<u>1,343</u>	<u>(1,343)</u>
Change in net funds	25(ii)	<u>512,805</u>	<u>1,493,795</u>
Net funds at 1 May 2009	25(ii)	<u>4,270,092</u>	<u>2,776,297</u>
Net funds at 30 April 2010	25(ii)	<u>4,782,897</u>	<u>4,270,092</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2010

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, 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 - 3 - 5 years 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 2010

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 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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

GOING CONCERN

The directors have concluded that it is appropriate to prepare the accounts on a going concern basis as the company has adequate cash resources and financial projections indicate that the company will continue to trade within its existing bank facilities. The bank has confirmed the availability of facilities for the foreseeable future subject to there being no change in the existing circumstances.

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2010

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.

	2010	2009
	£	£
United Kingdom	<u>18,407,477</u>	<u>20,267,215</u>

3 OTHER OPERATING INCOME

	2010	2009
	£	£
Other operating income	<u>—</u>	<u>78,165</u>

4 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2010	2009
	£	£
Amortisation of intangible assets	255,469	24,153
Depreciation of owned fixed assets	1,314,947	1,522,586
Depreciation of assets held under hire purchase agreements	—	2,988
Profit on disposal of fixed assets	(25,522)	(26,602)
Operating lease costs		
- Other	1,082,521	1,030,681
Net profit on foreign currency translation	(10,321)	(78,084)
Auditor's remuneration	<u>94,570</u>	<u>18,000</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2010

	2010	2009
	£	£
Auditor's remuneration - audit of the financial statements	<u>94,570</u>	<u>18,000</u>

5 PARTICULARS OF EMPLOYEES

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

	2010	2009
	No	No
Number of production staff	<u>300</u>	<u>298</u>

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	7,643,081	8,676,818
Social security costs	683,832	735,621
Other pension costs	80,577	236,367
Directors' pensions costs	82,772	87,344
	<u>8,490,262</u>	<u>9,736,150</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

6 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2010	2009
	£	£
Remuneration receivable	1,158,192	1,852,955
Value of company pension contributions to money purchase schemes	82,772	87,344
	<u>1,240,964</u>	<u>1,940,299</u>

Remuneration of highest paid director

	2010	2009
	£	£
Total remuneration (excluding pension contributions)	583,257	940,032
Value of company pension contributions to money purchase schemes	32,223	34,524
	<u>615,480</u>	<u>974,556</u>

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

	2010	2009
	No	No
Money purchase schemes	<u>4</u>	<u>4</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2010

7 AMOUNTS WRITTEN OFF INVESTMENTS

	2010	2009
	£	£
Amount written off investments	<u>—</u>	<u>173,968</u>

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	£	£
On other loans	<u>20,000</u>	<u>20,000</u>

9 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2010	2009
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	274,107	241,228
Over/under provision in prior year	<u>-</u>	<u>34,879</u>
Total current tax	274,107	276,107
Deferred tax		
Origination and reversal of timing differences	<u>(10,621)</u>	<u>92,887</u>
Tax on profit on ordinary activities	<u>263,486</u>	<u>368,994</u>

(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% (2009 - 28%), as explained below

	2010	2009
	£	£
Profit on ordinary activities before taxation	<u>414,511</u>	<u>693,600</u>
Profit on ordinary activities by rate of tax	116,063	194,208
Effects of		
Expenses not deductible for tax purposes	32,910	69,967
Difference between capital allowances for period and depreciation	139,528	120,628
Adjustments to tax charge in respect of previous periods	-	34,879
Income not taxable for tax purposes	(7,248)	(136,126)
Profit on disposal of fixed assets	<u>(7,146)</u>	<u>(7,449)</u>
Total current tax (note 10(a))	<u>274,107</u>	<u>276,107</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2010

10 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 May 2009	72,460
Additions	1,420,720
At 30 April 2010	<u>1,493,180</u>
Amortisation	
At 1 May 2009	56,357
Charge for the year	255,469
At 30 April 2010	<u>311,826</u>
Net book value	
At 30 April 2010	<u>1,181,354</u>
At 30 April 2009	<u>16,103</u>

During the year the company acquired the assets and liabilities of the trade of A M Reprographics for a cash consideration of £331,000. The fair value of the assets and liabilities at acquisition was £21,001, resulting in an addition to goodwill of £309,999.

