

Hobs Reprographics plc
FINANCIAL STATEMENTS
for the year ended
30 April 2012

THURSDAY



A1GFAWB4

A43

30/08/2012

#19

COMPANIES HOUSE

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
Notes to the financial statements	9
The following pages do not form part of the financial statements	
Detailed profit and loss account	24
Notes to the detailed profit and loss account	25

Hobs Reprographics plc

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

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

SECRETARY

C Stephens

REGISTERED OFFICE

Unit 305 Vanilla Factory
39 Fleet Street
Liverpool
Merseyside
L1 4AR

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

BANKERS

HSBC Bank plc
4 Dale Street
Liverpool
L69 2BZ

SOLICITORS

Hill Dickinson
1 St Paul's Square
Old Hall Street
Liverpool
L3 9SJ

Hobs Reprographics plc

DIRECTORS' REPORT

The directors submit their report and financial statements of Hobs Reprographics plc for the year ended 30 April 2012

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 as at the year ended 30 April 2012 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 £491,226 (2011 - profit £271,000) 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

In considering the performance of the company, particular focus is given to Sales, Gross Profit and Profit On Ordinary Activities Before Tax. All measures are in line with prior year.

The directors are satisfied with the performance of the Company during the year, particularly given the level of investment in technology, thus ensuring the business is well placed for the future.

DIRECTORS

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

K J O'Brien	
J B Hackett	
D Gordon	
S Lacey	
C Horwood	
C Stephens	
S Kelly	(Resigned 31 May 2012)
D C O'Brien	
N Johns	(Appointed 3 January 2012)

FIXED ASSETS

In the opinion of the directors, the net book value of freehold properties shown in the accounts at £341,452 approximates to their market value.

Hobs Reprographics plc

DIRECTORS' REPORT

POLICY ON THE PAYMENT OF CREDITORS

It is company policy to agree and clearly communicate the terms of payment as part of the commercial arrangements negotiated with suppliers and then to pay according to those terms based on the timely receipt of an accurate invoice

Trade creditor days based on creditors at 30 April 2012 were 43 days (2011 - 31 days)

DONATIONS

During the year the company made the following contributions

	2012 £	2011 £
Charitable donations	<u>3,300</u>	<u>3,950</u>

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.

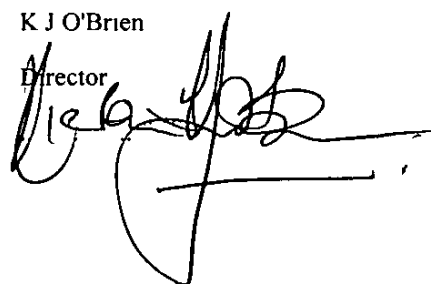
AUDITOR

Baker Tilly UK Audit LLP have expressed their willingness to continue in office

On behalf of the board

K J O'Brien

Director



28/8/12

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 22. 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 and express an opinion on 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 of the financial statements

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/private.cfm.

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 2012 and of 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.

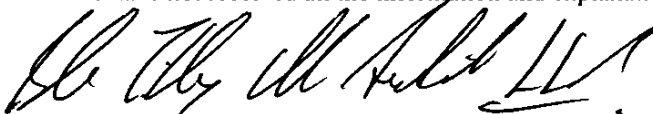
Opinion on other matter prescribed by the Companies Act 2006

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

3 Hardman Street

Manchester

M3 3HF

28/8/2012

Hobs Reprographics plc

PROFIT AND LOSS ACCOUNT

for the year ended 30 April 2012

	Notes	2012 £	2011 £
TURNOVER	2	18,075,822	18,045,456
Cost of sales		(4,544,460)	(4,646,993)
Gross profit		13,531,362	13,398,463
Administrative expenses excluding exceptional items		(13,120,370)	(12,986,286)
Exceptional administrative expenses	6	(120,000)	-
Total administrative expenses		(13,240,370)	(12,986,286)
OPERATING PROFIT	3	290,992	412,177
Profit on disposal of fixed assets	7	179,881	-
		470,873	412,177
Interest receivable and similar income	8	83,633	135,274
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		554,506	547,451
Taxation	9	(63,280)	(276,451)
PROFIT FOR THE FINANCIAL YEAR	22	491,226	271,000

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 2012

	2012 £	2011 £
Profit for the financial year	491,226	271,000
Actuarial loss in respect of defined benefit pension scheme	(709,000)	(222,000)
Limit on balance sheet defined benefit pension scheme asset	<u>(15,000)</u>	<u>(168,000)</u>
Total recognised gains and losses since the last financial statements	<u>(232,774)</u>	<u>(119,000)</u>

