

**REGISTRAR OF
COMPANIES**

Company Registration No. 00511368 (England and Wales)

**HOBS REPROGRAPHICS PLC
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2016**

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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 J Duckenfield
Secretary	S P Walsh-Hill
Company number	00511368
Registered office	Unit 305 Vanilla Factory 39 Fleet Street Liverpool Merseyside L1 4AR
Auditors	RSM UK Audit LLP Chartered Accountants 14th Floor 20 Chapel Street Liverpool L3 9AG
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 2016

The directors present their strategic report for the year ended 30 April 2016.

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 46 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 services (creation, production, presentation, manipulation, storage/hosting and distribution) Hobs has become an invaluable and seamless extension of its clients' businesses.

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 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 dedicated centres in Liverpool and London.

Our history

The company was established in Liverpool in 1969 by Kieran O'Brien in partnership with Joe Hackett Snr. Hobs initially focused on providing construction drawing printing services to companies in the AEC sector. Whilst the AEC sector remains Hobs' 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 Hobs is particularly strong in the London market, but through strategic acquisitions has become one of only two national players.

HOBS REPROGRAPHICS PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

Business review

Hobs Reprographics plc saw turnover decrease by £3.2m (13.8%) year on year to £19.81m. However this largely reflects the restructuring of the Hobs Studio business on 1 May 2015 into a separate company mitigated by the hive across of the Hobs Exchange business from Hobs On Site at the same date. On a comparative basis turnover for Hobs Reprographics saw a like for like decrease of £0.91m or 4.3%, with much of this decrease coming from the traditional reprographic service lines.

At the same time underlying profit (pre-exceptionals, see note 4 for a description of exceptional items) decreased by £0.56m to £1.22m. However this includes defined benefit pension scheme funding of £0.27m.

On 1 May 2016 the implementation of a new ERP IT system commenced with a phased roll-out planned for the current year ended 30 April 2017. This will affect all companies in the group and is expected to enhance not just the quality of financial data being produced but also to streamline business practices at all business units, leading to more efficient use of resources and greater data intelligence to drive the business forward.

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.

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.

HOBS REPROGRAPHICS PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

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) sector. The directors believe this risk is reducing as the UK economy continues to strengthen, although in the medium-term it could be impacted by the Brexit process as this unfolds over the coming several years.
- Price risk has now increased as suppliers start to pass on price increases in imported raw materials caused by the current weakness in sterling. The stability of sterling against major foreign currencies will be key to preventing any further price increases, although import tariffs may then start to take effect later on once Brexit negotiations are concluded.
- Technology – The emergence of 3D Printing and associated services are having a significant impact on the AEC sector's pre-construction processes. Consequently Hobs Group has invested large sums in this new technology to secure its market share in the sector, and also to take advantage of new sectors opening up in the 3D field. The directors intend to ensure that Hobs Group remains at the forefront of this market by continuing its investment in new technology.
- Competition – Hobs remains one of only three national suppliers of printing and reprographics 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

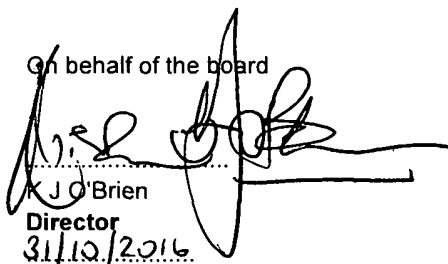
The directors monitor performance through the production of a 3-year business plan, supported by the production of detailed annual budgets and forecasts that cover all trading divisions in the company and the comparison of actual performance against these budgets.

Profit before tax for the year ended 30 April 2016 was £3,864,810.

When considering the performance of the company, particular focus is given to sales and gross profit, wages, overheads and profit before tax as a percentage of sales.

A renewed focus on driving sales is currently under way whilst maintaining the tight cost control already implemented.

On behalf of the board



K J O'Brien
Director
31/10/2016

HOBS REPROGRAPHICS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2016

The directors present their annual report and financial statements for the year ended 30 April 2016.

Principal activities

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

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
D Gordon
S Lacey
C Horwood
D C O'Brien
S P Walsh-Hill
J Duckenfield

(Appointed 5 September 2016)

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £3,301,750. The directors do not recommend payment of a final dividend.

