

Company Registration No. 00511368 (England and Wales)

HOBS REPROGRAPHICS PLC

**REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2015**

WEDNESDAY



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HOBS REPROGRAPHICS PLC

COMPANY INFORMATION

Directors	K J O'Brien D Gordon S Lacey C Horwood D C O'Brien S P Walsh-Hill
Secretary	S P Walsh-Hill
Company number	00511368
Registered office	Unit 305 Vanilla Factory 39 Fleet Street Liverpool Merseyside L1 4AR
Auditors	Baker Tilly UK Audit LLP Chartered Accountants 3 Hardman Street Manchester M3 3HF
Bankers	HSBC plc City Branch 4 Dale Street Liverpool L69 2BZ
Solicitors	Hill Dickinson 1 St. Paul's Square Old Hall Street Liverpool L3 9SJ

HOBS REPROGRAPHICS PLC

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2015

The directors present their strategic report for the year ended 30 April 2015.

Company overview

Hobs provides a fully integrated print and document management service to support customers in designing, producing, sharing, digitising, storing and retrieving their documents and data.

Hobs has been a leading name in its sector for the last 45 years and over time has developed deep and loyal relationships with its customers. From supporting some of the UK's largest companies in the full range of document management stages (creation, production, presentation, manipulation, storage/hosting, distribution and destruction) Hobs has become an invaluable and seamless extension of its clients' teams.

Throughout its history Hobs has focused on providing the highest level of service, on-time, every time. This consistency of service has ensured a high level of customer loyalty in the company's key market sector, with the customers of Hobs finding the services provided exceptional value for money.

Hobs is a progressive technology and services partner in its sector. These services involve the provision of consultancy, software solutions, on and off-site hardware solutions, staffing resource and web based solutions. The company is strategically positioned across key market verticals and offers a number of routes to market:

- National and local account customers are provided 24/7 services via a network of strategically located local business centres through Hobs Reprographics. This national business centre infrastructure enables Hobs to replicate the geographical office locations of its clients. This allows it to support its national customers on a local level, ensuring a fast turnaround service – an ability which limits competition from local companies;
- Off-site specialist services such as bulk scanning and digital post rooms are provided through a dedicated centre in Liverpool.

Our history

The company was established in Liverpool in 1969 by Kieran O'Brien in partnership with Joe Hackett Snr. Hobs Reprographics plc initially focused on providing construction drawing printing services to companies in the AEC sector. Whilst the AEC sector remains the company's largest client sector, its current multi-layered, technology-driven service solution has evolved significantly from the company's original offer.

Hobs expanded through successive decades both organically and through selective acquisition to build a national presence in the UK and Ireland. Within the UK the company is particularly strong in the London market, but through strategic in-fill acquisitions has become one of only three national players.

Chief Executive's statement and business review

Hobs Reprographics plc saw turnover increase by 6.2% in the year to 30 April 2015 to £23.01m following further investment in the Hobs Studio branches which incorporate 3D printing, augmented reality and CGI to complement other reprographic services.

At the same time underlying operating profit (pre-exceptionals) increased by 163% to £1.78m following management's close control over the company's gross margins and overhead costs.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in this report.

Corporate social responsibility

Environment

Hobs has always been conscious of the impact we have on the local community, the environment and our sustainability.

We are committed to reducing our impact on the environment. That's why it is our policy to establish, implement and maintain an effective, documented environmental system based on the requirements of BS EN ISO 14001. We have already begun the accreditation process and will be rolling it out across every Hobs branch in the country.

HOBS REPROGRAPHICS PLC

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

Through our network of suppliers we now use FSC paper as standard, and for bespoke jobs wherever possible. We print onto various recycled papers and we use various inks including vegetable based inks that have a low impact on the environment.

We continually review our production processes to minimise levels of waste, reuse or recycle materials and product whenever possible, and only dispose of waste via licensed waste contractors.

Charities

As a business Hobs sponsors a number of charity fundraising events each year, either from individual branches or from Head Office. In addition Hobs employees undertake a number of charity fundraising challenges each year.

Staff

The directors would like to go on record to express their thanks to all staff within the group for their continued support during the year. In particular Joe Hackett Jnr. who stepped down in April following 26 years loyal service as a director of the group companies.

