

Company Registration No. 00511368 (England and Wales)

HOBS REPROGRAPHICS PLC
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2018

SATURDAY



A7GZKL62

A24

20/10/2018

#46

COMPANIES HOUSE

HOBS REPROGRAPHICS PLC

COMPANY INFORMATION

Directors	J Duckenfield D Gordon C Horwood S P Walsh-Hill B Flook
Secretary	S P Walsh-Hill
Company number	00511368
Registered office	14 Castle Street Liverpool England L2 0NE
Auditor	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 2018

The directors present the strategic report for the year ended 30 April 2018.

Company overview

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

Hobs has been a leading name in its sector for the last 49 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, 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 sectors, with the customers of Hobs finding the services exceptional value for money.

Hobs is a progressive technology and services partner in its sector. These services involve the provision of consultancy, software 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 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 number of dedicated centres throughout the UK.

Our history

The company was established in Liverpool over 49 years ago and initially focused on providing construction drawing printing services to companies in the Architecture, Engineering and Construction ('AEC') sector. Whilst the AEC sector remains Hobs' largest sector its current multi-layered, technology-driven service solution has evolved significantly from the company's original offering. The company was proud to be awarded a Royal Warrant in 2003.

Hobs expanded through successive decades both organically and through selective acquisition to build a national presence in the UK and Ireland. Hobs is particularly strong in the London market, and through the acquisition of Call Print Group in August 2018, has now become the leading supplier of reprographic services within the UK.

HOBS REPROGRAPHICS PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

Business review

The company saw turnover marginally decrease by £0.6m (3.4%) year on year to £18.1m, with all of this impact coming from discontinued activities in the prior year.

Although gross margins have improved slightly on the prior year, the reduction in turnover, explained above, resulted in an underlying operating loss of £0.28m. However strong cost control has helped minimise the effect of the reduction in sales. The directors have made a number of strategic decisions to boost turnover, the principle one being the acquisition of Call Print Group on 31 August 2018:

The principal change in the company's financial position in the year resulted from the waiver of an inter-company debt of £4.4m due to Hobs On-Site Limited at 31 January 2018. This was in preparation for the sale of this business on 4 May 2018. During the year the company invested £0.85m in new equipment and also significantly reduced its debtor days resulting in a £1m reduction in trade debtors on the previous year.

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 2018 was £4,147,416.

With the addition of the Call Print business in August 2018 the company is much more strongly placed in the London market, as well as being able to add significant new business to its regional operations. The directors intend to maximise this opportunity and take advantage of any synergies between the two businesses going forwards.

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

Quality management and health & safety

ISO 9001

Whereas parts of the business already had ISO 9001 this year saw the rollout of this quality standard across the company.

Health & Safety

The company executed a systematic programme of health and safety improvements and training within the year and performed an internal audit of the businesses, in conjunction with RSM, which included this important area.

HOBS REPROGRAPHICS PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

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 company for their continued support during the year.

Principal risks and uncertainties

The principal risks and uncertainty facing the group's business are as follows:

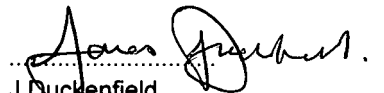
- The impact of the wider economy and specifically the AEC sector. The directors believe this risk is reducing as the UK economy continues to strengthen, although in the medium-term it could be impacted by the Brexit process as this unfolds over the coming years.
- Price risk has now increased as suppliers 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 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 remains at the forefront of this market by continuing its investment in new technology.
- Competition – Hobs is now the largest national supplier 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 management information data and the setting of targeted sales incentives.
- Cyber and Internet Security – As businesses become more reliant on technology the risks increase. This year saw us invest in various steps to make our business more resilient.
- GDPR – the regulation effective in May 2018 further crystallise the risk in information security. To this end we have appointed a data protection officer, embarked on education for our workforce around GDPR and information management. We have also implemented ISO 27001 within the business to improve general standards.

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.

HOBS REPROGRAPHICS PLC

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

On behalf of the board


.....
J Duckenfield
Chief Executive Officer
Date: 16 October 2018

HOBS REPROGRAPHICS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2018

The directors present their annual report and financial statements for the year ended 30 April 2018.

Principal activities

The principal activity of the company during the year was the supply of reprographic services including document imaging.

