

HOBBS REPROGRAPHICS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2024

HOBBS REPROGRAPHICS LIMITED

COMPANY INFORMATION

Directors	S. D. Austin C. G. Horwood
Registered number	00511368
Registered office	Unit B 3 St. Pauls Square Liverpool L3 9RY
Independent auditors	Langtons Professional Services Limited Chartered Accountants & Statutory Auditors The Plaza 100 Old Hall Street Liverpool L3 9QJ

HOBS REPROGRAPHICS LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 5
Independent auditors' report	6 - 9
Statement of comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Notes to the financial statements	13 - 30

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2024**

The directors present the strategic report for the period ended 31 October 2024.

Company overview

Hobs Reprographics Limited ('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 55 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.

Our history

The company was established in Liverpool over 55 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.

Business review

The company once again experienced a healthy growth in revenues, increasing by £1.17m (8.4%) in the year to £15.02m, with new FM clients contributing an additional £0.25m revenue in the year, and a continued growth in large format display graphics services providing an additional £0.3m.

The continued focus on reducing the company's cost base whilst simultaneously growing revenues resulted in operating profit increasing from £0.14m in 2023 to £0.86m in 2024. After a write-off of an inter-company loan of £0.42m and financing costs, a profit before tax of £0.27m was posted against a £0.22m loss in 2023. In addition, the operating profit is after charging £0.15m of one-off exceptional costs.

Working capital has been managed very tightly during the year and into 2025, resulting in a ratio of current assets to current liabilities for the company of 1.17 at October 2024, up from 1.06 at October 2023. As at 31 October 2024 the company had cash reserves of £0.2m. These measures are considered to be KPI's of the company.

The company has continued its drive to bring it back to profitability by reducing its cost base where prudent and allowable, and having now achieved this, it is now positioned well to take advantage of new opportunities as they arise.

The directors monitor performance through the production of a 2-year business plan, supported by the production of detailed annual budgets and forecasts and the comparison of actual performance against these budgets. Having reviewed these plans the directors are confident that the company will continue to trade as a going-concern.

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

The directors would like to go on record to express their sincere thanks to all staff within the company for their huge contribution and continued support in bringing the company back to profitability.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2024

Quality management and health & safety

ISO 9001

The business is fully accredited under ISO9001 and has its own Quality Management System to ensure continued compliance with the standard.

Health & Safety

The business has its own Health & Safety Management System with a dedicated team responsible for this area.

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. The business is fully accredited under ISO14001, and this forms part of the Quality Management System mentioned above.

Through our network of suppliers, we continue to use FSC paper as standard, and for bespoke jobs wherever possible. We print onto various recycled papers and 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.

Hobs is also partnered with Print Releaf, whereby Hobs customers can offset their carbon footprint by measuring, offsetting, and verifying the successful reforestation of their paper consumption.

The company also continues to measure its carbon footprint in order for this to provide a marker against which reduction in energy usage can be measured.

Charities

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

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2024

Monitoring and managing risk

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

- The impact of the wider economy and specifically the AEC sector. Interest rates will always play a significant role in the housing market and therefore some of the largest customers of Hobs, and these currently remain stable although there is a concern they may increase if inflation does not reduce. It is anticipated however that the government's commitment to house-building will provide a boost to this important sector.
- Price risk – Inflation continues to remain above the government's target, although not as high as in the recent past. Hobs has to some degree absorbed price increases from its supply chain but has had to pass some of the increase to its customers during 2024 and early 2025.
- Technology – With print technology constantly evolving, the directors invest in new machinery when needed and within the financial constraints of the business.
- Competition – Hobs Group is now the largest independent 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. Hobs has taken a variety of measures to improve its network resilience over the past two years and now has Cyber Insurance in place.
- GDPR – the regulation effective in May 2018 further crystallises the risk in information security. The company obtained ISO27001 accreditation in 2021.

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.

This report was approved by the board on 22 July 2025 and signed on its behalf.

C. G. Horwood
Director

HOBS REPROGRAPHICS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2024

The directors present their report and the financial statements for the year ended 31 October 2024.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Principal activity

The principal activity of the Company is the supply of reprographic services.

Results and dividends

The profit for the year, after taxation, amounted to £269,024 (2023 - loss £225,962).

