

RAPESCO HOLDINGS PLC
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2013

Company number 4756851



RAPESCO HOLDINGS PLC

REPORT OF THE DIRECTORS

For the year ended 31 May 2013

FINANCIAL STATEMENTS

The directors submit their report and group financial statements for the year ended 31 May 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 group and company 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 group and company and of the profit or loss of the group and company for that period.

In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activity of the company is a holding company. The group is focused on the manufacturing and distribution of office products and industrial and light industrial professional tools.

BUSINESS REVIEW

The profit and loss account is set out on page 6 and shows turnover for the year of £11,295,706. This represents a decrease of 5.9% compared to the prior year, this is against a background of exceptionally difficult trading conditions within the economy generally.

Turnover of Rapesco Office Products Plc decreased by 3.7% whilst the turnover of Tacwise Group Plc also reduced by 6.4%. These are the two core businesses within the group.

RAPESCO HOLDINGS PLC

REPORT OF THE DIRECTORS

For the year ended 31 May 2013

(continued)

BUSINESS REVIEW (continued)

The group has achieved a profit after taxation of £424,839 which is a decrease of 13.6% over the prior year. This is largely as a result of the reduction in turnover and the sales mix of products within the group.

The directors regard net profitability, product and new customer development as key performance indicators.

Rapesco Office Products

The company has continued to invest in new product development where the strategy is to develop differentiated products protected by patented technology.

Tacwise

The company has continued to develop new design led products.

Tunco (2003) 106

In spite of a reduced level of turnover the business achieved a net profit after tax of £8,923. The directors have no intention to close down the company and it continues to meet its obligations as they fall due.

There have been no events since the balance sheet date which materially affect the position of the group.

FUTURE DEVELOPMENTS

Rapesco Office Products and Tacwise will continue to focus on international markets which offer significant potential.

MARKETING RISK

The competitive nature of the market for the group's products means that there is a risk of customers being offered alternative products. The group seeks to manage this risk by maintaining strong relationships with its customers and offering innovative, leading edge products.

FINANCIAL RISK

The group uses various financial instruments including cash, equity, trade receivables and trade payables in the course of its operations.

The use of these instruments gives rise to risks associated with exchange rate risk, liquidity risk and credit risk. The directors review and agree policies to deal with each of these risks as summarised below.

Exchange rate risk

The group is exposed to foreign exchange movements and this risk is managed by the use of various hedging products, primarily through the purchase of US Dollar forwards.

Liquidity risk

The group seeks to manage financial risk of liquidity by ensuring it has sufficient cash resources available to meet foreseeable needs at all times. The group monitors cash flow as part of its day to day control procedures.

Credit risk

The group's credit risk is primarily attributable to its trade debtors. Credit risk is managed by insuring against bad debts, credit scoring new customers and by monitoring payments against contractual agreements.

RAPESCO HOLDINGS PLC

REPORT OF THE DIRECTORS

For the year ended 31 May 2013

(continued)

DIVIDENDS

The following interim dividends have been paid

	Year ended 31 May 2013 £	Year ended 31 May 2012 £
£46,878 (2012 - £49,666) per 'A' ordinary Share	93,756	99,332
£60,000 (2012 - £60 000) per 'B' Ordinary Share	120 000	120 000
	<u>£213,756</u>	<u>£219,332</u>

No final dividend is to be paid on the ordinary share capital of the company

SUPPLIER PAYMENT POLICY

The group agrees payment terms with suppliers at the time of entering into a transaction. These payment terms form part of the contract for the supply of goods or services and the group adheres to such terms, subject to satisfactory completion of the relevant transaction. The group had 72 days purchases outstanding at 31 May 2013 (2012 - 84 days)

DIRECTORS

The directors who held office throughout the year were D J S James, A M Frost and N T Ward

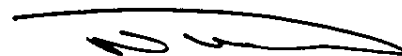
AUDITORS

Each individual director has taken all the steps necessary to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have indicated their willingness to continue in office. A resolution to reappoint BDO LLP as auditors will be proposed at the next annual general meeting.