Principal risks and uncertainties

The principal risks and uncertainties facing the company's business are as follows:

- The impact of the wider economy and specifically the architecture, engineering and construction (AEC) industries. The directors believe this risk is reducing as the UK economy continues to strengthen after a number of very difficult years;
- Technology – The emergence of 3D Printing and associated services are having a significant impact on the AEC sector's pre-construction processes. Consequently Hobs has invested large sums in this new technology to secure its market share in this sector, and also to take advantage of new sectors opening up in the 3D field. The directors intend to ensure that Hobs remains at the forefront of this market by continuing its investment in new technology;
- Competition – The company remains one of only three national suppliers of printing and reprographic services. However, the directors are aware of market competition at both national and local level, and constantly strive to capture new business as well as retain existing customers by close scrutiny of MI data and the setting of targeted sales incentives.

The directors carry out a regular review of the risk environment in which the company operates. The board believes that the company has adequate procedures and processes in place to ensure these risks are monitored and managed appropriately.

Key performance indicators

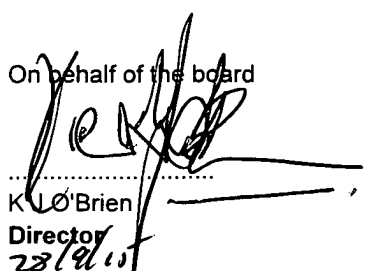
The directors monitor performance through the production of a 3-year business plan, supported by the production of detailed annual budgets and forecasts that cover all trading divisions in the company and the comparison of actual performance against these budgets.

Profit before tax for the year ended 30 April 2015 was £913,863.

When considering the performance of the company, particular focus is given to sales, gross profit and profit on ordinary activities before taxation.

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

On behalf of the board



K. O'Brien

Director

28/04/15

HOBS REPROGRAPHICS PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2015

The directors present their report and financial statements for the year ended 30 April 2015.

Principal activities

The principal activity of the company during the year was the supply of reprographic services including 3D and CGI.

Results and dividends

The company's trading profit for the year, after taxation was £1,029,820 (2014 profit £136,849).

An interim ordinary dividend was paid amounting to £2,604,156. The directors do not recommend payment of a final dividend.

Market value of land and buildings

In the opinion of the directors, the net book value of freehold properties shown in the accounts at £299,641 approximates to their market value.

Future developments

With growth returning to the core AEC marketplace, the directors feel the company is well placed to capitalise on the recovery in the industry following investment in new technology and strategic acquisitions.

Whilst making sizeable investment in technology, management have also embarked on a cost reduction programme to ensure that the company maximises trading performance and profitability over the year to April 2016.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

K J O'Brien
J B Hackett
D Gordon
S Lacey
C Horwood
D C O'Brien
S P Walsh-Hill

(Resigned 30 April 2015)

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.

Disabled persons

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.

Auditors

Baker Tilly UK Audit LLP has expressed its willingness to continue in office.

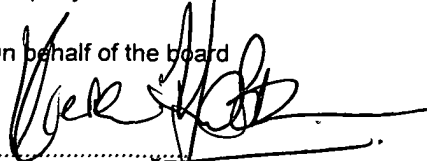
HOBS REPROGRAPHICS PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board


.....
K J O'Brien
Director
28/9/15
.....

HOBS REPROGRAPHICS PLC

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

The directors are responsible for preparing the Strategic Report, 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 MEMBERS' OF HOBS REPROGRAPHICS PLC

We have audited the financial statements on pages 7 to 26. 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, 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 members 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 5, 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 Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on 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 2015 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 Strategic Report and 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.

Baker Tilly UK Audit LLP

Jonathan Lowe (Senior Statutory Auditor)
for and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester

M3 3HF
30/9/15

HOBS REPROGRAPHICS PLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2015

	Notes	2015 £	2014 £
Turnover	2	23,012,009	21,671,675
Cost of sales		(5,976,835)	(5,968,374)
Gross profit		17,035,174	15,703,301
Administrative expenses (including exceptional items of £960,323)	7	(16,663,922)	(15,478,532)
Other operating income		450,000	450,000
Operating profit		821,252	674,769
Interest receivable and similar income	4	218,693	20,059
Amounts written off investments	5	(125,000)	-
Interest payable and similar charges	6	(1,082)	-
Profit on ordinary activities before taxation	7	913,863	694,828
Tax on profit on ordinary activities	10	115,957	(557,979)
Profit for the financial year	22	1,029,820	136,849

The profit and loss account has been prepared on the basis that all operations are continuing operations.