Directors

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

J Duckenfield

D Gordon

C Horwood

D C O'Brien

(Resigned 31 May 2017)

K J O'Brien

(Resigned 8 September 2017)

S P Walsh-Hill

B Flook

(Appointed 1 October 2018)

Results and dividends

The results for the year are set out on page 10.

The profit for the period, after taxation, attributable to members of the parent company amounted to £4,064,950 (2017 - £235,470 loss). The Directors do not propose the payment of a dividend.

Financial controls

The directors are responsible for the company's system of internal controls and for reviewing its effectiveness. The internal control system is designed to manage, rather than eliminate the risk of failure to achieve the company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

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.

Post reporting date events

On 31 August 2018 the subsidiary of Hobs Reprographics plc acquired certain trade and assets of Call Print Group Limited (in administration) from the administrators. The acquisition included 5 operating sites and should provide an additional £6m of turnover on an annualised basis.

HOBS REPROGRAPHICS PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

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.

The company completed its statutory reporting on gender pay gap this year which reflected the company's commitment to being a meritocracy regardless of gender, ethnicity or orientation. The company has gone further by introducing a rule requiring shortlists to include female candidates for 3rd and 4th quartile roles prior to down-selection; preserving the meritocracy but enhancing the prospects of improved gender balance.

Auditor

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director 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


J Duckenfield

Chief Executive Officer

Date: 16th October 2018

HOBS REPROGRAPHICS PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2018

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

Opinion

We have audited the financial statements of Hobs Reprographics plc (the 'company') for the year ended 30 April 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

RSM UK Audit LLP

Jacqui Baker (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
14th Floor
20 Chapel Street
Liverpool
L3 9AG
19/10/2018

HOBS REPROGRAPHICS PLC

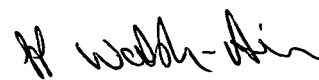
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2018

	Notes	2018 £	2017 £
Turnover	3	18,070,285	18,695,272
Cost of sales		(4,109,660)	(4,317,677)
Gross profit		13,960,625	14,377,595
Administrative expenses		(14,690,831)	(14,833,224)
Other operating income		450,000	450,000
Exceptional items	4	4,427,865	(149,999)
Operating profit/(loss)	7	4,147,659	(155,628)
Interest receivable and similar income	9	1,171	-
Interest payable and similar expenses	10	(1,414)	-
Profit/(loss) before taxation		4,147,416	(155,628)
Tax on profit/(loss)	11	(82,466)	(79,842)
Profit/(loss) for the financial year		4,064,950	(235,470)

HOBS REPROGRAPHICS PLC**STATEMENT OF FINANCIAL POSITION****AS AT 30 APRIL 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Goodwill	12	160,672		315,596	
Negative goodwill	12	(181,284)		(292,377)	
Net goodwill		(20,612)		23,219	
Other intangible assets	12	1,024,589		1,173,379	
Total intangible assets		1,003,977		1,196,598	
Tangible assets	13	1,629,755		2,126,622	
Investments	14	1		1	
		2,633,733		3,323,221	
Current assets					
Stocks	16	388,081		422,148	
Debtors	17	10,591,188		9,307,232	
Cash at bank and in hand		652,288		552,787	
		11,631,557		10,282,167	
Creditors: amounts falling due within one year	18	(5,052,913)		(8,487,718)	
Net current assets		6,578,644		1,794,449	
Total assets less current liabilities		9,212,377		5,117,670	
Creditors: amounts falling due after more than one year	19	(29,757)		-	
Provisions for liabilities	21	(450,000)		(450,000)	
Net assets		8,732,620		4,667,670	
Capital and reserves					
Called up share capital	24	50,000		50,000	
Profit and loss reserves	25	8,682,620		4,617,670	
Total equity		8,732,620		4,667,670	

The financial statements were approved by the board of directors and authorised for issue on 16/10/2018 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 2018

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 May 2016	50,000	4,853,140	4,903,140
Year ended 30 April 2017:			
Loss and total comprehensive income for the year	-	(235,470)	(235,470)
Balance at 30 April 2017	50,000	4,617,670	4,667,670
Year ended 30 April 2018:			
Profit and total comprehensive income for the year	-	4,064,950	4,064,950
Balance at 30 April 2018	<u>50,000</u>	<u>8,682,620</u>	<u>8,732,620</u>

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

Company information

Hobs Reprographics plc is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 14 Castle Street, Liverpool, England, L2 0NE.

