

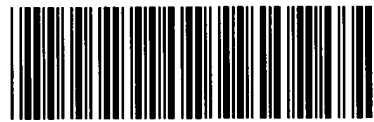
Registration number: 00422132

Hobbs The Printers Limited

Annual Report and Financial Statements

for the Year Ended 31 July 2018

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Hobbs The Printers Limited

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Hobbs The Printers Limited

Company Information

Directors	D A Hobbs
	G N Bromley
	P M Hobbs
	C D Hobbs
Company secretary	D A Hobbs
Registered office	Brunel Road
	Totton
	Hampshire
	SO40 3YS
Auditors	Wilkins Kennedy Audit Services
	Statutory Auditors
	Templars House
	Lulworth Close
	Chandlers Ford
	Hampshire
	SO53 3TL

Hobbs The Printers Limited

Strategic Report for the Year Ended 31 July 2018

Principal activity

The company's principal activity is printing. There has not been any change in this in the year under review and the directors are not aware, at the date of this report, of any likely major change in the company's activity in the current year.

Overall Strategy

The company's overall strategy is to maintain and grow a high quality printing business delivering high value to its customers, employees and shareholders. This is achieved by:

- Delivering professional services to our customers;
- Combining tradition and technology in order to achieve excellence;
- Establishing close working relationships with both customers and suppliers to ensure that we are fully aware of the individual requirements of all; and
- Recruiting and training appropriate staff at all levels to enable them to fulfil their potential to the maximum and thus provide both job satisfaction and fair financial reward.

Monitoring Performance

The company monitors its performance using the following key performance indicators:

	2,018	2,017
Turnover	£12,611,000	£12,395,000
Gross Profit Margin	16.89%	18.13%
Profit before tax	£342,000	£444,000
Liquidity: current assets to current liabilities	3.02 times	4.15 times
Return on capital employed	4.05%	5.73%

Financial Instruments

The company's principal financial instruments are amounts receivable from customers, intra-group loans, bank balances and amounts payable to suppliers.

Risks

Market: Competition from key competitors and pressure on margins.

The company endeavours to ameliorate this risk by continuing to explore alternative markets, adding value to its services, providing fast response times not only in supplying products but in handling all customer queries, and maintaining strong relationships with its customers.

IT Systems: Sufficiently rapid access to and accuracy of data; cyber security.

The company continues to attach great importance to its IT systems and their regular upgrading with direct participation at board level.

Reputation: Quality of products and services; information security.

The company places great emphasis on security awareness, particularly at mid and high management levels.

Hobbs The Printers Limited

Strategic Report for the Year Ended 31 July 2018

Credit and cash flow: Any concentration of credit with individual customers and relaxation of good credit management.

The company ensures that appropriate due diligence is carried out on new customers and maintains a strong emphasis on the management of good credit control overall.

Interest rates: Exposure to cash flow interest rate risk.

The company traditionally has ensured that it has no requirement for any significant borrowings and thus has no significant exposure to interest rate risk.

Liquidity: Exposure to inadequate cash flows.

The combined availability of bank balances and continued strong positive cash flows prevents any significant exposure to liquidity risk.

Fair review of the business

Sales for the year increased by £216,000 (1.7%) to £12,611,000. Margins remain under increasingly severe pressure however and consequently gross profit was reduced by £116,000 compared with 2016/17 to £2,130,000. Profit after tax was £273,000 compared with £371,000 for the previous year.

The company invested a further £1,051,000 in new plant during the year under review, bringing the cost of the company's ongoing investment in capital equipment to £9,591,000. The directors believe that the company's ongoing investment in new technology is essential for continuing success in the industry.

There were no significant events after the balance sheet date.


Employee involvement

Details of the number of employees and related costs are shown in note 7 to the financial statements.

Environmental matters

Hobbs The Printers Limited recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the company's activities. The company has accreditation under the Forestry Stewardship Council's Chain of Custody Standard and the Environmental Standard ISO 14001.

Approved by the Board on 31/1/2019 and signed on its behalf by:


.....
D A Hobbs
Director and company secretary

Hobbs The Printers Limited

Directors' Report for the Year Ended 31 July 2018

The directors present their report and the financial statements for the year ended 31 July 2018.

