

HOBS REPROGRAPHICS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

HOBS REPROGRAPHICS LIMITED

COMPANY INFORMATION

Directors	S. D. Austin D. Gordon C. G. Horwood
Registered number	00511368
Registered office	Lower Ground Floor 3 Temple Lane Liverpool L2 5BA
Independent auditors	Langtons Professional Services Limited Chartered Accountants & Statutory Auditors The Plaza 100 Old Hall Street Liverpool L3 9QJ

HOBS REPROGRAPHICS LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2021**

The directors present the strategic report for the period ended 31 October 2021.

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 52 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 52 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.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021

Business review

The Covid pandemic had a major negative impact on the business from the moment it emerged in March 2020, leading to a major cost restructuring exercise carried out in that year to protect the business, which also entailed full use of the Government furlough scheme and deferral of statutory and other liabilities where possible.

The effects of the pandemic on the business continued throughout 2021, with the continuation of various forms of lockdowns and restriction on working patterns. This resulted in a small loss before tax for the company of £0.2m in the year (excluding exceptional write-down of £2.5m in respect of an intercompany loan), but a positive EBITDA of £0.5m as compared to a negative EBITDA of £1.87m in the 18 months to 31st October 2020. The majority of the EBITDA was earned in the second half of the year which is indicative of the resurgence of the business as lockdowns were gradually eased, with 54% of revenue generated in the second half. The turn-around in EBITDA is also reflective of the cost reduction measures taken by the directors.

Close management of working capital has resulted in a healthy ratio of current assets to current liabilities for the group of 1.47 being maintained, down from 1.78 at October 2020. As at 31st October 2021 the company had cash reserves of £0.6m. The above are considered to be KPI's of the Group.

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.

The business has emerged from the pandemic and is now in a period of growth whilst at the same time repaying debt built up during the pandemic. Working capital is managed closely to protect the business during this period but, given the financial strength of the company, the varied nature of industries we sell to, and with continued focus on credit risk and cost control, the Board are confident of the going concern status of the company, and therefore have prepared the financial statements on a going concern basis.

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 continued support through what has been a very difficult period over the last two years.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021

Quality management and health & safety

ISO 9001

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

Health & Safety

The business has also implemented its own Health & Safety Management System with a dedicated director 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 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.

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

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.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021

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. In the short term the major risk relates to the recovery from the Covid pandemic. As stated above, the directors have taken every step available to "right-size" the business and manage cash flow to mitigate against the pandemic risk.
- Price risk has now increased due to the war in Ukraine. The directors took the decision in April 2022 to implement a price increase to Hobs customers having absorbed all supplier price increases for the last two years.
- Technology - Printing technology is constantly evolving, and Hobs intends to stay at the forefront of this by investing in the best printers available so that it can continue to enhance its service offering.
- Competition - Hobs Group is now the largest independent national suppliers of printing and reprographics services. However, the directors are aware of market competition at both national and local level, and constantly strive to capture new business as well as retain existing customers by close scrutiny of 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 crystallises the risk in information security. This year saw us continue to invest in this area, including obtaining ISO27001 accreditation.

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 25 July 2022 and signed on its behalf.

C. G. Horwood
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2021**

The directors present their report and the financial statements for the year ended 31 October 2021.

Results and dividends

The loss for the year, after taxation, amounted to £2,851,505 (2020 - loss £3,304,052).

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

Principal activity

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

Directors

The directors who served during the year were:

S. D. Austin
D. Gordon
C. G. Horwood

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;
- 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.

HOBS REPROGRAPHICS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

Future developments

As mentioned in the Strategic Report above, the company is now experiencing a post-Covid recovery, although it is gradual one, and caution is still observed due to the head-winds of inflation and supply chain issues currently being experienced in the wider economy. The business forecasts have been prepared on this basis, and the directors continue to constantly monitor trading levels.