HOBS REPROGRAPHICS PLC

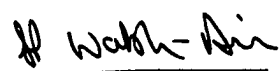
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 APRIL 2015

	Notes	2015 £	2014 £
Profit for the financial year		1,029,820	136,849
Actuarial (loss)/gain on pension scheme		(1,882,000)	460,000
Movement on deferred tax relating to pension asset		-	(195,500)
Total recognised gains and losses relating to the year		(852,180)	401,349

HOBS REPROGRAPHICS PLC**BALANCE SHEET
AS AT 30 APRIL 2015**

	Notes	2015 £	£	2014 £	£
Fixed assets					
Intangible assets	12		457,447		266,776
Tangible assets	13		2,831,229		3,096,903
Investments	14		3,414,648		3,802,398
			<u>6,703,324</u>		<u>7,166,077</u>
Current assets					
Stocks	15	605,829		552,812	
Debtors	16	7,028,492		10,951,572	
Cash at bank and in hand		1,161,362		4,418,320	
		<u>8,795,683</u>		<u>15,922,704</u>	
Creditors: amounts falling due within one year	17	(8,014,766)		(14,908,290)	
Net current assets			<u>780,917</u>		<u>1,014,414</u>
Total assets less current liabilities			<u>7,484,241</u>		<u>8,180,491</u>
Creditors: amounts falling due after more than one year	18		(2,671,304)		-
Provisions for liabilities	19		(300,000)		(211,218)
Net assets			<u>4,512,937</u>		<u>7,969,273</u>
Capital and reserves					
Called up share capital	21		50,000		50,000
Profit and loss account	22		4,462,937		7,919,273
Shareholder's funds	23		<u>4,512,937</u>		<u>7,969,273</u>

The financial statements on pages 7 to 26 were approved by the board of directors and authorised for issue on 28/09/15 and are signed on its behalf by:


 S P Walsh-Hill
 Director

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

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.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

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

Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Long leasehold buildings	- 4% straight line
Freehold buildings	- 4% straight line
Short leasehold improvements	- 20% straight line
Plant & equipment	- 20-50% straight line
Fixtures & fittings	- 20-25% straight line
Motor vehicles	- 25% straight line

Leasing

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.

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.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

1 Accounting policies (Continued)

Stock

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.

Pensions

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.

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.

Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Obett Holdings Limited, a company incorporated in England and Wales, which is a subsidiary undertaking of Hobs Group Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

1 Accounting policies (Continued)

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 included in the balance sheet. 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.

Provisions

Provision is made for liabilities arising in respect of expected dilapidation costs on leased properties and onerous leases which can be estimated with reasonable certainty in respect of amount and timing.

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.

2 Turnover

Geographical market

	Turnover	
	2015 £	2014 £
United Kingdom	22,938,482	21,553,105
Overseas	73,527	118,570
	<u>23,012,009</u>	<u>21,671,675</u>

3 Other operating income

	2015 £	2014 £
Management fees	450,000	450,000
	<u>450,000</u>	<u>450,000</u>

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

4	Interest receivable and similar income	2015	2014
		£	£
	Bank interest	4,693	20,059
	Net finance income in respect of defined benefit pension schemes	214,000	-
		<u>218,693</u>	<u>20,059</u>
5	Amounts written off investments	2015	2014
		£	£
	Amounts written off fixed asset investments:		
	- permanent diminution in value	125,000	-
		<u>125,000</u>	<u>-</u>
6	Interest payable and similar charges	2015	2014
		£	£
	Other interest	1,082	-
		<u>1,082</u>	<u>-</u>
7	Profit on ordinary activities before taxation	2015	2014
		£	£
	Profit on ordinary activities before taxation is stated after charging/ (crediting):		
	Amortisation of intangible assets	72,079	291,738
	Depreciation of tangible fixed assets		
	- owned	1,209,280	1,170,925
	(Profit) on disposal of tangible assets	(237,447)	(38,605)
	Operating lease rentals	946,319	899,813
		<u>946,319</u>	<u>899,813</u>

Within operating profit there are exceptional items totalling £960,323 (2014 - £Nil). These relate to restructuring costs associated with the company's defined benefit pension scheme, and professional fees and salary costs associated with the buy-out of the company by Hobs Group Limited, the ultimate parent undertaking.