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

S. D. Austin
D. Gordon (resigned 9 February 2024)
C. G. Horwood

HOBBS REPROGRAPHICS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2024**

Future developments

As our strategy continues, we will monitor and adapt to the ever-changing conditions that we are presented with. After a period of success in the previous period we are now moving forward in line with our strategy to consolidate our VC operations and investing in both the teams and hardware to meet the growing needs driven from our client base.

Our development of new channels of business will continue to be a focus. Value has been found in investing more time and focus in the hospitality and leisure sectors. This has provided us with new levels of work across both our small and wide format sales lines.

Web2Print has delivered with a key national client building our platform at the heart of their operations. There has been a period of building the system but now we hope that there should be a significant influx of new orders around the country.

FM and digital post rooms have enabled us to once again get a foothold in the FM market. We have launched a new brand, Hobs Integrated Services, which will further focus on the FM market but with the added edge of Total FM as well as pursuing our latest innovation of Hobs Spaces that allows our clients to fully digitally manage their assets.

Environmentally friendly print and medias will continue to be central to our collective innovations. Advantage has been gained with several medias that we have introduced, giving our clients great value but also lowering our own costs both in production and in disposal of waste products.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Langtons Professional Services Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 July 2025 and signed on its behalf.

C. G. Horwood
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOBS REPROGRAPHICS LIMITED

Opinion

We have audited the financial statements of Hobs Reprographics Limited (the 'Company') for the year ended 31 October 2024, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, 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 Financial Reporting Standard 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 31 October 2024 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that due to the difficult trading circumstances over the past few years, there are scenarios where the Group may exceed its banking facilities within the next 12 months. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included a detailed review of current trading results and projections prepared by the directors.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOBS REPROGRAPHICS LIMITED (CONTINUED)

Opinion 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.

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 or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 4, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOBS REPROGRAPHICS LIMITED (CONTINUED)

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit, in respect to fraud, are:

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- to respond appropriately to fraud or suspected fraud identified during the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006), the relevant tax compliance regulations in the UK and the EU General Data Protection Regulation (GDPR).
- We understood how the Company is complying with those frameworks by making enquiries of management. Through consideration of the results of our audit procedures we were able to either corroborate or provide contrary evidence which was then followed up.
- Based on our understanding we designed our audit procedures to identify non-compliance with laws and regulations. Our procedures involved:

enquiries of management; and

journal entry testing, with a focus on manual journals indicating large or unusual transactions based on our understanding of the business.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it considered there was susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage revenue and earnings. Where the risk was considered to be higher, including areas impacting key performance indicators or management remuneration, we performed audit procedures to address each identified fraud risk or other risk of material misstatement. These procedures included those on revenue recognition detailed above, the assessment of items identified by management as non-recurring and testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.

HOBS REPROGRAPHICS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOBS REPROGRAPHICS LIMITED (CONTINUED)

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

Simon Whalley (Senior statutory auditor)

for and on behalf of

Langtons Professional Services Limited

Chartered Accountants
Statutory Auditors

The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

22 July 2025

HOBS REPROGRAPHICS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2024**

	Note	2024 £	2023 £
Turnover	4	15,020,087	13,853,502
Cost of sales		(4,052,555)	(3,612,655)
Gross profit		10,967,532	10,240,847
Administrative expenses		(10,181,968)	(10,206,342)
Other operating income	5	72,603	108,104
Operating profit	6	858,167	142,609
Amounts written off investments		(418,234)	(247,878)
Interest payable and similar expenses	10	(170,909)	(120,693)
Profit/(loss) before tax		269,024	(225,962)
Profit/(loss) for the financial year		269,024	(225,962)

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2024 (2023: £NIL).

The notes on pages 13 to 30 form part of these financial statements.