The company continues on course in its planned recovery from Covid. Further investment in high quality digital printing equipment has provided new areas of growth in certain sectors as they also find new ways to communicate with their strategic plans. Our commitment to the environment has seen new opportunities arise through the introduction of Print Releaf, an organisation that allows its members the opportunity to help with reforestation around the world by offsetting their printed pages. The business has also continued to work towards its future hub and spoke property strategy with two more new locations acquired. Scanning and archiving continue in growth, offering clients back scanning services or live process digitisation. Direct mail has also contributed well in the business results with higher demand from clients struggling to communicate with a decentralised national workforce.

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 25 July 2022 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 2021, 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 2021 and of its loss 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.

Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 5, 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 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.

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.

Andrew McCall (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

25 July 2022

HOBS REPROGRAPHICS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2021

		12 months ended 31 October 2021 £	18 months ended 31 October 2020 £
	Note		
Turnover	4	10,884,118	22,802,086
Cost of sales		(2,579,189)	(4,795,215)
Gross profit		8,304,929	18,006,871
Administrative expenses		(9,565,419)	(23,764,181)
Exceptional administrative expenses		-	(470,067)
Other operating income	5	860,429	2,461,779
Operating loss	6	(400,061)	(3,765,598)
Income from shares in group undertakings		253,222	85,901
Amounts written off loans in group undertakings		(2,650,000)	-
Interest receivable and similar income	10	1,109	-
Interest payable and similar expenses	11	(55,775)	(53,592)
Loss before tax		(2,851,505)	(3,733,289)
Tax on loss	12	-	429,237
Loss for the financial year		(2,851,505)	(3,304,052)

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 15 to 35 form part of these financial statements.

HOBS REPROGRAPHICS LIMITED
REGISTERED NUMBER: 00511368

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	205,700	438,321
Tangible assets	15	1,252,559	1,586,631
Investments	16	1	1
		<u>1,458,260</u>	<u>2,024,953</u>
Current assets			
Stocks	17	270,542	361,613
Debtors: amounts falling due after more than one year	18	667,770	2,722,105
Debtors: amounts falling due within one year	18	3,265,689	4,480,338
Cash at bank and in hand	19	609,570	1,009,961
		<u>4,813,571</u>	<u>8,574,017</u>
Creditors: amounts falling due within one year	20	<u>(3,275,104)</u>	<u>(4,803,102)</u>
Net current assets		<u>1,538,467</u>	<u>3,770,915</u>
Total assets less current liabilities		<u>2,996,727</u>	<u>5,795,868</u>
Creditors: amounts falling due after more than one year	21	(255,422)	(82,151)
Provisions for liabilities			
Other provisions	25	(465,386)	(586,293)
		<u>(465,386)</u>	<u>(586,293)</u>
Net assets		<u><u>2,275,919</u></u>	<u><u>5,127,424</u></u>
Capital and reserves			
Called up share capital	26	50,000	50,000
Profit and loss account	27	2,225,919	5,077,424
		<u><u>2,275,919</u></u>	<u><u>5,127,424</u></u>

HOBS REPROGRAPHICS LIMITED
REGISTERED NUMBER: 00511368

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 July 2022.

S. D. Austin
Director

The notes on pages 15 to 35 form part of these financial statements.

HOBS REPROGRAPHICS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 May 2019	50,000	8,381,476	8,431,476
Comprehensive income for the period			
Loss for the period	-	(3,304,052)	(3,304,052)
Total comprehensive income for the period	-	(3,304,052)	(3,304,052)
Total transactions with owners	-	-	-
At 1 November 2020	50,000	5,077,424	5,127,424
Comprehensive income for the year			
Loss for the year	-	(2,851,505)	(2,851,505)
Total comprehensive income for the year	-	(2,851,505)	(2,851,505)
Total transactions with owners	-	-	-
At 31 October 2021	50,000	2,225,919	2,275,919

The notes on pages 15 to 35 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

1. General information

Hobs Reprographics Limited is a private company limited by shares incorporated in England and Wales. The registered office is Lower Ground Floor, 3 Temple Lane, Liverpool, L2 5BA.

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 2023.