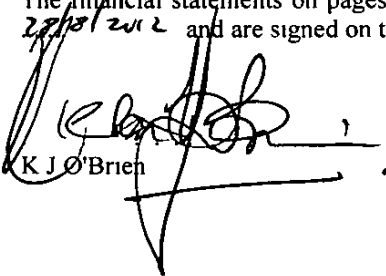
Hobs Reprographics plc

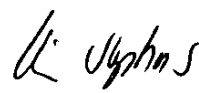
BALANCE SHEET

30 April 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Intangible assets	10	530,400	855,877
Tangible assets	11	2,858,333	2,026,853
Investments	12	3,251,599	2,988,849
		<u>6,640,332</u>	<u>5,871,579</u>
CURRENT ASSETS			
Stocks	13	357,477	390,525
Debtors	14	5,723,358	4,838,646
Cash at bank and in hand		3,477,302	4,810,968
		<u>9,558,137</u>	<u>10,040,139</u>
CREDITORS			
Amounts falling due within one year	16	(7,969,988)	(7,552,526)
NET CURRENT ASSETS		<u>1,588,149</u>	<u>2,487,613</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,228,481</u>	<u>8,359,192</u>
PROVISIONS FOR LIABILITIES	17	(203,152)	(101,089)
NET ASSETS EXCLUDING PENSION ASSET		<u>8,025,329</u>	<u>8,258,103</u>
Defined benefit pension scheme asset	18	—	—
NET ASSETS		<u>8,025,329</u>	<u>8,258,103</u>
CAPITAL AND RESERVES			
Called up share capital	21	50,000	50,000
Profit and loss account	22	7,975,329	8,208,103
SHAREHOLDER'S FUNDS	23	<u>8,025,329</u>	<u>8,258,103</u>

The financial statements on pages 6 to 22 were approved by the board of directors and authorised for issue on 27/05/2012 and are signed on their behalf by


K J O'Brien


C Stephens

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

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, results for the year to date are satisfactory, 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.

CONSOLIDATION

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 400 of the Companies Act 2006, as it is a wholly owned subsidiary undertaking of Obett Holdings Limited, a company incorporated in the United Kingdom and is included in the consolidated accounts of that company.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

TURNOVER

Turnover represents the invoiced amount of goods and services sold, net of trade discounts and value added tax. Sales are recognised when the rights to receive consideration have been met in full.

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 intangible fixed 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 a tangible fixed 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

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

1 ACCOUNTING POLICIES *(continued)*

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.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

1 ACCOUNTING POLICIES *(continued)*

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

FOREIGN CURRENCIES

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.

INVESTMENTS

Long term investments are classified as fixed assets and are stated at cost in the balance sheet. Provision is made for any impairment in the value of fixed asset investments.

PROVISIONS

Provision is made for liabilities arising in respect of expected dilapidation costs on leased properties.

Provision is made for onerous leases.

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

	2012 £	2011 £
United Kingdom	<u>18,075,822</u>	<u>18,045,456</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

3 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Amortisation of intangible assets	325,477	325,477
Depreciation of owned fixed assets	1,175,828	1,202,666
Profit on disposal of fixed assets	(45,181)	(19,416)
Auditor's remuneration		
- as auditor	38,640	37,220
Operating lease costs		
- Other	1,019,890	953,517
Net loss on foreign currency translation	-	62,029

Statutory information on remuneration for other services provided by the company's auditors and its associates is given on a consolidated basis in the group accounts of the parent company (Obett Holdings Limited)

4 PARTICULARS OF EMPLOYEES

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

	2012	2011
	No	No
Number of production staff	242	239

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	7,607,873	7,600,347
Social security costs	874,905	647,581
Staff pension contributions	195,463	164,687
Directors' pensions costs	84,116	90,895
Employer pension costs (see below)	(656,000)	(63,000)
	<u>8,106,357</u>	<u>8,440,510</u>

Pension costs are amounts charged to operating profit and do not include amounts credited to finance income (see note 8) and amounts recognised in the statement of recognised gains and losses. They do include a credit for gains on settlements and curtailments of £246,000 and an amount of £350,000 in relation to the freehold interest in a property transferred (see note 18)

5 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	1,600,170	1,311,132
Value of company pension contributions to money purchase schemes	84,116	90,895
	<u>1,684,286</u>	<u>1,402,027</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