HOBS REPROGRAPHICS LIMITED
REGISTERED NUMBER: 00511368

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	12	6,216	18,561
Tangible assets	13	477,811	608,883
Investments	14	1	1
		484,028	627,445
Current assets			
Stocks	15	293,024	281,929
Debtors: amounts falling due within one year	16	3,922,683	3,988,486
Cash at bank and in hand	17	182,062	194,984
		4,397,769	4,465,399
Creditors: amounts falling due within one year	18	(3,748,569)	(4,206,005)
Net current assets		649,200	259,394
Total assets less current liabilities		1,133,228	886,839
Creditors: amounts falling due after more than one year	19	(112,563)	(118,967)
Provisions for liabilities			
Other provisions	22	(519,811)	(536,042)
		(519,811)	(536,042)
Net assets		500,854	231,830
Capital and reserves			
Called up share capital	23	50,000	50,000
Profit and loss account	24	450,854	181,830
		500,854	231,830

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 July 2025.

S. D. Austin
Director

The notes on pages 13 to 30 form part of these financial statements.

HOBS REPROGRAPHICS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2024**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 November 2022	50,000	407,792	457,792
Comprehensive income for the year			
Loss for the year	-	(225,962)	(225,962)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(225,962)	(225,962)
Total transactions with owners	-	-	-
At 1 November 2023	50,000	181,830	231,830
Comprehensive income for the year			
Profit for the year	-	269,024	269,024
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	269,024	269,024
Total transactions with owners	-	-	-
At 31 October 2024	<u>50,000</u>	<u>450,854</u>	<u>500,854</u>

The notes on pages 13 to 30 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024

1. General information

Hobs Reprographics Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit B, St. Pauls Square, Liverpool, L3 9RY.

The principal activity of the Company is the supply of reprographic services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going-concern basis which assumes that the company will be able to continue to trade for at least 12 months from the date these accounts are signed. In assessing the future viability of the business, the directors have reviewed the forecasts for the period up to October 2026.

During 2024 the company continued to build on its revenue streams and reduce its cost base, increasing turnover by 8.4% to £15.02m, resulting in an increase in operating profit from £0.14m in 2023 to £0.86m in 2024.

In terms of cash flow, the company has had to weather a number of exceptional legacy costs, as well as dilapidations settlements whilst the directors continue to reduce the cost of the lease estate. This has created a drag on cash which will continue for some months as the lease estate is rationalised further.

The company's business projections provide for sufficient liquidity for the company to continue as a going concern. However, it should be noted that the projections factor in an agreement with Hobs Group's loan note holders that the loan note redemption due in August 2026 will not take place before October 2026, and nor will any loan note interest payments be made before this date, to allow the group to sufficiently rebuild its cash reserves. Under these assumptions the projections provide for sufficient liquidity to enable the group to continue as a going concern. However the directors, whilst being confident that the business will continue its upward trend in trading performance, recognise that should it fall short of achieving its trading projections, there is a material uncertainty as to the ability of the business to continue to operate as a going concern.

Based on these projections, the directors have a reasonable expectation that the business will continue to operate as a going-concern for the foreseeable future and have therefore adopted the going-concern basis of accounting in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.4 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.

Turnover is recognised in relation to separately identifiable components of a single transaction when necessary to reflect the substance of the arrangement and in relation to two or more linked transactions when necessary to understand the commercial effect.

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.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 November 2022 to continue to be charged over the period to the first market rent review rather than the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024

2. Accounting policies (continued)

2.6 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024

2. Accounting policies (continued)

2.10 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software	-	3 to 5 years
----------	---	--------------

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-	4%	straight line
Short-term leasehold improvements	-	20%	straight line
Plant and machinery	-	25%	straight line
Motor vehicles	-	25%	straight line
Fixtures and fittings	-	25%	straight line
IT equipment	-	33%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024

2. Accounting policies (continued)

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.18 Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024

2. Accounting policies (continued)

2.19 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Statement of financial position 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, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other debtors due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Basic 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 the deduction of all its liabilities.

Basic financial liabilities, which include trade and other creditors, bank loans and other loans are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024

2. Accounting policies (continued)

2.19 Financial instruments (continued)

where the effect of discounting is immaterial.

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

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade creditors are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024

3. Judgments in applying accounting policies 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 the estimate would result in a change in the depreciation charged to profit or loss 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 date the impact of dilapidations resulting from the occupation of leased properties.