This report was approved by the Board on 25 October 2013

BY ORDER OF THE BOARD



N WARD
Company Secretary

REGISTERED OFFICE
Rapesco House
One Connections Business Park
Otford Road
Sevenoaks
Kent TN14 5DF

RAPESCO HOLDINGS PLC
INDEPENDENT AUDITOR S REPORT

To the shareholders of Rapesco Holdings Plc

We have audited the group and parent company financial statements (the "financial statements") of Rapesco Holdings Plc for the year ended 31 May 2013 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2013 and of the group's 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

RAPESCO HOLDINGS PLC
INDEPENDENT AUDITOR'S REPORT

(continued)

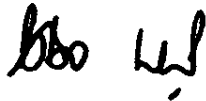
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



*John Everingham (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom*

Date

1 November 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

RAPESCO HOLDINGS PLC
CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 May 2013

	<u>Notes</u>	<u>Year ended</u> <u>31 May 2013</u>	<u>Year ended</u> <u>31 May 2012</u>
		£	£
TURNOVER	1 & 2	11,295,706	12,000,687
Change in stocks of finished goods and work in progress		258,550	591,293
Raw materials and consumables direct costs, carriage and packaging		<u>7,514,727</u>	<u>7,692,624</u>
		7,773,277	8,283,917
Operating costs		<u>2,810,213</u>	<u>2,869,105</u>
		<u>10,583,490</u>	<u>11,153,022</u>
Operating profit	3 & 19	712,216	847,665
Interest payable and similar charges	4	189,880	204,805
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>522,336</u>	<u>642,860</u>
Tax on profit on ordinary activities	5	<u>97,497</u>	<u>128,568</u>
PROFIT FOR THE FINANCIAL YEAR	17	<u><u>£424,839</u></u>	<u><u>£514,292</u></u>

All results relate to continuing activities

Notes on page 10 to 23 are an integral part of this consolidated profit and loss account

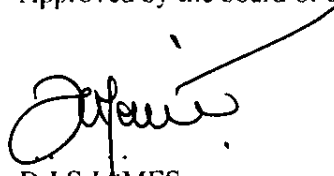
RAPESCO HOLDINGS PLC
CONSOLIDATED BALANCE SHEET

As at 31 May 2013

Company number 4756851

	<u>Notes</u>	<u>31 May 2013</u>	<u>31 May 2012</u>
		£	£
FIXED ASSETS			
Intangible fixed assets	7	51,402	63,850
Tangible fixed assets	8	<u>923,107</u>	<u>995,799</u>
		974,509	1,059,649
CURRENT ASSETS			
Stocks	10	2 203,891	2,462,441
Debtors	11	5,301,260	5,038,447
Cash at bank and in hand		<u>199</u>	<u>504</u>
		7,505 350	7,501,392
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>(3,772,244)</u>	<u>(3,919,003)</u>
NET CURRENT ASSETS		<u>3,733,106</u>	<u>3 582 389</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,707,615	4,642,038
CREDITORS. Amounts falling due after more than one year	13	(480 000)	(620 955)
PROVISION FOR LIABILITIES AND AND CHARGES	14	(125,664)	(130,215)
NET ASSETS		<u><u>£4,101,951</u></u>	<u><u>£3,890,868</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	249,700	249,700
Other reserves	16	300	300
Profit and loss account	16	<u>3,851,951</u>	<u>3,640,868</u>
SHAREHOLDER'S FUNDS	17	<u><u>£4,101,951</u></u>	<u><u>£3 890,868</u></u>

Approved by the board of directors and authorised for issue on 25 October 2013


D J S JAMES
DIRECTOR

The notes on pages 10 to 23 form an integral part of this consolidated balance sheet

RAPESCO HOLDINGS PLC
COMPANY BALANCE SHEET

As at 31 May 2013

	<u>Notes</u>	<u>31 May 2013</u>	<u>31 May 2012</u>
		£	£
FIXED ASSETS			
Investments	9	349,700	349,700
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>(100,000)</u>	<u>(100,000)</u>
NET CURRENT LIABILITIES		<u>(100,000)</u>	<u>(100,000)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		249,700	249,700
NET ASSETS		<u>£249,700</u>	<u>£249,700</u>
CAPITAL AND RESERVES			
Called up share capital	15	<u>249,700</u>	<u>249,700</u>
SHAREHOLDER'S FUNDS	17	<u>£249,700</u>	<u>£249,700</u>