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.

Reduced disclosure exemptions

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

- 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 - see note 28.

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.

Business combinations

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies (Continued)

Going concern

The directors regularly monitor the group's financial performance and position, with particular focus on cash flow and net debt. The company forms a major part of this process and, based on the business plan projections to 2020, the directors are confident that it will continue to trade profitably in the future, especially with the addition of the Call Print business acquired in August 2018.

Therefore 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 represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 3 years.

Negative goodwill arises when the cost of a business combination is less than the fair value of the interest in the identifiable assets, liabilities and contingent liabilities acquired. The amount up to the fair value of the non-monetary assets acquired is credited to profit or loss in the period in which those non-monetary assets are recovered. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to profit or loss in the periods expected to benefit.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

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 of assets less their residual values over their useful lives on the following bases:

Software	- 3 - 5 years straight line
Customer relationships	- 3 years straight line

Tangible fixed assets

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

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies (Continued)

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

Freehold property	- 4% straight line
Long leasehold property	- 4% straight line
Short leasehold improvements	- 20% straight line
Plant & equipment	- 25% 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.

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.

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.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies (Continued)

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.

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.

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.

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.

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.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies (Continued)

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 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 differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

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 in which 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.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 leased asset are consumed.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

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; a change in these assumptions could impact on the level of goodwill recognised.

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 2018

3 Turnover and other revenue

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

	2018 £	2017 £
Turnover analysed by class of business		
Supply of reprographic services	18,070,285	18,695,272
	<u>18,070,285</u>	<u>18,695,272</u>
	2018 £	2017 £
Other revenue		
Interest income	1,171	-
	<u>1,171</u>	<u>-</u>
	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	17,981,869	18,641,692
Overseas	88,416	53,580
	<u>18,070,285</u>	<u>18,695,272</u>

4 Exceptional items

	2018 £	2017 £
Impairment of investment in dissolved subsidiary company	-	149,999
Intercompany debt waiver - credit	(4,427,865)	-
	<u>(4,427,865)</u>	<u>149,999</u>

Within operating profit there is exceptional income totalling £4,427,865 (2017 - £149,999 costs). The income in 2018 relates to an intercompany debt waiver as part of the sale of Hobs On-Site Limited. The cost in 2017 relates to the write off of the investment in the dissolved subsidiary company Hobs Exchange Limited.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

5 Employees

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

	2018 Number	2017 Number
Management	7	9
Staff	252	255
	<u>259</u>	<u>264</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	8,275,863	8,293,654
Social security costs	849,829	864,917
Pension costs	165,440	168,342
	<u>9,291,132</u>	<u>9,326,913</u>

6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	637,165	855,974
Company pension contributions to defined contribution schemes	42,210	36,363
	<u>679,375</u>	<u>892,337</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2017 - 6).

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

	2018 £	2017 £
Remuneration for qualifying services	219,468	184,703
Company pension contributions to defined contribution schemes	15,000	31
	<u>234,468</u>	<u>184,734</u>

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

7 Operating profit/(loss)

	2018	2017
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses	17	3,976
Depreciation of owned tangible fixed assets	722,828	767,172
Depreciation of tangible fixed assets held under finance leases	3,833	-
Profit on disposal of tangible fixed assets	(266,051)	(15,997)
Amortisation of intangible assets	558,601	280,345
Release of negative goodwill	(111,093)	(48,685)
Cost of stocks recognised as an expense	4,109,660	4,317,677
Operating lease charges	1,014,934	995,647

8 Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	11,670	11,330

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).

9 Interest receivable and similar income

	2018	2017
	£	£
Interest income		
Other interest income	1,171	-

10 Interest payable and similar expenses

	2018	2017
	£	£
Interest on finance leases and hire purchase contracts	1,012	-
Other interest	402	-
	1,414	-

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

11 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	47,500	-
Adjustments in respect of prior periods	(708)	(5,223)
Total current tax	46,792	(5,223)
Deferred tax		
Origination and reversal of timing differences	(53,924)	64,588
Changes in tax rates	-	20,477
Adjustment in respect of prior periods	89,598	-
Total deferred tax	35,674	85,065
Total tax charge	82,466	79,842

The tax rate for the current period is lower than the prior period due to changes in the UK Corporation tax rate which decreased from 20% to 19% from 1 April 2017. A further reduction to the UK Corporation tax rate was substantively enacted on 6 September 2016, reducing the main rate to 17% from 1 April 2020. The deferred tax assets and liabilities reflect these rates.