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.

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.

Future developments

With growth returning to the core AEC marketplace, the directors feel the group 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, the directors also undertook a targeted review of headcount in certain businesses within the company to ensure trading performance and profitability is maximised over the year to April 2017.

Auditor

The auditor, RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to the auditor

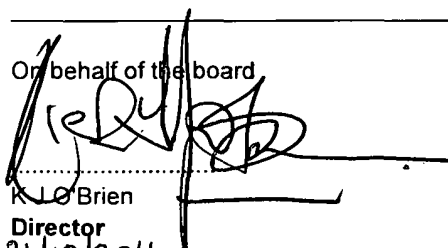
So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish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

HOBS REPROGRAPHICS PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

On behalf of the board



K. J. O'Brien

Director

31/10/2016

HOBS REPROGRAPHICS PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2016

The directors are responsible for preparing the Strategic Report and 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 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 MEMBER OF HOBS REPROGRAPHICS PLC

We have audited the financial statements on pages 8 to 32. 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 6, 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 2016 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.

RSM UK Audit LLP

Jonathan Lowe (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor
Chartered Accountants
14th Floor
20 Chapel Street
Liverpool
L3 9AG
31/10/2016

HOBS REPROGRAPHICS PLC

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2016

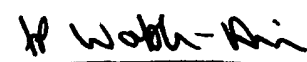
	Notes	2016 £	2015 £
Turnover	3	19,814,099	23,012,009
Cost of sales		(4,686,191)	(5,976,835)
Gross profit		15,127,908	17,035,174
Administrative expenses		(14,360,262)	(15,703,599)
Other operating income		450,000	450,000
Exceptional items	4	2,657,016	(960,323)
Operating profit	5	3,874,662	821,252
Interest receivable and similar income	9	4,225	45,693
Interest payable and similar charges	10	(14,077)	(1,082)
Other gains and losses	11	-	(125,000)
Profit on ordinary activities before taxation		3,864,810	740,863
Taxation	12	(172,857)	115,957
Profit for the financial year	27	3,691,953	856,820
Other comprehensive income net of taxation			
Actuarial loss on defined benefit pension schemes		-	(1,709,000)
Total comprehensive income for the year		3,691,953	(852,180)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

HOBS REPROGRAPHICS PLC**STATEMENT OF FINANCIAL POSITION****AS AT 30 APRIL 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Goodwill	14		344,748		457,447
Other intangible assets	14		20,786		111,989
Total intangible assets			365,534		569,436
Tangible assets	15		2,000,242		2,719,240
Investments	16		150,000		3,414,648
			2,515,776		6,703,324
Current assets					
Stocks	18	385,612		605,829	
Debtors	19	8,544,194		7,028,492	
Cash at bank and in hand		1,213,645		1,161,362	
		10,143,451		8,795,683	
Creditors: amounts falling due within one year	20	(7,406,087)		(8,014,766)	
Net current assets			2,737,364		780,917
Total assets less current liabilities			5,253,140		7,484,241
Creditors: amounts falling due after more than one year	21		-		(2,671,304)
Provisions for liabilities	23		(350,000)		(300,000)
Net assets			4,903,140		4,512,937
Capital and reserves					
Called up share capital	26	50,000		50,000	
Profit and loss reserves	27	4,853,140		4,462,937	
Total equity			4,903,140		4,512,937

The financial statements were approved by the board of directors and authorised for issue on 31/10/2016.....
and are signed on its behalf by:



S P Walsh-Hill
Director

HOBS REPROGRAPHICS PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 May 2014		50,000	7,919,273	7,969,273
Year ended 30 April 2015:				
Profit for the year		-	856,820	856,820
Other comprehensive income net of taxation:				
Actuarial loss on defined benefit plans		-	(1,709,000)	(1,709,000)
Total comprehensive income for the year		-	(852,180)	(852,180)
Dividends	13	-	(2,604,156)	(2,604,156)
Balance at 30 April 2015		50,000	4,462,937	4,512,937
Year ended 30 April 2016:				
Profit and total comprehensive income for the year		-	3,691,953	3,691,953
Dividends	13	-	(3,301,750)	(3,301,750)
Balance at 30 April 2016		50,000	4,853,140	4,903,140

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

Company information

Hobs Reprographics plc is a company limited by shares incorporated in England and Wales. The registered office is Unit 305 Vanilla Factory, 39 Fleet Street, Liverpool, Merseyside, L1 4AR.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Transition to FRS 102

These financial statements are the first financial statements of Hobs Reprographics plc prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Hobs Reprographics plc for the year ended 30 April 2015 were prepared in accordance with previous UK GAAP. The date of transition was 1 May 2014.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date and are detailed in note 32.