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 (Hobs Group Limited).

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

8 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Number of staff	295	285

Employment costs

	2015 £	2014 £
Wages and salaries	8,914,226	8,665,541
Social security costs	983,594	834,919
Other pension costs	141,446	115,684
	10,039,266	9,616,144

Pension costs are amounts charged to operating profit and do not include amounts credited to finance income and amounts recognised in the statement of recognised gains and losses.

9 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	1,024,237	1,498,117
Company contributions to money purchase pension schemes	36,073	32,286
Sums paid to third parties for directors' services	75,000	-
	1,135,310	1,530,403

The number of directors to whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2014 - 5).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	255,500	685,249
Company contributions to money purchase pension schemes	6,000	-

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

10 Tax on profit on ordinary activities

	2015 £	2014 £
Current tax		
U.K. corporation tax	26,639	57,028
Adjustment in respect of prior years	-	2,077
Payment in respect of group relief	-	228,890
Total current tax	<u>26,639</u>	<u>287,995</u>
Deferred tax		
Origination and reversal of timing differences	(142,596)	269,984
Total tax on profit on ordinary activities	<u>(115,957)</u>	<u>557,979</u>

Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax of 20.92% (2014 - 22.84%). The differences are explained below:

Profit on ordinary activities before taxation	913,863	694,828
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.92% (2014 - 22.84%)	<u>191,180</u>	<u>158,699</u>
Effects of:		
Expenses not deductible for tax purposes	45,532	9,277
Transfer pricing adjustment and group relief	27,528	140,780
Difference between capital allowances for period and depreciation	22,785	71,642
Provisions tax adjustment	8,914	3,426
Tax charged at lower rates	(395)	(13)
Adjustments to previous periods	-	2,077
Loss on disposal of fixed assets	(49,674)	(8,817)
Income not chargeable	(1,663)	-
FRS 17 pension adjustment	(207,108)	(89,076)
Deductions allowed	(10,460)	-
	<u>(164,541)</u>	<u>129,296</u>
Current tax charge for the year	<u>26,639</u>	<u>287,995</u>

11 Dividends

	2015 £	2014 £
Interim dividends paid on ordinary shares	<u>2,604,156</u>	<u>-</u>

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

12 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 May 2014	1,829,550
Additions	262,750
At 30 April 2015	2,092,300
Amortisation	
At 1 May 2014	1,562,774
Charge for the year	72,079
At 30 April 2015	1,634,853
Net book value	
At 30 April 2015	457,447
At 30 April 2014	266,776

The addition referred to above relates to the transfer of an investment balance to goodwill following a prior hive up of trade and assets from a subsidiary company.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

13 Tangible fixed assets

	Long leasehold buildings £	Freehold buildings £	Short leasehold improvements £	Plant & equipment £	Fixtures & fittings £	Motor vehicles £	Total £
Cost							
At 1 May 2014	247,728	608,420	1,414,469	6,316,742	359,968	809,382	9,756,709
Additions	-	-	144,439	821,023	45,825	167,707	1,178,994
Disposals	-	(260,000)	(1,592)	26,713	(19,552)	(163,580)	(418,011)
At 30 April 2015	247,728	348,420	1,557,316	7,164,478	386,241	813,509	10,517,692
Depreciation							
At 1 May 2014	14,864	40,908	1,170,928	4,671,954	243,702	517,450	6,659,806
On disposals	-	(10,400)	(19)	(29,581)	(16,907)	(125,717)	(182,624)
Charge for the year	9,909	18,271	97,774	895,245	45,287	142,795	1,209,281
At 30 April 2015	24,773	48,779	1,268,683	5,537,618	272,082	534,528	7,686,463
Net book value							
At 30 April 2015	222,955	299,641	288,633	1,626,860	114,159	278,981	2,831,229
At 30 April 2014	232,864	567,512	243,541	1,644,788	116,266	291,932	3,096,903