The total tax charge for the year included in the income statement can be reconciled to the profit/(loss) before tax multiplied by the standard rate of tax as follows:

	2018 £	2017 £
Profit/(loss) before taxation	4,147,416	(155,628)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.92%)	788,009	(31,001)
Tax effect of expenses that are not deductible in determining taxable profit	91,845	63,106
Tax effect of income not taxable in determining taxable profit	(841,294)	-
Unutilised tax losses carried forward	-	19,920
Adjustments in respect of prior years	(708)	(5,223)
Group relief	(10,184)	5,342
Other non-reversing timing differences	(39,230)	-
Deferred tax adjustments in respect of prior years	89,598	-
Deferred taxation on business combinations	(35,100)	-
Adjust deferred tax to average rates	2,214	6,881
Fixed asset differences	18,644	20,817
Chargeable gains	18,672	-
Taxation charge for the year	82,466	79,842

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

12 Intangible fixed assets

	Goodwill	Negative goodwill	Software	Customer relationships	Total
	£	£	£	£	£
Cost					
At 1 May 2017	704,417	(341,062)	907,063	619,416	1,889,834
Additions - separately acquired	-	-	254,887	-	254,887
At 30 April 2018	704,417	(341,062)	1,161,950	619,416	2,144,721
Amortisation and impairment					
At 1 May 2017	388,821	(48,685)	267,070	86,030	693,236
Amortisation charged for the year	154,924	(111,093)	197,205	206,472	447,508
At 30 April 2018	543,745	(159,778)	464,275	292,502	1,140,744
Carrying amount					
At 30 April 2018	160,672	(181,284)	697,675	326,914	1,003,977
At 30 April 2017	315,596	(292,377)	639,993	533,386	1,196,598

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

13 Tangible fixed assets

	Freehold property	Long leasehold property	Short leasehold improvements	Plant & equipment	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 May 2017	348,420	247,728	969,243	6,806,432	286,472	815,842	9,474,137
Additions	-	-	71,784	442,132	25,257	39,080	578,253
Disposals	(348,420)	-	(41,408)	(30,920)	-	(202,641)	(623,389)
At 30 April 2018	-	247,728	999,619	7,217,644	311,729	652,281	9,429,001
Depreciation and impairment							
At 1 May 2017	76,652	44,591	783,643	5,694,424	229,396	518,809	7,347,515
Depreciation charged in the year	4,646	9,909	70,192	499,650	29,767	112,497	726,661
Eliminated in respect of disposals	(81,298)	-	(26,981)	(11,561)	-	(155,090)	(274,930)
At 30 April 2018	-	54,500	826,854	6,182,513	259,163	476,216	7,799,246
Carrying amount							
At 30 April 2018	-	193,228	172,765	1,035,131	52,566	176,065	1,629,755
At 30 April 2017	271,768	203,137	185,600	1,112,008	57,076	297,033	2,126,622

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

13 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2018 £	2017 £
Plant & equipment	42,167	-
Depreciation charge for the year in respect of leased assets	3,833	-

14 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	15	1	1

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 May 2017 & 30 April 2018	1
Carrying amount	
At 30 April 2018	1
At 30 April 2017	1

15 Subsidiaries

Details of the company's subsidiaries at 30 April 2018 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct Indirect
Hobs Studio Limited (formerly Manchester Print Graphics Limited)	1	Dormant	Ordinary shares	100.00

Registered Office addresses:

1 14 Castle Street, Liverpool, England, L2 ONE

The subsidiary changed its name from Manchester Print Graphics Limited in June 2018.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

16 Stocks

	2018 £	2017 £
Raw materials and consumables	388,081	422,148

17 Debtors

Amounts falling due within one year:	2018 £	2017 £
Trade debtors	2,959,322	3,902,839
Corporation tax recoverable	-	5,223
Amounts owed by group undertakings	6,593,095	4,342,039
Other debtors	185,523	191,600
Prepayments and accrued income	710,696	687,305
	10,448,636	9,129,006
Deferred tax asset (note 22)	142,552	178,226
	10,591,188	9,307,232

18 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Obligations under finance leases	20	10,686	-
Trade creditors		897,371	997,356
Amounts due to group undertakings		2,266,468	5,469,993
Corporation tax		41,569	-
Other taxation and social security		454,843	678,278
Other creditors		403,009	515,769
Accruals and deferred income		978,967	826,322
		5,052,913	8,487,718

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 charge over all assets of the company.