Approved by the board of directors and authorised for issue on 25 October 2013


D J S JAMES
DIRECTOR

The notes on pages 10 to 23 form an integral part of this balance sheet

RAPESCO HOLDINGS PLC

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 May 2013

	<u>Notes</u>	<u>Year ended</u> <u>31 May 2013</u>	<u>Year ended</u> <u>31 May 2012</u>
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	20	683,626	1,771,703
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest element of finance lease rental payments		(3,690)	(7,653)
Interest paid		<u>(186,190)</u>	<u>(197,152)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(189,880)	(204,805)
TAXATION			
Corporation tax paid		(152,284)	(128,696)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(149,107)	(48,771)
Receipts from sale of tangible fixed assets		<u>12,100</u>	<u>8,443</u>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(137,007)</u>	<u>(40,328)</u>
NET CASH INFLOW BEFORE FINANCING		204,455	1,397,874
EQUITY DIVIDENDS PAID		(213,756)	(219,332)
FINANCING			
New loans		18,577	-
Repayment of loans		(120,000)	(120,000)
Capital element of finance lease rental payments		<u>(55,600)</u>	<u>(57,631)</u>
NET CASH OUTFLOW FROM FINANCING		<u>(157,023)</u>	<u>(177,631)</u>
(DECREASE)/INCREASE IN CASH IN YEAR	21 & 22	<u>£(166,324)</u>	<u>£1,000,911</u>

The notes on pages 10 to 23 form an integral part of this consolidated cash flow statement

RAPESCO HOLDINGS PLC

NOTES TO THE ACCOUNTS

31 May 2013

1 ACCOUNTING POLICIES

(a) Basis of accounting

These financial statements have been prepared under the historical cost accounting convention and in accordance with applicable accounting standards. The following accounting policies have been consistently applied.

(b) Turnover

Turnover represents the amount receivable, excluding value added tax, for goods and services invoiced to customers outside the group. Turnover is recognised when the risks and rewards of ownership of products have been transferred to the customer. The risks and rewards of ownership are deemed to have been transferred when the goods are shipped to, or are collected by, the customer.

(c) Intangible fixed assets

Intangible fixed assets are included at cost and amortised in equal annual instalments over a period of 10 years which the directors estimate to be their useful economic life. Provision is made for any impairment when the carrying value of an asset is lower than its recoverable amount.

(d) Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write off the cost of each fixed asset over its expected useful life on the following bases -

Fixtures, fittings and office equipment	-	on original cost over 3 to 10 years
Plant and machinery	-	on original cost over 5 to 10 years
Vehicles	-	on reducing balance at 25% per annum on written down value
Short leasehold property	-	on original cost over period of lease

(e) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is calculated on the weighted average basis. Net realisable value is calculated as the estimated sale proceeds less all further costs to completion and less attributable costs of selling and distribution.

(f) Basis of consolidation

The group accounts include the accounts of the company and those of its subsidiaries, all of which are made up to 31 May 2013. The results of Rapesco Office Products Plc, Tacwise Group Plc and their subsidiaries have been consolidated with those of the company using the merger accounting principles set out in Financial Reporting Standard 6, following a corporate restructuring on 1 June 2003.

RAPESCO HOLDINGS PLC

NOTES TO THE ACCOUNTS

31 May 2013

(continued)

1 ACCOUNTING POLICIES (continued)

(g) Foreign currencies

Transactions denominated in foreign currencies are converted at the rates ruling at the date of the transaction. Monetary assets and liabilities at the period end are translated at the period end or the forward contract rate, where applicable. Differences in exchange rates are dealt with in the profit and loss account.

(h) Investments

Fixed asset investments are shown at cost less provision for impairment.

(i) Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

(j) Dividends

Equity dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when the dividend is paid. In the case of final dividends, this is when approved by the shareholders in the annual general meeting.

(k) Pension

The group operates defined contribution schemes. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between the profit and loss account charge and the contributions actually paid are shown as either accruals or prepayments in the balance sheet.