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

14 Fixed asset investments

	Shares in group undertakings £	Loans to group undertakings £	Total £
Cost			
At 1 May 2014	512,751	3,289,647	3,802,398
Disposals	(262,750)	-	(262,750)
At 30 April 2015	250,001	3,289,647	3,539,648
Provisions for diminution in value			
At 1 May 2014	-	-	-
Charge for the year	125,000	-	125,000
At 30 April 2015	125,000	-	125,000
Net book value			
At 30 April 2015	125,001	3,289,647	3,414,648
At 30 April 2014	512,751	3,289,647	3,802,398

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Principal activity	Shares held Class	%
Subsidiary undertakings				
T.P.R (Berkshire) Limited	England and Wales	Non-trading	Ordinary shares	100
Manchester Print Graphics Limited	England and Wales	Non-trading	Ordinary shares	100
Hobs Exchange Ltd	England and Wales	Non-trading	Ordinary shares	100

The disposal referred to above relates to the transfer of the investment balance in T.P.R (Berkshire) Limited to goodwill following a prior hive up of trade and assets.

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.

15 Stocks	2015 £	2014 £
Finished goods and goods for resale	605,829	552,812

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

16 Debtors	2015 £	2014 £
Trade debtors	4,506,289	4,916,161
Amounts owed by group undertakings	1,211,340	4,736,800
Other debtors	89,003	228,372
Prepayments and accrued income	678,305	669,280
Deferred tax asset (see note 19)	543,555	400,959
	<u>7,028,492</u>	<u>10,951,572</u>

17 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	1,462,241	1,934,330
Amounts owed to group undertakings	4,300,708	10,730,738
Corporation tax	49,041	102,023
Other taxation and social security costs	870,392	1,028,365
Other creditors	241,647	24,992
Amounts due to connected parties	84,992	84,992
Accruals and deferred income	1,005,745	1,002,850
	<u>8,014,766</u>	<u>14,908,290</u>

There is a legal charge dated 20 March 2015, in favour of HSBC Bank Plc secured by a legal assignment of contract monies.

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.

There is a legal charged dated 16 January 1989, in favour of Midland Bank Plc secured by a fixed and floating charged over all assets of the company.

There is a Composite Company Unlimited Multilateral Guarantee dated 17 December 2014 given by Hobs Reprographics plc, Obett Holdings Limited, Hobs Exchange Ltd, Anexsys Limited (formerly Hobs Legal Docs Limited), Hobs On-Site Limited, Hobs Group Limited (formerly Vision Royle Limited). There were no balances at the balance sheet date.

The company had an invoice discounting facility at the year end. The facility is secured on the assets to which it relates. The facility was not in use at the year end.

18 Creditors: amounts falling due after more than one year	2015 £	2014 £
Amounts owed to group undertakings	<u>2,671,304</u>	<u>-</u>

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

19 Provisions for liabilities

	Other £
Balance at 1 May 2014	211,218
Profit and loss account	88,782
	<u>300,000</u>
Balance at 30 April 2015	<u>300,000</u>

Other provisions relate to provisions for dilapidation costs.

The deferred tax asset (included in debtors, note 16) is made up as follows:

	2015 £	
Balance at 1 May 2014	(579,359)	
Profit and loss account	35,804	
ACT available for offset	(178,400)	
	<u>(543,555)</u>	
Balance at 30 April 2015	<u>(543,555)</u>	

	2015 £	2014 £
Decelerated capital allowances	(347,632)	(391,959)
Other timing differences	(17,523)	(9,000)
Defined benefit pension scheme timing differences	(178,400)	-
	<u>(543,555)</u>	<u>(400,959)</u>

A deferred tax asset has been recognised in relation to the excess of depreciation over taxation allowances, as well as short term timing differences as the company is forecasting to make taxable profits in the next year.