Directors of the company

The directors who held office during the year were as follows:

D A Hobbs - Company secretary and director

G N Bromley

P M Hobbs

C D Hobbs (appointed 23 April 2018)

Strategic Report

In accordance with the Companies Act the Strategic Report on pages 2 and 3 provides a fair review of the company's business and a description of the principal risks and uncertainties facing the company. It also contains information on the company's performance and strategy.

Results

A summary of the company's results for the year are set out in the review of the business section of the Strategic Report. Profit after tax was £273,000 (2017: £371,000). A dividend of £100,000 is recommended and the balance of £173,000 has been transferred to reserves.

Donations

During the year the company made charitable donations of £5,399 (2017 - £9,561). There were no political contributions.

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Hobbs The Printers Limited

Directors' Report for the Year Ended 31 July 2018

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

Wilkins Kennedy LLP has resigned as auditor and Wilkins Kennedy Audit Services has been appointed to fill the casual vacancy. In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Wilkins Kennedy Audit Services as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 3/1/2019 and signed on its behalf by:

.....


D A Hobbs
Director and company secretary

Hobbs The Printers Limited

Independent Auditor's Report to the Members of Hobbs The Printers Limited

Opinion

We have audited the financial statements of Hobbs The Printers Limited (the 'company') for the year ended 31 July 2018, which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 July 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Hobbs The Printers Limited

Independent Auditor's Report to the Members of Hobbs The Printers Limited

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities 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.

Auditor's responsibilities for the audit of the financial statements

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


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

Hobbs The Printers Limited

Independent Auditor's Report to the Members of Hobbs The Printers Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.


Adam Wilson FCA (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy Audit Services, Statutory Auditors

Templars House
Lulworth Close
Chandlers Ford
Hampshire
SO53 3TL

Date: 4th January 2019

Hobbs The Printers Limited

Profit and Loss Account for the Year Ended 31 July 2018

	Note	2018 £	2017 £
Turnover	3	12,611,140	12,394,978
Cost of sales		<u>(10,480,619)</u>	<u>(10,148,262)</u>
Gross profit		2,130,521	2,246,716
Distribution costs		(318,558)	(283,364)
Administrative expenses		<u>(1,522,199)</u>	<u>(1,541,958)</u>
Operating profit	4	<u>289,764</u>	<u>421,394</u>
Other interest receivable and similar income	5	6,792	5,725
Foreign exchange gains/(losses)	6	<u>45,885</u>	<u>16,499</u>
		<u>52,677</u>	<u>22,224</u>
Profit before tax		342,441	443,618
Taxation	10	<u>(68,953)</u>	<u>(72,370)</u>
Profit for the financial year		<u><u>273,488</u></u>	<u><u>371,248</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 12 to 20 form an integral part of these financial statements.


Hobbs The Printers Limited

(Registration number: 00422132)

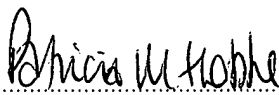
Balance Sheet as at 31 July 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	3,830,371	3,565,724
Current assets			
Stocks	12	564,575	550,210
Debtors	13	2,584,980	1,979,384
Cash at bank and in hand	14	1,747,921	1,892,172
		4,897,476	4,421,766
Creditors: Amounts falling due within one year	15	(1,624,236)	(1,066,367)
Net current assets		3,273,240	3,355,399
Total assets less current liabilities		7,103,611	6,921,123
Provisions for liabilities	16	(267,000)	(258,000)
Net assets		6,836,611	6,663,123
Capital and reserves			
Called up share capital	18	40,000	40,000
Profit and loss account		6,796,611	6,623,123
Total equity		6,836,611	6,663,123

Approved and authorised by the Board on 3/1/2019 and signed on its behalf by:



 D A Hobbs
 Company secretary and director



 P M Hobbs
 Director

The notes on pages 12 to 20 form an integral part of these financial statements.

Hobbs The Printers Limited

Statement of Changes in Equity for the Year Ended 31 July 2018

	Share capital £	Profit and loss account £	Total £
At 1 August 2017	40,000	6,623,123	6,663,123
Profit for the year	-	273,488	273,488
Total comprehensive income	-	273,488	273,488
Dividends	-	(100,000)	(100,000)
At 31 July 2018	40,000	6,796,611	6,836,611

	Share capital £	Profit and loss account £	Total £
At 1 August 2016	40,000	6,251,875	6,291,875
Profit for the year	-	371,248	371,248
Total comprehensive income	-	371,248	371,248
At 31 July 2017	40,000	6,623,123	6,663,123

The notes on pages 12 to 20 form an integral part of these financial statements.