(l) Finance Leases

Assets held under finance leases and other similar contracts which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

RAPESCO HOLDINGS PLC

NOTES TO THE ACCOUNTS

31 May 2013

(continued)

1 ACCOUNTING POLICIES (continued)

(m) Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis

2 TURNOVER

Turnover arises from one class of business. No disclosure of geographical markets has been given as the directors consider this would be seriously prejudicial to the interests of the group

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging

	Year ended 31 May 2013 £	Year ended 31 May 2012 £
Directors' emoluments (Note 18)	133,827	134,827
Amortisation of intangible fixed assets	12,448	15,294
Depreciation of owned assets	177,801	182,746
Depreciation of leased assets	27,083	34,673
Hire of plant and machinery - operating leases	23,524	27,320
Other operating leases - land and buildings	181,000	181,000
Auditors' remuneration for audit services	19,000	19,952
Loss on disposal of fixed assets	4,815	114
Exchange loss	31,519	21,811
	<u> </u>	<u> </u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	31 May 2013 £	<u>Group</u> 31 May 2012 £
Interest payable on bank overdraft/loans wholly repayable within five years	84,573	64,908
Interest payable on loan repayable after five years	-	23,123
Interest payable on finance leases	3,690	7,653
Interest payable on other loans	2,674	2,450
Other interest payable	98,943	106,671
	<u>£189,880</u>	<u>£234,805</u>

RAPESCO HOLDINGS PLC

NOTES TO THE ACCOUNTS

31 May 2013

(continued)

5 TAXATION

	<u>Year ended</u> <u>31 May 2013</u> £	<u>Year ended</u> <u>31 May 2012</u> £
UK Corporation tax	102,048	152,284
Total current tax	102,048	152,284
Deferred tax – origination and reversal of timing differences	(4,551)	(23,716)
	<u>£97,497</u>	<u>£128,568</u>

The tax assessed for the period is lower (2012 – lower than) than the standard rate of corporation tax in the UK. The differences are explained below

Profit on ordinary activities before tax	<u>£522,336</u>	<u>£642 860</u>
Multiplied by the standard rate of corporation tax in the UK of 23.83% (2012 – 25.67%)	124,473	165,022
Effects of:		
Expenses not deductible for tax purposes	1,474	1,361
Tax relief on finance lease payments	(3,978)	(4,506)
Depreciation for period in excess of capital allowances	4,432	19,423
Group relief received	(24,353)	(29,016)
Current tax charge for year	<u>£102,048</u>	<u>£152,284</u>

6 DIVIDENDS PAID

	<u>Year ended</u> <u>31 May 2013</u> £	<u>Year ended</u> <u>31 May 2012</u> £
Interim paid		
£46,878 (2012 - £49,666) per 'A' Ordinary share	93,756	99,332
£60,000 (2012 - £60,000) per 'B' Ordinary share	120,000	120,000
	<u>£213,756</u>	<u>£219,332</u>

RAPESCO HOLDINGS PLC

NOTES TO THE ACCOUNTS

31 May 2013

(continued)

7 INTANGIBLE FIXED ASSETS

	<u>Patents</u>	<u>Total</u>
	<u>£</u>	<u>£</u>
COST		
At 1 June 2012	124,484	124,484
Additions	-	-
At 31 May 2013	<u>124,484</u>	<u>124,484</u>
AMORTISATION		
At 1 June 2012	60,634	60,634
Charge for the year	12,448	12,448
At 31 May 2013	<u>73,082</u>	<u>73,082</u>
NET BOOK VALUE		
At 31 May 2013	<u>£51,402</u>	<u>£51,402</u>
At 31 May 2012	<u>£63,850</u>	<u>£63,850</u>

RAPESCO HOLDINGS PLC

NOTES TO THE ACCOUNTS

31 May 2013

(continued)

8 TANGIBLE FIXED ASSETS

	Leasehold property	Fixtures, fittings & office equipment	Plant, machinery & vehicles	Total
	£	£	£	£
COST				
At 1 June 2012	155,278	541,074	1,984,570	2,680,922
Additions	-	8,524	140,583	149,107
Disposals	-	(350,471)	(266,230)	(616,701)
At 31 May 2013	155,278	199,127	1,858,923	2,213,328
DEPRECIATION				
At 1 June 2012	142,508	511,531	1,031,084	1,685,123
Charge for the year	6,211	10,925	187,748	204,884
Disposals	-	(350,471)	(249,315)	(599,786)
At 31 May 2013	148,719	171,985	969,517	1,290,221
NET BOOK VALUE				
Owned assets	-	27,142	842,976	870,118
Leased assets	6,559	-	46,430	52,989
At 31 May 2013	£6,559	£27,142	£889,406	£923,107
Owned assets	-	29,543	843,669	873,212
Leased assets	12,770	-	109,817	122,587
At 31 May 2012	£12,770	£29,543	£953,486	£995,799

The tangible fixed assets relate to the group. The company holds no tangible fixed assets.