5 DIRECTORS' REMUNERATION *(continued)*

Remuneration of highest paid director

	2012	2011
	£	£
Total remuneration (excluding pension contributions)	691,911	626,966
Value of company pension contributions to money purchase schemes	7,294	93,063
	<u>699,205</u>	<u>720,029</u>

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

	2012	2011
	No	No
Money purchase schemes	<u>6</u>	<u>4</u>

6 EXCEPTIONAL ITEMS

	2012	2011
	£	£
Recognised in arriving at operating profit		
Exceptional item	<u>(120,000)</u>	<u>-</u>

During the year the company incurred exceptional costs arising from the need to provide for dilapidations

7 PROFIT ON DISPOSAL OF FIXED ASSETS

	2012	2011
	£	£
Profit on disposal of fixed assets	<u>179,881</u>	<u>-</u>

8 INTEREST RECEIVABLE AND SIMILAR INCOME

	2012	2011
	£	£
Bank interest receivable	15,633	97,274
Net finance income in respect of defined benefit pension schemes	68,000	38,000
	<u>83,633</u>	<u>135,274</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

9 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 26% (2011 - 28%)	3,412	326,127
Over/under provision in prior year	(50,098)	-
Total current tax	(46,686)	326,127
Deferred tax		
Origination and reversal of timing differences	109,966	(49,676)
Tax on profit on ordinary activities	<u>63,280</u>	<u>276,451</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26% (2011 - 28%), as explained below

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>554,506</u>	<u>547,451</u>
Profit on ordinary activities by rate of tax	144,172	153,286
Effects of		
Expenses not deductible for tax purposes	37,536	89,745
Difference between capital allowances for period and depreciation	78,146	118,765
Tax chargeable at lower rates	(1,833)	(1,953)
Adjustments to tax charge in respect of previous periods	(50,098)	-
Other short-term timing differences	(2,016)	-
Deductions allowed for tax purposes	(193,344)	(28,280)
Profit on disposal of fixed assets	(58,516)	(5,436)
Transfer pricing adjustment and group relief	(733)	-
Total current tax (note 9(a))	<u>(46,686)</u>	<u>326,127</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

10 INTANGIBLE FIXED ASSETS

	Goodwill £
At 1 May 2011 and 30 April 2012	<u>1,493,180</u>
Amortisation	
At 1 May 2011	637,303
Charge for the year	<u>325,477</u>
At 30 April 2012	<u>962,780</u>
Net book value	
At 30 April 2012	<u>530,400</u>
At 30 April 2011	<u>855,877</u>

11 TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold improvements £	Plant & equipment £	Fixtures & fittings £	Motor vehicles £	Total £
Cost						
At 1 May 2011	309,304	1,080,308	3,375,850	211,320	682,627	5,659,409
Additions	348,420	158,454	1,504,496	49,010	136,649	2,197,029
Disposals	(309,304)	—	—	—	(25,484)	(334,788)
At 30 April 2012	<u>348,420</u>	<u>1,238,762</u>	<u>4,880,346</u>	<u>260,330</u>	<u>793,792</u>	<u>7,521,650</u>
Depreciation						
At 1 May 2011	136,092	821,276	2,201,933	149,650	323,605	3,632,556
Charge for the year	10,061	125,421	863,284	31,859	145,203	1,175,828
On disposals	(139,185)	—	—	—	(5,882)	(145,067)
At 30 April 2012	<u>6,968</u>	<u>946,697</u>	<u>3,065,217</u>	<u>181,509</u>	<u>462,926</u>	<u>4,663,317</u>
Net book value						
At 30 April 2012	<u>341,452</u>	<u>292,065</u>	<u>1,815,129</u>	<u>78,821</u>	<u>330,866</u>	<u>2,858,333</u>
At 30 April 2011	<u>173,212</u>	<u>259,032</u>	<u>1,173,917</u>	<u>61,670</u>	<u>359,022</u>	<u>2,026,853</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

12 INVESTMENTS

	Loans to group undertakings £	Shares in subsidiary undertakings £	Total £
Cost			
Additions	-	262,750	262,750
At 30 April 2012	-	262,750	262,750
Loans			
At 1 May 2011 and 30 April 2012	2,988,849	-	2,988,849
Net book value			
At 30 April 2012	2,988,849	262,750	3,251,599
At 30 April 2011	2,988,849	-	2,988,849

The brought forward loan to group undertakings relates to amounts loaned to the parent company Obett Holdings Limited. This is a long term loan and not considered repayable in the short to medium term. No interest is charged on the loan.