Reduced disclosure exemptions

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the company are consolidated in the financial statements of Hobs Group Limited. The consolidated financial statements of Hobs Group Limited are available from its registered office, Unit 305 Vanilla Factory, 39 Fleet Street, Liverpool, Merseyside, L1 4AR.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies (Continued)

Group accounts

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Hobs Reprographics plc is a wholly owned subsidiary of Hobs Group Limited and the results of Hobs Reprographics plc are included in the consolidated financial statements of Hobs Group Limited which are available from Unit 305 Vanilla Factory, 39 Fleet Street, Liverpool, Merseyside, L1 4AR.

Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Intangible fixed assets - 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
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Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	- 3 years straight line
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HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies (Continued)

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies (Continued)

Cash and cash equivalents

Cash and cash equivalents includes cash in hand and bank current accounts.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 company after deducting all of its liabilities.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies (Continued)

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies (Continued)

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Categorisation of leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the company as lessee.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful life of fixed assets

In making decisions regarding the depreciation of fixed assets, management must estimate the useful life of said assets to the business. A change in estimate would result in a change in the depreciation charged to profit or loss in each year.

Valuation of intangible assets

The recoverable amount of goodwill and other intangible assets is based on value in use which requires estimates in respect of the allocation of goodwill to cash generating units, the future cash flows and an appropriate discount rate. The key inputs to the value in use calculations are the discount rate and the future earnings growth.

Provisions

Management must estimate at each reporting period date the impact of dilapidations resulting from the occupation of leased properties.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover analysed by class of business		
Supply of reprographic services	19,814,099	23,012,009
Other revenue		
Interest income	-	45,693
Dividends received	4,225	-

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	19,754,262	22,938,482
Overseas	59,837	73,527
	19,814,099	23,012,009

4 Exceptional (income)/costs

	2016 £	2015 £
Defined benefit pension scheme restructuring costs	-	960,323
Intercompany debt forgiveness	(2,657,016)	-
	(2,657,016)	960,323

Within operating profit there are exceptional items totalling £2,657,016 credit (2015 - £960,323 debit). The credit in 2016 related to intercompany debt forgiveness as part of group restructuring. The 2015 charge relates 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.

5 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	856,514	1,172,370
Profit on disposal of tangible fixed assets	(29,450)	(237,447)
Amortisation of intangible assets	132,946	108,990
Cost of stocks recognised as an expense	4,686,191	5,976,835
Operating lease charges	894,615	937,919

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

6 Auditor's remuneration

	2016	2015
	£	£
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	11,000	20,600

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).

7 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016	2015
	Number	Number
Number of staff	273	295

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	8,059,301	8,914,226
Social security costs	820,707	983,594
Pension costs	418,696	141,446
	9,298,704	10,039,266

Pension costs are amounts charged to operating profit and do not include amounts credited to finance income and amounts recognised in other comprehensive income.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

8 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	770,702	1,024,237
Company pension contributions to defined contribution schemes	36,510	36,073
Sums paid to third parties for directors' services	-	75,000
	<u>807,212</u>	<u>1,135,310</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2015 - 5).

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

Remuneration for qualifying services	167,844	255,500
Company pension contributions to defined contribution schemes	-	6,000
	<u>-</u>	<u>6,000</u>

9 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	-	4,693
Interest on the net defined benefit asset	-	41,000
	<u>-</u>	<u>45,693</u>
Total interest revenue	-	45,693
Other income from investments		
Dividends received	4,225	-
	<u>4,225</u>	<u>45,693</u>
Total income	<u>4,225</u>	<u>45,693</u>

10 Interest payable and similar charges

	2016 £	2015 £
Interest on bank overdrafts and loans	41	-
Interest on other loans	14,036	1,082
	<u>14,077</u>	<u>1,082</u>