RAPESCO HOLDINGS PLC

NOTES TO THE ACCOUNTS

31 May 2013

(continued)

9 FIXED ASSET INVESTMENTS

Cost and net book value

£

At 31 May 2013 and 31 May 2012

£349,700

The company holds the entire issued share capital of the following companies

Name	Country of incorporation	Proportion of share capital held	Principal activity
Rapesco Office Products Plc	England	100%	Staplers and Perforators
Tacwise Group Plc	England	100%	Light and industrial fixings and fastenings
Tunco (2003) 106 Limited*	England	100%	Distribution of Office machinery
Rapesco Limited*	England	100%	Dormant
Stapling Centre Limited*	England	100%	Dormant

* These companies are subsidiaries held indirectly by Rapesco Office Products Plc and Tacwise Group Plc

10 STOCKS

	<u>31 May 2013</u>	<u>Group</u> <u>31 May 2012</u>
	£	£
Spare parts	17,202	17,900
Finished goods	2 186,689	2,444,541
	<u>£2,203,891</u>	<u>£2,462,441</u>

11 DEBTORS

	<u>31 May 2013</u>	<u>Group</u> <u>31 May 2012</u>
	£	£
Trade debtors	2 464,005	2 343,931
Other debtors	15,280	2,811
Amount due from parent company	2,530,330	2,422,976
Prepayments and accrued income	291,645	268,729
	<u>£5,301,260</u>	<u>£5 038,447</u>

All amounts fall due for payment within one year

RAPESCO HOLDINGS PLC

NOTES TO THE ACCOUNTS

31 May 2013

(continued)

12 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>31 May 2013</u>	<u>Group</u>	<u>31 May 2012</u>
	£		£
Bank loan and overdraft (secured)	1,446,474		1,280,455
Trade creditors	1,473,039		1,778,782
Other taxation and social security	232,016		174,627
Accruals and deferred income	479,201		477,321
Corporation tax payable	102,048		152,284
Lease payments due	20,889		55,534
Other loans (note 26)	18,577		-
	<u>£3,772,244</u>		<u>£3,919,003</u>

The bank loan and overdraft are secured by a fixed and floating charge over the assets of the group companies

Company creditors of £100,000 (31 May 2012 - £100,000) are represented by amounts owed to group undertakings.

13 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>31 May 2013</u>	<u>Group</u>	<u>31 May 2012</u>
	£		£
Bank loan (secured) repayable by instalments	410,000		530,000
Loan (unsecured) repayment due after 31 May 2014	70,000		70,000
Lease payments due	-		20,955
	<u>£480,000</u>		<u>£620,955</u>

	<u>31 May 2013</u>	<u>Group</u>	<u>31 May 2012</u>
	Bank loan £	Finance leases £	Bank loan £
In less than one year	120,000	20,889	120,000
In more than one year but not more than two years	120,000	-	120,000
In more than two years but not more than five years	290,000	-	360,000
In more than five years	-	-	50,000
	<u>£530,000</u>	<u>£20,889</u>	<u>£650,000</u>
			<u>£76,489</u>

RAPESCO HOLDINGS PLC

NOTES TO THE ACCOUNTS

31 May 2013

(continued)

13 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

The terms of repayment are -

Bank loan (secured) - £10,000 per month with interest at base plus 2.75%

Loan (unsecured) - No repayments with interest at base plus 3%

Since the year end the bank loan facility totalling £530,000 at the balance sheet date was repaid in full as a result of refinancing

14 PROVISION FOR LIABILITIES AND CHARGES

The amounts provided for deferred taxation are as follows

	<u>Group</u> £
At 31 May 2012	130,215
Decrease during the year –	
All of the deferred taxation results from accelerated capital allowances	(4,551)
At 31 May 2013	<u>£125,664</u>

The above has resulted in a credit to the profit and loss account in the year of £4,551 (31 May 2012 credit of £23,716)