20 Retirement Benefits

	2015 £	2014 £
Contributions payable by the company for the year	<u>141,446</u>	<u>115,684</u>

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

20 Retirement Benefits (Continued)

Defined benefit scheme

The company operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 6 April 2012. An updated valuation as at 30 April 2015 has been carried out by a qualified actuary independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

As there are no active members in pensionable service, no employer contributions are required in respect of future service benefits.

The schedule of contributions following the 6 April 2012 valuation required the employer to pay at least £150,000 per annum in respect of the funding shortfall. From 6 April 2014 this amount increased to at least £350,000 per annum and is due to be payable until 5 April 2020.

Additional contributions of £768,000 have also been paid over the period relating to a buy-in transaction involving all remaining members in the scheme, which took place in October 2014.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015 %	2014 %
Discount rate at 30 April 2015	3.40	4.30
Expected return on plan assets at 30 April 2015	2.98	1.88
	2015 Years	2014 Years
Retiring today		
Males	22.00	22.00
Females	24.30	24.20
Retiring in 20 years		
Males	23.40	23.30
Females	25.80	25.70

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

20 Retirement Benefits (Continued)

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

	Defined benefit pension plans	
	2015 £	2014 £
Included in operating profit		
Past service cost	599,000	-
Gains on curtailments and settlements	(500,000)	-
Other amounts	-	-
	<u>99,000</u>	<u>-</u>
Included in other finance costs		
Interest on obligation	224,000	281,000
Expected return on pension scheme assets	(438,000)	(281,000)
Agreed refund	-	-
	<u>(214,000)</u>	<u>-</u>
Total	<u>(115,000)</u>	<u>-</u>
 Actual return on plan assets	 <u>(966,000)</u>	 <u>157,000</u>

In 2014, if there had been no limit on the expected return on the scheme assets due to some of the surplus not being recoverable, the expected return on the scheme assets would have been £328,000, i.e. £47,000 of expected returns are not disclosed in the P&L due to the limit of paragraph 41 of FRS 17.

Analysis of amount recognised in the statement of total recognised gains and losses:

	Defined benefit pension plans	
	2015 £	2014 £
Actual return less expected return on pension scheme assets	(1,404,000)	(124,000)
Experience gains and losses arising on scheme liabilities	-	657,000
Changes in assumptions underlying the present value of the scheme liabilities	(557,000)	6,000
Movement in unrecognised assets	-	(79,000)
	<u>(1,961,000)</u>	<u>460,000</u>

At 30 April 2015 the cumulative amount of actuarial losses recognised in the statement of total recognised gains and losses is £3,551,000 (2013 - £1,669,000).

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

20 Retirement Benefits (Continued)

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Present value of funded obligations	4,896,000	6,386,000
Fair value of plan assets	(4,896,000)	(6,465,000)
	-	(79,000)
Present value of unfunded obligations	-	-
Unrecognised past service cost	-	-
Unrecognised pension fund asset	-	79,000
Deficit	-	-
Related deferred tax liability	-	-

	Defined benefit pension plans	
	2015	2014
	£	£
Opening defined benefit obligation	6,386,000	6,930,000
Interest cost	224,000	281,000
Past service cost	599,000	-
Actuarial losses (gains)	557,000	(663,000)
Liabilities extinguished on settlements	(2,870,000)	-
Benefits paid	-	(162,000)
Total	4,896,000	6,386,000

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

20 Retirement Benefits (Continued)

Changes in fair value of plan assets are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Opening fair value of plan assets	6,465,000	6,080,000
Expected return	438,000	281,000
Actuarial losses	(1,404,000)	(124,000)
Assets distributed on settlements	(2,370,000)	-
Contributions by employer	1,767,000	390,000
Benefits paid	-	(162,000)
	<u>4,896,000</u>	<u>6,465,000</u>

The major categories of plan assets as a percentage of total plan assets are as follows:

	2015	2014
	%	%
Equities	-	93
Bonds	-	1
Other assets	<u>100</u>	<u>6</u>

None of the fair values of the assets shown above include any direct investments in the company's own financial instruments or any property occupied by, or other assets used by, the company.