There is a Composite Company Unlimited Multilateral Guarantee dated 17 December 2014 given by Hobs Reprographics plc, Anexsys Limited, M2 Managed Document Services Ltd (formerly Hobs On-Site Limited), Hobs Liver Limited and Hobs Group Limited. The balance at the period end was £16,323 (2017 - £Nil).

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

19 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Obligations under finance leases	20	29,757	-

20 Finance lease obligations

	2018 £	2017 £
Future minimum lease payments due under finance leases:		
Less than one year	12,838	-
Between one and five years	32,094	-
	44,932	-
Less: future finance charges	(4,489)	-
	40,443	-

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

21 Provisions for liabilities

	2018 £	2017 £
Dilapidations	450,000	450,000

Movements on provisions:

	Dilapidations £
At 1 May 2017	450,000
Additional provisions in the year	37,869
Utilisation of provision	(37,869)
At 30 April 2018	450,000

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 2018

22 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 2018 £	Assets 2017 £
Balances:		
Depreciation in excess of capital allowances	193,161	257,769
Business combinations	(55,576)	(90,676)
Other timing differences	4,967	11,133
	<u>142,552</u>	<u>178,226</u>
		2018
Movements in the year:		£
Liability/(Asset) at 1 May 2017		(178,226)
Charge to profit or loss		35,674
		<u>(142,552)</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 and £22,549 is expected to reverse within 12 months.

A deferred tax liability has been recognised in relation to intangibles acquired as part of a business combination. This will be released in line with the amortisation period of the related intangibles with £35,100 expected to be released within 12 months.

23 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 £165,440 (2017 - £168,342).

Included in other creditors at the year end was £29,217 (2017 - £29,279) in respect of defined contribution schemes.

Defined benefit schemes

The company operated a defined benefit scheme in the UK. This was 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.

In the period ended 30 April 2016 a final true-up premium of £243,000 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 completed the process of winding up on 20 October 2016 with a deed of termination being signed on the same date.

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

24 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

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.

25 Reserves

Profit and loss reserves

Cumulative profit and loss net of distribution to owners.

26 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:

	2018 £	2017 £
Within one year	897,415	861,611
Between one and five years	2,184,178	1,835,471
In over five years	1,468,761	676,074
	<u>4,550,354</u>	<u>3,373,156</u>

27 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2018 £	2017 £
Acquisition of tangible fixed assets	<u>10,000</u>	<u>-</u>

HOBS REPROGRAPHICS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

28 Related party transactions

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

The above was the company pension scheme. During the year Hobs Reprographics plc paid invoices on behalf of the pension scheme amounting to £Nil (2017 - £74,253) and at the year end £Nil (2017 - £Nil) was due to the company.

Directors

During the year the directors were advanced £140,000 and amounts repaid amounted to £140,000. The balance outstanding from the directors at the year end is £Nil (2017 - £Nil). No interest was charged on the amount advanced.

During the year amounts due from directors of £74,253 (2017 - £Nil) were written off.

29 Events after the reporting date

On 31 August 2018 the subsidiary of Hobs Reprographics plc acquired certain trade and assets of Call Print Group Limited (in administration) from the administrators for total consideration of £2.15m. This included the following assets – Investments £0.35m, Freehold property £0.35m, Plant and equipment £0.15m, Stock £0.02m, and Trade debt £1.2m.

The acquisition included 5 operating sites and should provide an additional £6m of turnover on an annualised basis.

30 Controlling party

Until 8 September 2017 the immediate and ultimate parent company was Hobs Liver Limited (formerly Hobs Group Limited).

From 8 September 2017, following an acquisition, the immediate parent company is Hobs Liver Limited (formerly Hobs Group 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:

14 Castle Street
Liverpool
England
L2 0NE

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