15 CALLED UP SHARE CAPITAL

	<u>31 May 2013</u> £	<u>31 May 2012</u> £
Allotted, called up and fully paid		
249,700 Ordinary shares of £1 each	249,700	249,700
2 'A' Ordinary shares of 5p each	-	-
2 'B' Ordinary shares of 5p each	-	-
2 'C' Ordinary shares of 5p each	-	-
	<u>£249,700</u>	<u>£249,700</u>

The ordinary shares, 'A' ordinary shares, 'B' ordinary shares, 'C' ordinary shares and 'D' ordinary shares rank pari passu in all respects, with the exception of the following

- (i) directors may declare and pay dividends which vary from class to class and in frequency between each class of shares. However, all dividends are paid pari passu to all shares within any individual class of shares, and
- (ii) on a winding up, the holders of the 'A' shares, 'B' shares and 'C' shares are excluded from any participation in the capital or the assets of the company

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16 RESERVES

	<u>Group</u>	
	<u>Other reserves</u>	<u>Profit and loss</u>
	<u>£</u>	<u>£</u>
At 1 June 2012	300	3,640,868
Profit for the financial year	-	424,839
Dividends paid	-	(213,756)
At 31 May 2013	<u>£300</u>	<u>£3,851,951</u>

17 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	<u>Group</u>		<u>Company</u>	
	<u>31 May 2013</u>	<u>31 May 2012</u>	<u>31 May 2013</u>	<u>31 May 2012</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1 June 2012	3,890,868	3,595,908	249,700	249,700
Profit for the financial year	424,839	514,292	213,756	219,332
Dividend paid	(213,756)	(219,332)	(213,756)	(219,332)
At 31 May 2013	<u>£4,101,951</u>	<u>£3,890,868</u>	<u>£249,700</u>	<u>£249,700</u>

18 PARTICULARS OF EMPLOYEES

The average number of persons employed by the group (including Directors) during the year was -

	<u>Year ended</u>	<u>Year ended</u>
	<u>31 May 2013</u>	<u>31 May 2012</u>
Category		
Administration	7	8
Warehousing and distribution	7	8
Selling	26	29
Direct manufacturing	4	4
	<u>44</u>	<u>49</u>

Their total remuneration was -

	<u>£</u>	<u>£</u>
Wages and salaries	1,251,503	1,303,192
Social security costs	128,121	134,175
Other pension costs	62,024	71,904
	<u>£1,441,648</u>	<u>£1,509,271</u>

All group employees are employed by Tacwise Group Plc and therefore the company remuneration is £nil (31 May 2012 - £nil)

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19 DIRECTORS EMOLUMENTS

	Year ended <u>31 May 2013</u>	Year ended <u>31 May 2012</u>
	£	£
Directors' remuneration for executive services (excluding pension contributions)	<u>£133,827</u>	<u>£134,827</u>

The number of directors who were members of a money purchase pension scheme was 3 (31 May 2012 - 3). Payment of employer's contributions to the scheme in the period was £17,600 (31 May 2012 - £17,600). The employer's contributions in respect of the highest paid director were £8,800 (31 May 2012 - £8,800).

20 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year ended <u>31 May 2013</u>	Year ended <u>31 May 2012</u>
	£	£
Operating profit	712,216	847,665
Depreciation and amortisation	217,332	232,713
Decrease/(increase) in stocks	258,550	591,293
(Increase)/decrease in debtors	(262,813)	288,948
Decrease in creditors	(246,474)	(189,030)
Loss on disposal of fixed assets	4,815	114
Net cash inflow from operating activities	<u>£683,626</u>	<u>£1,771,703</u>

21 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	£	£
Decrease in cash for the year	(166,324)	
Cash inflow from decrease in loan and lease financing	<u>157,023</u>	
Change in net debt resulting from cashflow	£(9,301)	
New finance leases	<u>-</u>	
		<u>£(9,301)</u>
Net debt at 31 May 2012	(1,956,440)	
Net debt at 31 May 2013	<u>(1,965,741)</u>	
Movement in net debt in the period		<u>£(9,301)</u>

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22 ANALYSIS OF CHANGE IN NET DEBT