Hobbs The Printers Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

1 General information

The company is a private company limited by share capital and incorporated in England and Wales.

The address of its registered office is:

Brunel Road
Totton
Hampshire
SO40 3YS

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

The company has chosen early adoption of amendments to FRS102 in line with the Triennial Review 2017. The date of transition for these adjustments was 01 August 2016.

Summary of disclosure exemptions

The following disclosure exemptions have been adopted in line with paragraph 1.12 of FRS102:

Exemption from preparing a Statement of Cash Flows.
Exemption from disclosure relating to Financial Instruments; and
Exemption from disclosure of Intra-group related party transactions

Name of parent of group

These financial statements are consolidated in the financial statements of H C Holdings (Southampton) Limited.

The financial statements of H C Holdings (Southampton) Limited may be obtained from the company's registered office:

Templars House
Lulworth Close
Chandlers Ford
Hampshire
SO53 3TL

Judgements

In preparing these financial statements, the directors have made the following judgements:

Determine whether there are any indications of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Determine the stage of completion of work in progress and assess the progress of each contract.

Hobbs The Printers Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of asset and liabilities within the next financial year are detailed below:

Impairment of assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Allowances for doubtful debts

The company maintains allowances for doubtful debts for estimated losses resulting from the subsequent inability of customers to make required payments. If the financial conditions of customers were to deteriorate, resulting in impairment of the ability to make payments, additional allowances may be required in future periods.

Provisions for obsolete and slow moving stocks

The company maintains allowances for stock which is not expected to be, or is deemed difficult, to be utilised.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when goods are delivered and title has been transferred to the customer.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date.

Tax

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

The current 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 taxable income. Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Hobbs The Printers Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

Depreciation

Depreciation is charged so as to write off the cost of assets less their residual value over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	3 - 10 years straight line
Fixtures & fittings	7 years straight line
Motor vehicles	4 years straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services provided in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised in the period in which dividends are paid. Where dividends remain unpaid at the balance sheet date, dividend distribution to the company's shareholders is recognised as a liability in the financial statements.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expenses when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Hobbs The Printers Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2018 £	2017 £
Sales of goods and services	<u>12,611,140</u>	<u>12,394,978</u>

4 Operating profit

Arrived at after charging/(crediting)

	2018 £	2017 £
Depreciation expense	716,271	643,636
(Profit)/ loss on disposal of plant and equipment	<u>(46,216)</u>	<u>(31,812)</u>

5 Other interest receivable and similar income

	2018 £	2017 £
Interest income on bank deposits	<u>6,792</u>	<u>5,725</u>

6 Foreign exchange gains / (losses)

	2018 £	2017 £
Foreign exchange gains / (losses)	<u>45,885</u>	<u>16,499</u>

Hobbs The Printers Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018 £	2017 £
Wages and salaries	4,115,684	3,973,255
Social security costs	374,873	351,679
Pension costs, defined contribution scheme	225,026	231,070
	<u>4,715,583</u>	<u>4,556,004</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2018 No.	2017 No.
Production	134	132
Administration and support	23	22
	<u>157</u>	<u>154</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	175,720	182,260
Contributions paid to money purchase pension schemes	15,035	13,282
	<u>190,755</u>	<u>195,542</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2018 No.	2017 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

9 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	<u>6,800</u>	<u>6,600</u>

Hobbs The Printers Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

10 Taxation

Tax charged/(credited) in the profit and loss account

	2018 £	2017 £
Current taxation		
UK corporation tax	62,000	76,000
UK corporation tax adjustment to prior periods	<u>(2,047)</u>	<u>15,370</u>
	<u>59,953</u>	<u>91,370</u>
Deferred taxation		
Arising from origination and reversal of timing differences	9,000	14,000
Adjustments in respect of previous years	-	(19,000)
Arising from changes in tax rates and laws	<u>-</u>	<u>(14,000)</u>
Total deferred taxation	<u>9,000</u>	<u>(19,000)</u>
Tax expense in the profit and loss account	<u><u>68,953</u></u>	<u><u>72,370</u></u>

The tax on profit for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.67%).