During the year the remaining Net Book Value of investments in Miller Reprographics Limited and Copy Right Reprographics Limited of £1,110,721 was reclassified as goodwill, to be amortised over 5 years straight line, as the Directors believe this is a more appropriate treatment following the transfer of trade and certain assets into Hobs Reprographics Plc.

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2010

11 TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold improvements £	Plant & equipment £	Fixtures & fittings £	Motor vehicles £	Total £
Cost						
At 1 May 2009	309,304	1,066,845	3,598,749	225,562	703,714	5,904,174
Additions	—	134,364	418,781	18,464	84,110	655,719
Disposals	—	—	—	(1,450)	(183,190)	(184,640)
Write off of assets	—	(125,626)	(1,390,052)	(38,492)	(193,632)	(1,747,802)
At 30 Apr 2010	309,304	1,075,583	2,627,478	204,084	411,002	4,627,451
Depreciation						
At 1 May 2009	111,348	525,106	1,913,861	109,088	365,529	3,024,932
Charge for the year	12,372	215,973	893,258	35,881	157,463	1,314,947
On disposals	—	—	—	(1,450)	(155,512)	(156,962)
Write off of assets	—	(125,626)	(1,390,052)	(38,492)	(193,632)	(1,747,802)
At 30 Apr 2010	123,720	615,453	1,417,067	105,027	173,848	2,435,115
Net book value						
At 30 Apr 2010	185,584	460,130	1,210,411	99,057	237,154	2,192,336
At 30 Apr 2009	197,956	541,739	1,684,888	116,474	338,185	2,879,242

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 £2,192,336 is £Nil (2009 - £5,536) 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 £Nil (2009 - £2,988).

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2010

12 INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 May 2009	1,284,689
Additions	491,997
Disposals	(1,602,718)
At 30 April 2010	<u>173,968</u>
Amounts written off	
At 1 May 2009 and 30 April 2010	<u>173,968</u>
Net book value	
At 30 April 2010	-
At 30 April 2009	<u>1,110,721</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 2010 was £1,531,362 and its profit for the year was £209,681.

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. During the year, the investment value was reclassified as an intangible fixed asset following the transfer of trade and certain assets from Miller Reprographics Limited into Hobs Reprographics Plc.

The aggregate capital and reserves of Miller Reprographics Limited at 30 April 2010 was £560,729 and its profit for the year was £Nil.

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. During the year the investment value was reclassified as an intangible fixed asset following the transfer of trade and certain assets from Copy Right Reprographics Limited into Hobs Reprographics Plc.

The aggregate capital and reserves of Copy Right Reprographics Limited at 30 April 2010 was £13,784 and its profit for the year was £Nil.

During the year the company acquired 100% of the issued share capital of Datalex Limited incorporated in England for a cash consideration of £491,997. The principal activity of Datalex Limited is the provision of document management services for the legal profession. Following acquisition the investment value was transferred to a fellow subsidiary company of Hobs Reprographics Plc and reclassified as an intangible fixed asset following the transfer of trade and certain assets into that company.

The aggregate capital and reserves of Datalex Limited at 31 December 2009 was £267,831 and its loss for the year was £24,389.