11 Other gains and losses

	2016 £	2015 £
Amounts written off fixed asset investment		
- permanent diminution in value	-	125,000
	<u>-</u>	<u>125,000</u>

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

12 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	58,000	26,639
Adjustments in respect of prior periods	(60,106)	-
Total current tax	(2,106)	26,639
Deferred tax		
Origination and reversal of timing differences	119,975	(142,596)
Changes in tax rates	54,988	-
Total deferred tax	174,963	(142,596)
Total tax charge	172,857	(115,957)

The charge for the year can be reconciled to the profit per the income statement as follows:

	2016 £	2015 £
Profit before taxation	3,864,810	740,863
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.92%)	772,962	154,989
Tax effect of expenses that are not deductible in determining taxable profit	10,655	45,532
Tax effect of income not taxable in determining taxable profit	(532,248)	(350,980)
Adjustments in respect of prior years	(60,106)	-
Effect of change in corporation tax rate	(26,582)	(395)
Group relief	(49,370)	27,528
Other non-reversing timing differences	-	(18,983)
Deferred tax adjustments in respect of prior years	(6,326)	-
Adjust closing deferred tax to average rate	40,955	-
Fixed asset differences	22,917	17,438
Provisions tax adjustment	-	8,914
Tax expense for the year	172,857	(115,957)

13 Dividends

	2016 £	2015 £
Interim paid	3,301,750	2,604,156

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

14 Intangible fixed assets

	Goodwill £	Software £	Total £
Cost			
At 1 May 2015	2,092,300	321,372	2,413,672
Additions - separately acquired	-	22,954	22,954
Disposals	-	(116,336)	(116,336)
At 30 April 2016	2,092,300	227,990	2,320,290
Amortisation and impairment			
At 1 May 2015	1,634,853	209,383	1,844,236
Amortisation charged for the year	112,699	20,247	132,946
Disposals	-	(22,426)	(22,426)
At 30 April 2016	1,747,552	207,204	1,954,756
Carrying amount			
At 30 April 2016	344,748	20,786	365,534
At 30 April 2015	457,447	111,989	569,436

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

15 Tangible fixed assets

	Freehold buildings	Long leasehold improvements	Short leasehold improvements	Plant & equipment	Fixtures & Motor vehicles fittings	Total
	£	£	£	£	£	£
Cost						
At 1 May 2015	348,420	247,728	1,557,316	6,843,106	386,241	10,196,320
Additions	-	-	58,603	647,169	56,153	960,199
Disposals	-	-	(718,719)	(1,346,228)	(172,232)	(2,469,849)
At 30 April 2016	348,420	247,728	897,200	6,144,047	270,162	8,686,670
Depreciation and impairment						
At 1 May 2015	48,779	24,773	1,268,683	5,328,235	272,082	7,477,080
Depreciation charged in the year	13,936	9,909	80,773	586,596	30,194	856,514
Eliminated in respect of disposals	-	-	(635,999)	(715,860)	(103,381)	(1,647,166)
At 30 April 2016	62,715	34,682	713,457	5,198,971	198,895	6,686,428
Carrying amount						
At 30 April 2016	285,705	213,046	183,743	945,076	71,267	2,000,242
At 30 April 2015	299,641	222,955	288,633	1,514,871	114,159	2,719,240

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

16 Fixed asset investments

	Notes	2016 £	2015 £
Investments in subsidiaries	17	150,000	125,001
Loans to subsidiaries	17	-	3,289,647
		<u>150,000</u>	<u>3,414,648</u>

Movements in fixed asset investments

	Shares in group undertakings £	Loans to group undertakings £	Total £
Cost or valuation			
At 1 May 2015	125,001	3,289,647	3,414,648
Additions	24,999	-	24,999
Repaid	-	(3,289,647)	(3,289,647)
At 30 April 2016	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Carrying amount			
At 30 April 2016	<u>150,000</u>	<u>-</u>	<u>150,000</u>
At 30 April 2015	<u>125,001</u>	<u>3,289,647</u>	<u>3,414,648</u>

17 Subsidiaries

Details of the company's subsidiaries at 30 April 2016 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct Indirect
T.P.R (Berkshire) Limited	England & Wales	Dormant	Ordinary shares	100.00
Manchester Print Graphics Limited	England & Wales	Dormant	Ordinary shares	100.00
Hobs Exchange Ltd	England & Wales	Dormant	Ordinary shares	100.00

The brought forward loan to group undertakings relates to amounts loaned to the parent company Obett Holdings Limited and has been repaid in the year.