Like many businesses across the world, the company was severely affected by the Coronavirus pandemic (Covid-19) with turnover falling dramatically from April 2020. Significant measures were taken by the directors in the months following to reduce the cost base accordingly and defer payments wherever possible to protect the cash flow of the business.

These actions helped stabilise the business, whilst revenue gradually increased during 2021 as Covid restrictions were slowly eased. Revenue has continued to increase in 2022 with the company starting to transition from loss-making to profit-making in recent months.

The directors are confident that the business is structured properly for the future, but are keenly aware that trade has not yet returned to pre-Covid levels. It is for that reason the business forecasts are conservatively based with revenue forecast to grow slowly.

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 2021

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 profit or loss 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.

Temporary rent concessions occurring as a direct consequence of the COVID-19 pandemic have been recognised on a systematic basis over the periods that the change in lease payments is intended to compensate. This is conditional on:

- the change in lease payments resulting in revised consideration for the lease that is less than the consideration for the lease immediately preceding the change;
- any reduction in lease payments affecting only payments originally due on or before 30 June 2022;
- there being no significant change to other terms and conditions of the lease.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

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 profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss 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.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 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 2021

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

2. Accounting policies (continued)

2.14 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:

Goodwill	-	3 to 5 years
Customer relationships	-	3 years
Software	-	3 to 5 years

2.15 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 2021

2. Accounting policies (continued)

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 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.

2.18 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.

2.19 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.

2.20 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.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.22 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 2021

2. Accounting policies (continued)

2.23 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

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 2021

4. Turnover

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

Analysis of turnover by country of destination:

	12 months ended 31 October 2021 £	18 months ended 31 October 2020 £
United Kingdom	10,778,107	22,734,117
Rest of Europe	106,011	67,969
	<u>10,884,118</u>	<u>22,802,086</u>

5. Other operating income

	12 months ended 31 October 2021 £	18 months ended 31 October 2020 £
Other operating income	-	109,768
Government grants receivable	751,803	1,673,494
Sale of business unit	-	336,000
Management fees receivable	108,626	342,517
	<u>860,429</u>	<u>2,461,779</u>

6. Operating loss

The operating loss is stated after charging:

	12 months ended 31 October 2021 £	18 months ended 31 October 2020 £
Exchange differences	498	2,665
Other operating lease rentals	<u>984,773</u>	<u>1,769,187</u>

HOBS REPROGRAPHICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

7. Auditors' remuneration

	12 months ended 31 October 2021 £	<i>18 months ended 31 October 2020 £</i>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>13,500</u>	<u><i>22,000</i></u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

8. Employees

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

	12 months ended 31 October 2021 £	<i>18 months ended 31 October 2020 £</i>
Wages and salaries	5,253,439	<i>13,497,105</i>
Social security costs	539,086	<i>1,345,333</i>
Cost of defined contribution scheme	160,246	<i>330,176</i>
	<u>5,952,771</u>	<u><i>15,172,614</i></u>

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

	12 months ended 31 October 2021 No.	<i>18 months ended 31 October 2020 No.</i>
Management	6	<i>7</i>
Staff	145	<i>276</i>
	<u>151</u>	<u><i>283</i></u>

HOBS REPROGRAPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

9. Directors' remuneration

	12 months ended 31 October 2021 £	18 months ended 31 October 2020 £
Directors' emoluments	348,987	1,005,718
Company contributions to defined contribution pension schemes	29,356	62,843
	<u>378,343</u>	<u>1,068,561</u>

During the year retirement benefits were accruing to 3 directors (2020 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £138,865 (2020 - £301,255).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,005 (2020 - £20,000).