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

Defined benefit pension plans

	2015	2014	2013	2012	2011
	£	£	£	£	£
Defined benefit obligation	(4,896,000)	(6,386,000)	(6,930,000)	(5,132,000)	(5,014,000)
Plan assets	4,896,000	6,465,000	6,080,000	5,315,000	5,182,000
Surplus/(deficit)	-	79,000	(850,000)	183,000	168,000
Experience adjustments on plan liabilities	-	657,000	(41,000)	(215,000)	(131,000)
Experience adjustments on plan assets	<u>(1,404,000)</u>	<u>(124,000)</u>	<u>489,000</u>	<u>(686,000)</u>	<u>260,000</u>

21 Share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

22 Profit and loss account

	Profit and loss account £
Balance at 1 May 2014	7,919,273
Profit for the year	1,029,820
Dividends paid	(2,604,156)
Actuarial gains or losses on pension scheme assets	(1,882,000)
Balance at 30 April 2015	<u>4,462,937</u>

23 Reconciliation of movements in shareholder's funds

	2015 £	2014 £
Profit for the financial year	1,029,820	136,849
Dividends	(2,604,156)	-
	<u>(1,574,336)</u>	<u>136,849</u>
Other recognised gains and losses	(1,882,000)	460,000
Movement on deferred tax relating to pension asset	-	(195,500)
	<u>(3,456,336)</u>	<u>401,349</u>
Net (depletion in)/addition to shareholders' funds	7,969,273	7,567,924
Opening shareholder's funds	<u>4,512,937</u>	<u>7,969,273</u>
Closing shareholder's funds	<u>4,512,937</u>	<u>7,969,273</u>

24 Commitments under operating leases

At 30 April 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2016:

	Land and buildings 2015 £	2014 £
Operating leases which expire:		
Within one year	316,850	136,850
Between two and five years	379,932	291,799
In over five years	278,255	526,763
	<u>975,037</u>	<u>955,412</u>

HOBBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

25 Control

Until 16 December 2014 the immediate and ultimate parent company was Obett Holdings Limited, a company registered in England and Wales.

From 17 December 2014 the immediate parent company is Obett Holdings Limited and the ultimate parent company is Hobs Group Limited, a company registered in England and Wales. The consolidated accounts of Hobs Group Limited are available to the public from its registered office:

Unit 305 Vanilla Factory
39 Fleet Street
Liverpool
L1 4AR

The directors consider there to be no ultimate controlling party of Hobs Group Limited.

26 Related party relationships and transactions

The Hobs (Drawing Office Services) Limited/Hobs Reprographics plc Pension Scheme

The above is the company pension scheme. During the prior year the property at St Andrew's Building, 18A Slater Street, Liverpool L1 4BS owned by The Hobs (Drawing Office Services) Limited/Hobs Reprographics plc Pension Scheme was sold to the company for a consideration of £260,000. During the year Hobs Reprographics plc paid invoices on behalf of the pension scheme amounting to £2,159,126 (2014 - £121,550) and at the year end £Nil (2014 - £121,550) was due to the company.

J B Hackett

J B Hackett was a director of the company until 30 April 2015. During the year the company was charged consultancy fees of £84,937 (2014 - £42,905) and at the year end £32,768 (2014 - £42,905) was due by the company and is included in accruals and deferred income.

K J O'Brien

K J O'Brien is a director of the company. During the year the company paid invoices on behalf of Mr O'Brien amounting to £136,511 (2014 - £22,498) all of which were repaid by 13 August 2014. In addition an interest free loan of £190,880 (2014 - £nil) was paid to Mr O'Brien on 16 June 2014 and repaid in full to the company on 17 December 2014. The maximum balance outstanding in the year on the debt due to the company was £264,550 (2014 - £22,498).

JD Hackett & Co Ltd. ("Hackett's")

Joe Hackett was a director of a number of Hobs businesses and a director and shareholder of Hackett's in Ireland. Hackett's offer reprographic services to businesses in Ireland. During the year there were sales of £88,232 (2014 - £191,231) to Hackett's. These were for reprographic and machine sales on a commercial arm's length basis. At the year end £16,254 (2014 - £25,224) was due to Hobs Reprographics plc and is included in trade debtors.

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 Hobs Group Limited.