Post year end an application was made to strike off T.P.R (Berkshire) Limited and Hobs Exchange Ltd, see note 29 for further detail.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

18 Stocks

	2016 £	2015 £
Raw materials and consumables	385,612	605,829

19 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	3,786,869	4,506,289
Amounts due from fellow group undertakings	3,325,835	1,211,340
Other debtors	388,281	89,003
Prepayments and accrued income	674,617	678,305
	<u>8,175,602</u>	<u>6,484,937</u>
Deferred tax asset (note 24)	368,592	543,555
	<u>8,544,194</u>	<u>7,028,492</u>

20 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,176,399	1,462,241
Amounts due to group undertakings	4,087,248	4,300,708
Corporation tax	58,000	49,041
Other taxation and social security	1,069,962	870,392
Other creditors	314,346	326,639
Accruals and deferred income	700,132	1,005,745
	<u>7,406,087</u>	<u>8,014,766</u>

21 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Other borrowings	22	-	2,671,304

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

22 Borrowings

	2016 £	2015 £
Loans from group undertakings	-	2,671,304
Payable after one year	-	2,671,304

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 charge dated 16 January 1989, in favour of HSBC 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, Hobs On-Site Limited, Hobs Group Limited. There were no balances at the year end.

23 Provisions for liabilities

	2016 £	2015 £
	350,000	300,000

Movements on provisions:

	£
At 1 May 2015	300,000
Additional provisions in the year	50,000
At 30 April 2016	350,000

The dilapidation provision represents the directors best estimate for the cost to return leased properties to their original state at the inception of each lease.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

24 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2016 £	Assets 2015 £
Balances:		
Depreciation in excess of capital allowances	274,394	347,632
Retirement benefit obligations	80,280	178,400
Other timing differences	13,918	17,523
	<u>368,592</u>	<u>543,555</u>
Movements in the year:		2016 £
Asset at 1 May 2015		(543,555)
Charge to profit or loss		119,975
Effect of change in tax rate - profit or loss		54,988
Asset at 30 April 2016		<u>(368,592)</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.

25 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £418,696 (2015 - £141,446).

Included in other creditors at the year end was £30,645 (2015 - £15,056) in respect of defined contribution schemes.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

25 Retirement benefit schemes (Continued)

Defined benefit schemes

The company operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 6 April 2012. An updated valuation as at 30 April 2016 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. However, in December 2014 the scheme entered into a buy-in transaction involving all remaining members in the scheme in December 2014 and additional contributions were paid in to secure that deal.

Over the period ended 30 April 2016 a final true-up premium of £242,544 was paid in relation to the buy-in contract with Legal and General on 25 September 2015. On payment, this contract was converted into a buy-out of the scheme liabilities. The scheme is currently completing the final processes of winding up.

	2016	2015
	%	%
<i>Key assumptions</i>		
Discount rate	3.4	3.4
Inflation (RPI)	3.1	3.3
Inflation (CPI)	2.1	2.3
	<u> </u>	<u> </u>
<i>Mortality assumptions</i>	2016	2015
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	22.1	22
- Females	24.3	24.3
	<u> </u>	<u> </u>
Retiring in 20 years		
- Males	23.5	23.4
- Females	25.8	25.8
	<u> </u>	<u> </u>
	2016	2015
<i>Amounts recognised in the income statement</i>	£	£
Net interest on defined benefit liability/(asset)	-	(41,000)
Other costs and income	-	599,000
	<u> </u>	<u> </u>
Total costs	-	558,000
	<u> </u>	<u> </u>

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

25 Retirement benefit schemes (Continued)

	2016 £	2015 £
<i>Amounts taken to other comprehensive income</i>		
Actual return on scheme assets	(69,000)	966,000
Less: calculated interest element	69,000	265,000
	<u>-</u>	<u>1,231,000</u>
Return on scheme assets excluding interest income	-	557,000
Actuarial changes related to obligations	-	
	<u>-</u>	<u>1,788,000</u>
Total costs	-	

The amount recognised in other comprehensive income in 2015 was restricted by £79,000 due to a restriction on the surplus that was available in the scheme at 30 April 2014.