The differences are reconciled below:

	2018 £	2017 £
Profit before tax	<u>342,441</u>	<u>443,618</u>
Corporation tax at standard rate	65,064	87,259
Effect of expense not deductible in determining taxable profit (tax loss)	4,730	2,960
Deferred tax expense/(credit) from unrecognised tax loss or credit	9,000	(19,000)
(Decrease)/increase in UK and foreign current tax from adjustment for prior periods	<u>(2,047)</u>	<u>15,370</u>
Tax decrease from effect of capital allowances and depreciation	<u>(7,794)</u>	<u>(14,219)</u>
Total tax charge	<u><u>68,953</u></u>	<u><u>72,370</u></u>

Hobbs The Printers Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

Deferred tax

Deferred tax assets and liabilities

	Liability £
2018	
Accelerated tax depreciation	<u>267,000</u>
2017	
Accelerated tax depreciation	<u>258,000</u>

11 Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation				
At 1 August 2017	9,275,097	314,445	57,774	9,647,316
Additions	854,027	173,532	23,143	1,050,702
Disposals	<u>(1,087,694)</u>	<u>-</u>	<u>(18,980)</u>	<u>(1,106,674)</u>
At 31 July 2018	<u>9,041,430</u>	<u>487,977</u>	<u>61,937</u>	<u>9,591,344</u>
Depreciation				
At 1 August 2017	5,778,471	271,378	31,743	6,081,592
Charge for the year	676,461	27,420	12,390	716,271
Eliminated on disposal	<u>(1,021,706)</u>	<u>-</u>	<u>(15,184)</u>	<u>(1,036,890)</u>
At 31 July 2018	<u>5,433,226</u>	<u>298,798</u>	<u>28,949</u>	<u>5,760,973</u>
Carrying amount				
At 31 July 2018	<u>3,608,204</u>	<u>189,179</u>	<u>32,988</u>	<u>3,830,371</u>
At 31 July 2017	<u>3,496,626</u>	<u>43,067</u>	<u>26,031</u>	<u>3,565,724</u>

Hobbs The Printers Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

12 Stocks

	2018 £	2017 £
Raw materials and consumables	255,791	183,379
Work in progress	308,784	366,831
	<u>564,575</u>	<u>550,210</u>

13 Debtors

	2018 £	2017 £
Trade debtors	1,598,020	997,926
Amounts owed by group undertakings	575,043	650,989
Other debtors	140,257	50,930
Prepayments	271,660	279,539
Total current trade and other debtors	<u>2,584,980</u>	<u>1,979,384</u>

14 Cash and cash equivalents

	2018 £	2017 £
Cash on hand	403	371
Cash at bank	1,747,518	1,891,801
	<u>1,747,921</u>	<u>1,892,172</u>

15 Creditors

	Note	2018 £	2017 £
Due within one year			
Trade creditors		1,226,247	668,357
Social security and other taxes		76,014	75,341
Accrued expenses		259,975	246,669
Corporation tax	10	62,000	76,000
		<u>1,624,236</u>	<u>1,066,367</u>

Hobbs The Printers Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

16 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 August 2017	258,000	258,000
Increase (decrease) in existing provisions	<u>9,000</u>	<u>9,000</u>
At 31 July 2018	<u><u>267,000</u></u>	<u><u>267,000</u></u>

17 Pension and other schemes

Defined contribution pension scheme

The company operates a number of defined contribution pension schemes. The pension cost charge for the year represents contributions payable by the company to the schemes and amounted to £225,026 (2017 - £231,070).

18 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>

19 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £160,414 (2017 - £Nil).

20 Contingent liabilities

H C Holdings (Southampton) Limited and Hobbs The Printers Limited have a group registration for Value Added Tax. The company therefore has a contingent liability in respect of amounts due to H M Revenue & Customs by its parent company.

21 Parent and ultimate parent undertaking

The company's immediate parent is H C Holdings (Southampton) Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is H C Holdings (Southampton) Limited. These financial statements are available upon request from the company's registered office: Templars House, Lulworth Close, Chandlers Ford, Hampshire, SO53 3TL.