10. Interest receivable

	12 months ended 31 October 2021 £	18 months ended 31 October 2020 £
Other interest receivable	1,109	-
	<u>1,109</u>	<u>-</u>

11. Interest payable and similar expenses

	12 months ended 31 October 2021 £	18 months ended 31 October 2020 £
Bank interest payable	-	467
Finance leases and hire purchase contracts	9,025	3,406
Other interest payable	46,750	49,719
	<u>55,775</u>	<u>53,592</u>

HOBBS REPROGRAPHICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

12. Taxation

	12 months ended 31 October 2021 £	<i>18 months ended 31 October 2020 £</i>
Corporation tax		
Adjustments in respect of previous periods	-	(457)
	<hr/>	<hr/>
	-	(457)
	<hr/>	<hr/>
Total current tax	<hr/> - <hr/>	<hr/> (457) <hr/>
Deferred tax		
Origination and reversal of timing differences	-	(400,663)
Adjustments in respect of previous periods	-	(28,117)
	<hr/>	<hr/>
Total deferred tax	<hr/> - <hr/>	<hr/> (428,780) <hr/>
	<hr/>	<hr/>
Taxation on profit/(loss) on ordinary activities	<hr/> - <hr/>	<hr/> (429,237) <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

12. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	12 months ended 31 October 2021 £	18 months ended 31 October 2020 £
Loss on ordinary activities before tax	<u>(2,851,505)</u>	<u>(3,733,288)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(541,786)	(709,325)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	509,968	47,042
Fixed asset differences	(3,209)	48,700
Adjustments to tax charge in respect of prior periods	-	(457)
Other timing differences leading to an increase (decrease) in taxation	-	218
Non-taxable income	-	(95,467)
Chargeable gains	-	60,827
Dividends from UK companies	(48,112)	-
Remeasurement of deferred tax changes in tax rates	(217,519)	(27,502)
Deferred tax not recognised	300,639	5,229
Other differences leading to an increase (decrease) in the tax charge	19	-
Group relief	-	241,498
Total tax charge for the year/period	<u>-</u>	<u>(429,237)</u>

Factors that may affect future tax charges

Trade losses of £3,098,772 (2020 - £2,722,775) 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 2021

13. Exceptional items

	12 months ended 31 October 2021 £	18 months ended 31 October 2020 £
Redundancy costs	-	470,067
	<u>-</u>	<u>470,067</u>

14. Intangible assets

	Customer relation- ships £	Software £	Goodwill £	Negative goodwill £	Total £
Cost					
At 1 November 2020	619,416	1,233,881	1,134,093	(341,062)	2,646,328
Additions	-	9,521	-	-	9,521
Disposals	-	(17,897)	-	-	(17,897)
	<u>619,416</u>	<u>1,225,505</u>	<u>1,134,093</u>	<u>(341,062)</u>	<u>2,637,952</u>
At 31 October 2021	619,416	1,225,505	1,134,093	(341,062)	2,637,952
Amortisation					
At 1 November 2020	619,416	1,039,043	890,610	(341,062)	2,208,007
Charge for the year on owned assets	-	156,206	85,936	-	242,142
On disposals	-	(17,897)	-	-	(17,897)
	<u>619,416</u>	<u>1,177,352</u>	<u>976,546</u>	<u>(341,062)</u>	<u>2,432,252</u>
At 31 October 2021	619,416	1,177,352	976,546	(341,062)	2,432,252
Net book value					
At 31 October 2021	<u>-</u>	<u>48,153</u>	<u>157,547</u>	<u>-</u>	<u>205,700</u>
At 31 October 2020	<u>-</u>	<u>194,838</u>	<u>243,483</u>	<u>-</u>	<u>438,321</u>

HOBS REPROGRAPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

15. Tangible fixed assets

	Long-term leasehold property £	Short-term leasehold improve- ments £	Plant and machinery £	Motor vehicles £	Fixtures, fittings and IT equipment £	Total £
Cost or valuation						
At 1 November 2020	247,728	1,310,674	8,236,970	625,592	339,264	10,760,228
Additions	-	14,543	356,147	-	27,941	398,631
Disposals	-	(113,919)	(1,638,937)	(514,293)	(79,675)	(2,346,824)
At 31 October 2021	247,728	1,211,298	6,954,180	111,299	287,530	8,812,035
Depreciation						
At 1 November 2020	79,272	1,010,543	7,249,698	519,578	314,506	9,173,597
Charge for the year on owned assets	9,909	91,771	444,889	32,598	15,401	594,568
Charge for the year on financed assets	-	-	46,999	-	-	46,999
Disposals	-	(110,795)	(1,620,075)	(446,644)	(78,174)	(2,255,688)
At 31 October 2021	89,181	991,519	6,121,511	105,532	251,733	7,559,476
Net book value						
At 31 October 2021	158,547	219,779	832,669	5,767	35,797	1,252,559
At 31 October 2020	168,455	300,131	987,273	106,014	24,758	1,586,631