The amounts included in the statement of financial position arising from the company's obligations in respect of defined benefit plans are as follows:

	2016 £	2015 £
Present value of defined benefit obligations	-	4,896,000
Fair value of plan assets	-	(4,896,000)
	<u>-</u>	<u>-</u>
Deficit in scheme	-	-

	2016 £
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 May 2015	4,896,000
Plan introductions, changes, curtailments and settlements	(4,965,000)
Interest cost	69,000
	<u>-</u>
At 30 April 2016	-

	2016 £
<i>The defined benefit obligations arise from plans funded as follows:</i>	
Wholly unfunded obligations	-
Wholly or partly funded obligations	-
	<u>-</u>

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

25 Retirement benefit schemes (Continued)

	2016 £
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 May 2015	4,896,000
Interest income	69,000
Plan introductions, changes, curtailments and settlements	(5,208,000)
Contributions by the employer	243,000
At 30 April 2016	-

	2016 £	2015 £
<i>The analysis of the scheme assets at the reporting date were as follows:</i>		
Insurance policy	-	4,896,000

26 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

27 Reserves

Profit and loss reserves

Cumulative profit and loss net of distribution to owners.

28 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	806,808	755,548
Between two and five years	1,877,084	1,713,792
In over five years	832,838	692,167
	3,516,730	3,161,507

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

29 Events after the reporting date

On 28 April 2016 a group reconstruction was carried out. This resulted in the waiver of certain intercompany debts between group companies and the transfer of Hobs Reprographics plc, Hobs On-Site Limited, Anexsys Limited, and Hobs Studio Limited from Obett Holdings Limited to Hobs Group Limited.

As a result of this on 21 October 2016 an application was made to the registrar of companies to strike off the following subsidiary companies: T.P.R (Berkshire) Limited and Hobs Exchange Ltd.

30 Related party transactions

No guarantees have been given or received.

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

The above is the company pension scheme. During the year Hobs Reprographics plc paid invoices on behalf of the pension scheme amounting to £276,189 (2015 - £2,159,126) and at the year end £Nil (2015 - £Nil) 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 £Nil (2015 - £84,937) and at the year end £Nil (2015 - £32,768) 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 K J O'Brien amounting to £7,376 (2015 - £136,511). Amounts repaid in the year amounted to £7,255.

The maximum balance outstanding on the debt due to the company was £3,713 (2015 - £264,550). The balance outstanding from K J O'Brien at year end is £121 (2015 - £Nil) and is included in other debtors.

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 £59,837 (2015 - £88,232) to Hackett's. These were for reprographic and machine sales on a commercial arm's length basis. At the year end £1,018 (2015 - £16,254) was due to Hobs Reprographics plc and is included in trade debtors.

31 Controlling party

The immediate parent company and 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.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

32 Reconciliations on adoption of FRS 102

Reconciliation of equity

	1 May 2014 £	30 April 2015 £
Equity as reported under previous UK GAAP and under FRS 102	7,969,273	4,512,937

Reconciliation of profit/ (loss)

	Notes	2015 £
Profit/ (loss) as reported under previous UK GAAP		1,029,820
Adjustments arising from transition to FRS 102:		
Interest income on plan assets	b.)	(173,000)
Profit/ (loss) reported under FRS 102		856,820

Notes to reconciliations on adoption of FRS 102

a) Computer software costs

Under previous UK GAAP computer software costs were recognised as tangible fixed assets. Under FRS 102, they have been recognised as intangible assets as per section 18. Consequently at transition £219,954 cost and £172,706 accumulated depreciation have been transferred to intangible assets. In the prior year £103,524 of additions, £2,106 of disposals, £36,911 depreciation charge for the year and £234 depreciation on disposals have also been moved to intangible assets.

b) Reduction in income on plan assets held in retirement benefit plan

Included within interest receivable in the profit and loss account under previous UK GAAP for the year ended 30 April 2015 was £214,000 in relation to the actual return on plan assets. This amount under FRS 102 has decreased by £173,000 with the corresponding entry decreasing the actuarial loss recognised in other comprehensive income.