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2010

13 STOCKS

	2010	2009
	£	£
Finished goods	<u>395,107</u>	<u>463,770</u>

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

14 DEBTORS

	2010	2009
	£	£
Trade debtors	3,650,938	3,906,285
Amounts owed by group undertakings	31,520	322,821
Corporation tax repayable	157,739	151,079
Other debtors	81,349	276,746
Prepayments and accrued income	545,752	421,407
Deferred taxation (note 15)	496,347	485,726
	<u>4,963,645</u>	<u>5,564,064</u>

15 DEFERRED TAXATION

The deferred taxation included in the balance sheet is as follows

	2010	2009
	£	£
Included in debtors (note 14)	<u>496,347</u>	<u>485,726</u>

The movement in the deferred taxation account during the year was

	2010	2009
	£	£
Balance brought forward	485,726	578,613
Profit and loss account movement arising during the year	10,621	(92,887)
Balance carried forward	<u>496,347</u>	<u>485,726</u>

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

	2010	2009
	£	£
Excess of depreciation over taxation allowances	<u>496,347</u>	<u>485,726</u>
	<u>496,347</u>	<u>485,726</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2010

16 CREDITORS Amounts falling due within one year

	2010	2009
	£	£
Bank overdrafts	177	–
Trade creditors	554,697	541,918
Amounts owed to group undertakings	3,568,987	4,528,227
Amounts owed to undertakings in which the company has a participating interest	347,673	358,994
Other taxation and social security	219,938	453,066
Obligations under hire purchase agreements	–	1,343
Other creditors	5,743	–
Accruals and deferred income	657,198	463,709
	<u>5,354,413</u>	<u>6,347,257</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.

17 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2010	2009
	£	£
Amounts payable within 1 year	–	1,343
	<u>–</u>	<u>1,343</u>

18 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

	2010	2009
	£	£
<i>Amounts charged to operating profit</i>		
Current service cost	130,000	160,000
Total operating charge	<u>130,000</u>	<u>160,000</u>
<i>Amounts included in other finance cost</i>		
Expected return on scheme assets	(232,000)	(264,000)
Interest on scheme liabilities	252,000	284,000
Other finance cost	<u>20,000</u>	<u>20,000</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2010

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

	2010	2009
	£	£
Total charge to the profit and loss account	150,000	180,000
Actual return on scheme assets	1,207,000	(1,191,000)

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

	2010	2009
	£	£
Actual return less expected return on pension scheme assets	975,000	(1,455,000)
Experience gains and losses arising on scheme liabilities including changes in assumptions underlying the present value of the scheme liabilities	(552,000)	1,343,000
Actuarial gain/(loss)	423,000	(112,000)

The amounts recognised in the balance sheet are as follows

	2010	2009
	£	£
Present value of funded obligations	(4,558,000)	(3,696,000)
Fair value of scheme assets	4,847,000	3,541,000
Net pension asset/(liability)	289,000	(155,000)

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

	2010	2009
	£	£
Opening defined benefit obligation	3,696,000	4,597,000
Current service cost	130,000	160,000
Interest on scheme liabilities	252,000	284,000
Actuarial loss/(gain)	552,000	(1,343,000)
Contributions by scheme participants	25,000	28,000
Benefits paid	(97,000)	(30,000)
Closing defined benefit obligation	4,558,000	3,696,000

Changes in the fair value of scheme assets are as follows

	2010	2009
	£	£
Opening fair value of scheme assets	3,541,000	3,957,000
Expected return on scheme assets	232,000	264,000
Contributions by employer	171,000	777,000
Contributions by scheme participants	25,000	28,000
Actuarial gain/(loss)	975,000	(1,455,000)
Benefits paid	(97,000)	(30,000)
Closing fair value of scheme assets	4,847,000	3,541,000

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2010

18 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	
	2010	2009	2010	2009
	%	%	%	%
Other assets	6 00	6 00	100 00	100 00

The principal actuarial assumptions as at the balance sheet date were

	2010	2009
	%	%
Discount rate	6 00	7 00
Expected return on scheme assets	6 00	6 00
Rate of increase in salaries	5 00	4 00
Rate of increase in pensions in payment	3 00	3 00
Rate of increase in deferred pensions	4 00	3 00
Inflation	4 00	3 00