During the year the company acquired 100% of the issued share capital of T P R (Berkshire) Limited incorporated in England. The principal activity of T P R (Berkshire) Limited is reprographics, including digital plan printing, colour copying and direct from disk CAD plotting.

	2012 £
Aggregate capital and reserves	
T P R (Berkshire) Limited	(23,252)
Profit and (loss) for the year	
T P R (Berkshire) Limited	(21,569)

13 STOCKS

	2012 £	2011 £
Finished goods	357,477	390,525

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

14 DEBTORS

	2012 £	2011 £
Trade debtors	3,378,864	3,297,210
Amounts owed by group undertakings	1,165,285	483,426
Corporation tax repayable	159,931	-
Other debtors	104,182	26,444
Prepayments and accrued income	479,039	485,543
Deferred taxation (note 15)	436,057	546,023
	5,723,358	4,838,646

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

14 DEBTORS *(continued)*

The debtors above include the following amounts falling due after more than one year

	2012 £	2011 £
Amounts owed by group undertakings	<u>485,021</u>	<u>381,739</u>

15 DEFERRED TAXATION

The deferred taxation included in the balance sheet is as follows

	2012 £	2011 £
Included in debtors (note 14)	<u>436,057</u>	<u>546,023</u>

The movement in the deferred taxation account during the year was

	2012 £	2011 £
Balance brought forward	546,023	496,347
Profit and loss account movement arising during the year	(109,966)	49,676
Balance carried forward	<u>436,057</u>	<u>546,023</u>

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

	2012 £	2011 £
Excess of depreciation over taxation allowances	428,857	491,423
Other timing differences	7,200	54,600
	<u>436,057</u>	<u>546,023</u>

16 CREDITORS Amounts falling due within one year

	2012 £	2011 £
Trade creditors	1,118,125	779,114
Amounts owed to group undertakings	5,593,489	5,417,345
Corporation tax	—	4,197
Other taxation and social security	298,769	337,924
Other creditors	—	2,000
Amounts owed to connected parties	84,989	47,492
Accruals and deferred income	874,616	964,454
	<u>7,969,988</u>	<u>7,552,526</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.

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

17 PROVISIONS FOR LIABILITIES AND CHARGES

	2012 £
Provision for onerous lease	58,313
Balance brought forward	(14,687)
Movement for year	<u>43,626</u>
Provision for dilapidation costs	42,776
Balance brought forward	116,750
Movement for year	<u>159,526</u>
Total provisions	<u>203,152</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 2009.

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

	2012 £	2011 £
<i>Amounts (credited)/charged to operating profit</i>		
Current service cost	113,000	98,000
Gains on settlements and curtailments	(246,000)	—
Total operating (credit)/charge	<u>(133,000)</u>	<u>98,000</u>
<i>Amounts included in other finance income</i>		
Expected return on scheme assets	(344,000)	(297,000)
Interest on scheme liabilities	276,000	259,000
Other finance income	(68,000)	(38,000)
Total (credit)/charge to the profit and loss account	<u>(201,000)</u>	<u>60,000</u>
Actual return on scheme assets	<u>(342,000)</u>	<u>557,000</u>

The total operating (credit)/charge is recognised in the following line items in the profit and loss account

	2012 £	2011 £
Administrative expenses	(133,000)	98,000
Total operating (credit)/charge	<u>(133,000)</u>	<u>98,000</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

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

Other finance income is included in the profit and loss account within interest receivable and similar income. Actuarial losses of £(709,000) (2011: £(222,000)) have been recognised in the statement of total recognised gains and losses. At 30 April 2012 the cumulative amount of actuarial losses recognised in the statement of total recognised gains and losses is £(1,453,000) (2011: £(729,000)).

The surplus of £183,000 (2011: £168,000) has not been recognised in the balance sheet as it is not considered to be recoverable by a repayment or by reduced future contributions. The asset has been released as an actuarial loss.