HOBS REPROGRAPHICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024**

4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

Analysis of turnover by country of destination:

	2024	2023
	£	£
United Kingdom	14,902,602	13,801,524
Rest of Europe	117,485	51,978
	<u>15,020,087</u>	<u>13,853,502</u>

5. Other operating income

	2024	2023
	£	£
Other operating income	10,367	-
Management fees receivable	62,236	108,104
	<u>72,603</u>	<u>108,104</u>

6. Operating profit

The operating profit is stated after charging:

	2024	2023
	£	£
Exchange differences	2,472	4,000
Other operating lease rentals	1,130,505	863,797
Provision for onerous lease contract	-	(223,341)
	<u>-</u>	<u>(223,341)</u>

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2024	2023
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>15,585</u>	<u>15,125</u>

HOBS REPROGRAPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2024 £	2023 £
Wages and salaries	5,104,777	5,483,023
Social security costs	501,452	529,526
Cost of defined contribution scheme	123,932	134,746
	<u>5,730,161</u>	<u>6,147,295</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2024 No.	2023 No.
Management	6	7
Staff	131	139
	<u>137</u>	<u>146</u>

9. Directors' remuneration

	2024 £	2023 £
Directors' emoluments	29,696	104,771
Company contributions to defined contribution pension schemes	2,620	9,430
	<u>32,316</u>	<u>114,201</u>

During the year retirement benefits were accruing to no directors (2023 - 1) in respect of defined contribution pension schemes.

10. Interest payable and similar expenses

	2024 £	2023 £
Finance leases and hire purchase contracts	19,381	23,018
Other interest payable	151,528	97,675
	<u>170,909</u>	<u>120,693</u>

HOBS REPROGRAPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024

11. Taxation

	2024 £	2023 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023 - lower than) the standard rate of corporation tax in the UK of 25% (2023 - 22.5%). The differences are explained below:

	2024 £	2023 £
Profit/(loss) on ordinary activities before tax	<u>269,024</u>	<u>(225,962)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 22.5%)	67,256	(50,841)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	109,083	61,423
Capital allowances for year in excess of depreciation	3,342	(30,980)
Adjustments to tax charge in respect of prior periods - deferred tax	(7,024)	-
Income not taxable for tax purposes	(4,753)	-
Remeasurement of deferred tax changes in tax rates	-	(2,218)
Deferred tax not recognised	(151,777)	22,337
Other differences leading to an increase (decrease) in the tax charge	(16,127)	279
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Trade losses of £2,993,093 (2023 - £3,593,503) are carried forward and are available to reduce the tax liability arising from future trading profits.

HOBS REPROGRAPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024

12. Intangible assets

	Customer relation- ships £	Software £	Goodwill £	Negative goodwill £	Total £
Cost					
At 1 November 2023	619,416	1,122,649	1,134,093	(341,062)	2,535,096
At 31 October 2024	619,416	1,122,649	1,134,093	(341,062)	2,535,096
Amortisation					
At 1 November 2023	619,416	1,104,088	1,134,093	(341,062)	2,516,535
Charge for the year on owned assets	-	12,345	-	-	12,345
At 31 October 2024	619,416	1,116,433	1,134,093	(341,062)	2,528,880
Net book value					
At 31 October 2024	-	6,216	-	-	6,216
<i>At 31 October 2023</i>	-	18,561	-	-	18,561

HOBS REPROGRAPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024

13. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 November 2023	810,581	5,304,490	33,048	178,633	6,326,752
Additions	12,221	167,817	4,652	-	184,690
Disposals	-	(81,000)	(31,872)	-	(112,872)
Transfers between classes	-	(103,040)	(8,284)	(1,754)	(113,078)
At 31 October 2024	<u>822,802</u>	<u>5,288,267</u>	<u>(2,456)</u>	<u>176,879</u>	<u>6,285,492</u>
Depreciation					
At 1 November 2023	669,810	4,850,699	33,048	164,312	5,717,869
Charge for the year on owned assets	67,154	239,396	194	9,018	315,762
Disposals	-	(81,000)	(31,872)	-	(112,872)
Transfers between classes	-	(103,040)	(8,284)	(1,754)	(113,078)
At 31 October 2024	<u>736,964</u>	<u>4,906,055</u>	<u>(6,914)</u>	<u>171,576</u>	<u>5,807,681</u>
Net book value					
At 31 October 2024	<u>85,838</u>	<u>382,212</u>	<u>4,458</u>	<u>5,303</u>	<u>477,811</u>
At 31 October 2023	<u>140,771</u>	<u>453,791</u>	<u>-</u>	<u>14,321</u>	<u>608,883</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2024 £	2023 £
Plant and machinery	256,598	255,250
	<u>256,598</u>	<u>255,250</u>