Amounts for the current and previous four periods are as follows

	2010	2009	2008	2007	2006
	£	£	£	£	£
Defined benefit obligation	(4,558,000)	(3,696,000)	(4,597,000)	(3,810,000)	(4,033,000)
Fair value of scheme assets	4,847,000	3,541,000	3,957,000	3,228,000	2,867,000
Surplus/(deficit) in the scheme	<u>289,000</u>	<u>(155,000)</u>	<u>(640,000)</u>	<u>(582,000)</u>	<u>(1,166,000)</u>

19 COMMITMENTS UNDER OPERATING LEASES

At 30 April 2010 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2010	2009
	£	£
Operating leases which expire		
Within 1 year	111,439	-
Within 2 to 5 years	214,880	283,850
After more than 5 years	537,676	519,449
	<u>863,995</u>	<u>803,299</u>

20 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 2010

21 RELATED PARTY TRANSACTIONS

	Opening balance £	Advances £	Foreign exchange translation £	Closing balance £
Hackett Dyeline Limited	(132,319)	1,000	3,397	(127,922)
J D Hackett and Company Limited	(226,675)	–	5,820	(220,855)
Total	(358,994)	1,000	9,217	(348,777)

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

The company has taken exemption of the exemption in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group headed by Obett Holdings Limited

22 SHARE CAPITAL

	2010 £	2009 £
Allotted, called up and fully paid 50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

23 PROFIT AND LOSS ACCOUNT

	2010 £	2009 £
Balance brought forward as previously reported	7,753,078	7,551,688
Prior year adjustment	–	(11,216)
Balance brought forward restated	<u>7,753,078</u>	<u>7,540,472</u>
Profit for the financial year	151,025	324,606
Defined pension benefit scheme	<u>423,000</u>	<u>(112,000)</u>
At 30 April 2010	<u>8,327,103</u>	<u>7,753,078</u>

24 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2010 £	2009 £
Profit for the financial year	151,025	324,606
Actuarial gain/(loss) in respect of defined benefit pension scheme	<u>423,000</u>	<u>(112,000)</u>
Net addition to shareholder's funds	574,025	212,606
Opening shareholder's funds	7,803,078	7,601,688
Prior year adjustment	–	(11,216)
Closing shareholder's funds	<u>8,377,103</u>	<u>7,803,078</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2010

25 CASH FLOWS

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

	2010	2009
	£	£
Operating profit	429,741	726,089
Amortisation	255,469	24,153
Depreciation	1,314,947	1,525,574
Profit on disposal of fixed assets	(25,522)	(26,602)
Decrease in stocks	68,663	63,999
Decrease in debtors	617,700	874,264
(Decrease)/increase in creditors	(982,461)	713,751
Gain on foreign currency retranslation on debt	(9,217)	(78,084)
Increase in provisions	73,000	–
Provision for service cost of defined benefit pension scheme	130,000	160,000
Defined benefit pension scheme contributions paid	(171,000)	(777,000)
Net cash inflow from operating activities	<u>1,701,320</u>	<u>3,206,144</u>

(ii) Analysis of net funds

	At 1 May 2009	Cash flows	At 30 Apr 2010
	£	£	£
Cash in hand and at bank	4,271,435	511,639	4,783,074
Overdrafts	–	(177)	(177)
	<u>4,271,435</u>	<u>511,462</u>	<u>4,782,897</u>
Hire purchase agreements	(1,343)	1,343	–
Total	<u>4,270,092</u>	<u>512,805</u>	<u>4,782,897</u>

26 ULTIMATE PARENT COMPANY

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

The directors considered Obett Holdings Limited, a company incorporated in the United Kingdom, to be the ultimate holding company at the balance sheet date. The consolidated accounts of Obett Holdings Limited are available to the public from its registered office

10 Duke Street
Liverpool
L1 5AS

The company is ultimately controlled by K J O'Brien who owns a majority of the share capital of Obett Holdings Limited