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

	2012 £	2011 £
Opening defined benefit obligation	5,014,000	4,558,000
Current service cost	113,000	98,000
Gains on curtailments	(246,000)	—
Interest on scheme liabilities	276,000	259,000
Actuarial loss	23,000	482,000
Contributions by scheme participants	16,000	21,000
Benefits paid	(64,000)	(404,000)
Closing defined benefit obligation	<u>5,132,000</u>	<u>5,014,000</u>

Changes in the fair value of scheme assets are as follows

	2012 £	2011 £
Opening fair value of scheme assets	5,182,000	4,847,000
Expected return on scheme assets	344,000	297,000
Contributions by employer	523,000	161,000
Contributions by scheme participants	16,000	21,000
Actuarial (loss)/gain	(686,000)	260,000
Benefits paid	(64,000)	(404,000)
Closing fair value of scheme assets	<u>5,315,000</u>	<u>5,182,000</u>

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

	Expected return		Fair value of assets	
	2012 %	2011 %	2012 £	2011 £
Other assets	6	6	5,315,000	5,182,000
Fair value of scheme assets			<u>5,315,000</u>	<u>5,182,000</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

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

The expected return on assets is obtained by considering the expected return on risk free investments (primarily government bonds), the historic level of the risk premium associated with other asset classes and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the underlying distribution of assets within the policy at the relevant date.

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are

	2012	2011
Retiring today		
Males	22	21
Females	24	24
Retiring in 20 years		
Males	24	22
Females	26	25

An actuarial valuation of the scheme on behalf of the trustees is due at 30 April 2012. This will involve discussions about the level of employer contributions to be paid in the future, with the likelihood that this will include contributions due over the next financial period. Therefore, a reasonable estimate of expected contributions to the defined benefit pension plan in 2012/2013 cannot be made.

The principal actuarial assumptions as at the balance sheet date were

	2012	2011
	%	%
Discount rate	5	6
Expected return on scheme assets	6	6
Rate of increase in salaries	—	4
Rate of increase in pensions in payment	2	3
Rate of increase in deferred pensions	3	3
Inflation	2	3

Amounts for the current and previous four periods are as follows

	2012	2011	2010	2009	2008
	£	£	£	£	£
Defined benefit obligation	(5,132,000)	(5,014,000)	(4,558,000)	(3,696,000)	(4,597,000)
Fair value of scheme assets	5,315,000	5,182,000	4,847,000	3,541,000	3,957,000
Surplus/(deficit) in the scheme	183,000	168,000	289,000	(155,000)	(640,000)
Experience adjustments on scheme liabilities (£)	(215,000)	(131,000)	286,000	187,000	(30,000)
Experience adjustments on scheme assets (£)	(686,000)	260,000	975,000	(1,455,000)	(355,000)

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

19 COMMITMENTS UNDER OPERATING LEASES

At 30 April 2012 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within 1 year	-	13,061
Within 2 to 5 years	430,398	274,750
After more than 5 years	498,459	539,563
	<u>928,857</u>	<u>827,374</u>

20 RELATED PARTY TRANSACTIONS

During the year the property owned by Hobs Reprographics plc at St Andrew's Building, 18A Slater Street, Liverpool, L1 4BS was transferred to The Hobs Drawing Offices Limited/Hobs Reprographics plc Pension Scheme in settlement of £350,000 indebtedness due from Hobs Reprographics plc to the pension scheme

J B Hackett

J B Hackett is a director of the company. During the year the group was charged consultancy fees of £75,000 (2011 - £37,500) and at the year end £37,500 (2011 - £38,642) was due by the company and is included in creditors in amounts owed to connected parties

The company has taken 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

21 SHARE CAPITAL

	2012	2011
	£	£
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

22 PROFIT AND LOSS ACCOUNT

	2012	2011
	£	£
At the beginning of the year	8,208,103	8,327,103
Profit for the financial year	491,226	271,000
Defined benefit pension scheme	(724,000)	(390,000)
At the end of the year	<u>7,975,329</u>	<u>8,208,103</u>

Hobs Reprographics plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2012 £	2011 £
Profit for the financial year	491,226	271,000
Actuarial loss in respect of defined benefit pension scheme	(724,000)	(390,000)
Net reduction to shareholder's funds	(232,774)	(119,000)
Opening shareholder's funds	8,258,103	8,377,103
Closing shareholder's funds	<u>8,025,329</u>	<u>8,258,103</u>

24 ACQUISITION OF SUBSIDIARY UNDERTAKING

On 23 July 2011 the company acquired the entire share capital of T P R (Berkshire) Limited. The fair values of the net assets acquired were as follows

	Book value and fair value £
Fixed assets	80,929
Stock	7,502
Debtors	150,315
Cash at bank and in hand	21,605
Creditors	(277,224)
Net liabilities	(16,873)
Goodwill	279,623
Total	<u>262,750</u>
Satisfied by	
Cash paid	<u>262,750</u>

25 ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is Obett Holdings Limited, a company registered in England. The consolidated accounts of Obett Holdings Limited are available to the public from its registered office

Unit 305 Vanilla Factory
39 Fleet Street
Liverpool
L1 4AR