	<u>31 May 2012</u>	<u>Cash flow</u>	<u>Other non-</u>	<u>31 May 2013</u>
	£	£	cash changes	£
Cash at bank and in hand	504	(305)	-	199
Overdraft	(1,160,455)	(166,019)	-	(1,326,474)
Debt due within 1 year	(120,000)	(18,577)	-	(138,577)
Debt due after 1 year	(600,000)	120,000	-	(480 000)
Obligations under finance leases	(76,489)	55,600	-	(20 889)
Total	<u>£(1,956,440)</u>	<u>£(9,301)</u>	<u>£-</u>	<u>£(1,965,741)</u>

23 CONTINGENT LIABILITIES AND COMMITMENTS ON BEHALF OF GROUP COMPANIES

- (a) The subsidiary companies have given unlimited guarantees and unlimited debentures to the bankers of Rapesco Office Products Plc. The maximum liability at 31 May 2013 was £1,856,474 (31 May 2012 - £1 810,455)
- (b) There is a VAT election and each trading company in the group is jointly and severally liable for the whole of the group's VAT liability. The maximum liability at 31 May 2013 was £198,296 (31 May 2012 - £140,032)
- (c) The group operates two defined contribution schemes, one is for the benefit of the directors and the other for the employees. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the company to the funds. The pension cost charged to the profit and loss account for the year amounted to £62,024 (2012 - £71,904)
- (d) The group had committed £400,000 in respect of forward foreign exchange contracts at 31 May 2013 (2012 - £1,840,055) on which a gain of £7,381 would have been made at 31 May 2013 (2012 - gain of £60,530)

24. FINANCIAL COMMITMENTS

	<u>Finance leases</u>	
	<u>Year ended</u>	<u>Year ended</u>
	<u>31 May 2013</u>	<u>31 May 2012</u>
	£	£
Due/expires		
Within one year	20,889	55,534
Between two and five years	-	20,955
	<u>£20,889</u>	<u>£76 489</u>

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NOTES TO THE ACCOUNTS

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24 FINANCIAL COMMITMENTS (continued)

These finance leases are secured on the assets to which they relate
Annual commitments under non-cancellable operating leases are as follows -

	<u>Operating leases</u>			
	<u>31 May 2013</u>		<u>31 May 2012</u>	
	<u>Plant & equipment</u>	<u>Land & buildings</u>	<u>Plant & equipment</u>	<u>Land & buildings</u>
	£	£	£	£
Annual rents on operating leases expiring				
Within one year	-	181,000	648	-
Between two and five years	<u>1,819</u>	<u>-</u>	<u>1,824</u>	<u>181,000</u>
	<u>£1,819</u>	<u>£181,000</u>	<u>£2,472</u>	<u>£181,000</u>

25 COMPANY PROFIT AND LOSS ACCOUNT

No profit and loss account has been prepared for Rapesco Holdings Plc as permitted by Section 408 of the Companies Act 2006. The company's profit after taxation for the year ended 31 May 2013 was £213,756 (year ended 31 May 2012 – profit of £219,332)

26 RELATED PARTY TRANSACTIONS

At 31 May 2013 and 31 May 2012, the group owed £70,000 to the pension fund of which certain of the directors are beneficiaries, under an unsecured loan. Interest of £2,450 (2012 - £2,450) was charged on this loan during the period.

A loan has been made to the group by Mr D J S James. At 31 May 2013 the balance of this loan was £18,577 (balance at 31 May 2012 - £Nil). Interest of £224 (year ended 31 May 2012 - £4,647) was charged on this loan during the year.

On 6 June 2011, Rapesco Office Products Plc contracted to licence the use of a trade mark owned by D J S James. The royalty paid during the year ended 31 May 2013 was £180,000 (year ended 31 May 2012 - £100,000).

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related Party Disclosures', not to disclose details of transactions with other members of the group headed by Rapesco Group Holdings Plc as 100% of the issued share capital of the company is held within the group and consolidated financial statements are prepared by Rapesco Group Holdings Plc which are publicly available.

27 ULTIMATE PARENT COMPANY

Rapesco Group Holdings Plc is the company's immediate and ultimate parent company. The results of the company are consolidated in the financial statements of Rapesco Group Holdings Plc, which is the parent of the largest group for which consolidated financial statements are prepared that include the results of the company.

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28 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is D J S James