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

	2021 £	2020 £
Plant and machinery	389,106	262,450
	<u>389,106</u>	<u>262,450</u>

HOBS REPROGRAPHICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

16. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2020	1
	<hr/>
At 31 October 2021	<u>1</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
Hobs Studio Limited	Ordinary	100 %

17. Stocks

	2021 £	2020 £
Raw materials and consumables	270,542	361,613
	<hr/>	<hr/>
	<u>270,542</u>	<u>361,613</u>

HOBS REPROGRAPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

18. Debtors

	2021 £	2020 £
Due after more than one year		
Amounts owed by group undertakings	-	2,629,179
Other debtors	-	92,926
Deferred tax asset	667,770	-
	<u>667,770</u>	<u>2,722,105</u>
	2021 £	2020 £
Due within one year		
Trade debtors	1,641,098	2,104,464
Amounts owed by group undertakings	906,171	676,517
Other debtors	224,409	414,986
Prepayments and accrued income	494,011	616,601
Deferred taxation	-	667,770
	<u>3,265,689</u>	<u>4,480,338</u>

19. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	609,570	1,009,961
	<u>609,570</u>	<u>1,009,961</u>

HOBBS REPROGRAPHICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

20. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	521,498	658,946
Trade creditors	761,955	1,497,618
Other taxation and social security	1,095,317	602,347
Obligations under finance lease and hire purchase contracts	111,242	31,639
Other creditors	26,040	330,213
Accruals and deferred income	759,052	1,682,339
	<u>3,275,104</u>	<u>4,803,102</u>

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.

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

	2021 £	2020 £
Obligations under finance leases and hire purchase contracts	255,422	82,151
	<u>255,422</u>	<u>82,151</u>

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

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	126,621	36,902
Between 1-5 years	270,152	90,340
	<u>396,773</u>	<u>127,242</u>

HOBS REPROGRAPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

23. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>609,570</u>	<u>1,009,961</u>

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

24. Deferred taxation

	2021 £
At beginning of year	667,770
Charged to profit or loss	-
At end of year	<u>667,770</u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	128,694	134,367
Tax losses carried forward	536,133	520,286
Short term timing differences	2,943	13,117
	<u>667,770</u>	<u>667,770</u>

A deferred tax asset amounting to £238,560, in relation to tax losses carried forward, has not been provided for.

HOBS REPROGRAPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

25. Provisions

	Dilapidations £	Onerous lease £	Total £
At 1 November 2020	547,122	39,171	586,293
Utilised in year	(81,736)	(39,171)	(120,907)
At 31 October 2021	465,386	-	465,386

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

Onerous lease relates to certain lease commitments of properties already vacated.

26. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
50,000 (2020 - 50,000) Ordinary shares of £1.00 each	<u>50,000</u>	<u>50,000</u>

27. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

28. 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 £25,566 (2020 - £69,037) were payable to the fund at the reporting date and are included in creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

29. Commitments under operating leases

At 31 October 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	1,079,489	898,609
Later than 1 year and not later than 5 years	2,631,657	1,658,917
Later than 5 years	393,972	347,710
	<u>4,105,118</u>	<u>2,905,236</u>

30. Other financial commitments

The Company is party to a cross guarantee relating to amounts owed to HSBC UK Bank PLC. The amount outstanding at the year end was £520,444 (2020 - £678,450).

Borrowings in other group companies are secured by way of fixed and floating charges in favour of BGF Nominee, other loan note holders and HSBC UK Bank PLC.

31. 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.

32. 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:

Lower Ground Floor

3 Temple Lane

Liverpool

L2 5BA

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