HOBS REPROGRAPHICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024**

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2023	1
At 31 October 2024	1

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
Hobs Studio Limited	Ordinary	100%

15. Stocks

	2024 £	2023 £
Raw materials and consumables	293,024	281,929
	293,024	281,929

HOBS REPROGRAPHICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024**

16. Debtors

	2024	2023
	£	£
Trade debtors	2,082,712	2,158,630
Amounts owed by group undertakings	1,231,446	1,061,206
Other debtors	72,173	245,220
Prepayments and accrued income	536,352	523,430
	3,922,683	3,988,486

17. Cash and cash equivalents

	2024	2023
	£	£
Cash at bank and in hand	182,062	194,984
	182,062	194,984

18. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Bank loans	1,066,981	938,543
Trade creditors	1,214,601	1,296,707
Other taxation and social security	583,685	798,920
Obligations under finance lease and hire purchase contracts	126,622	146,719
Other creditors	26,673	79,336
Accruals and deferred income	730,007	945,780
	3,748,569	4,206,005

Bank loans are secured on the book debts of the company.

Obligations under finance lease and hire purchase contracts are secured on the assets concerned.

HOBS REPROGRAPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024

19. Creditors: Amounts falling due after more than one year

	2024	2023
	£	£
Net obligations under finance leases and hire purchase contracts	112,563	118,967
	<u>112,563</u>	<u>118,967</u>

Net obligations under finance lease and hire purchase contracts are secured on the assets concerned.

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2024	2023
	£	£
Within one year	146,663	161,302
Between 1-5 years	137,112	122,855
	<u>283,775</u>	<u>284,157</u>

21. Financial instruments

	2024	2023
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	<u>182,062</u>	<u>194,984</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

HOBS REPROGRAPHICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2024**

22. Provisions

	Dilapidat- ions £	Onerous lease £	Total £
At 1 November 2023	386,042	150,000	536,042
Additional provisions in the year	89,924	-	89,924
Utilised in year	(21,155)	(85,000)	(106,155)
At 31 October 2024	<u>454,811</u>	<u>65,000</u>	<u>519,811</u>

Dilapidations relate to the amounts provided for the expected remedial work required when vacating leased properties in the future.

The onerous lease provision relates to a dispute with a previous landlord for which the liability was finally agreed in 2023 at a figure of £150,000. During the year £85,000 was paid in partial settlement of the liability, with the remainder paid during 2025.

23. Share capital

	2024 £	2023 £
Allotted, called up and fully paid		
50,000 (2023 - 50,000) Ordinary shares of £1.00 each	<u>50,000</u>	<u>50,000</u>

24. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund. Contributions totalling £25,498 (2023 - £45,115) were payable to the fund at the reporting date and are included in creditors.

HOBS REPROGRAPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2024

26. Commitments under operating leases

At 31 October 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024 £	2023 £
Not later than 1 year	910,555	1,094,016
Later than 1 year and not later than 5 years	1,589,641	2,248,193
	<u>2,500,196</u>	<u>3,342,209</u>

27. Other financial commitments

The Company is party to a cross guarantee relating to amounts owed to IGF Business Credit Limited. The amount outstanding at the year end was £1,149,908 (2023 - £1,032,288).

Borrowings in other group companies are secured by way of fixed and floating charges in favour of BGF Nominee, other loan note holders and IGF Business Credit Limited.

28. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of FRS 102 and has not disclosed transactions with other wholly owned group companies.

29. Controlling party

The immediate and ultimate parent company is Hobs Group Limited, a company registered in England and Wales.

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

Hobs Group Limited is the smallest and largest group for which consolidated accounts including Hobs Reprographics Limited are prepared. The consolidated accounts of Hobs Group Limited are available to the public from its registered office:

Unit B

3 St. Pauls Square

Liverpool

L3 9RY

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.