13 March 2014

RESTORE PLC
Full Year Unaudited Results 2013

Restore plc ("Restore" or "the Company"), the UK office services provider, announces its unaudited results for the year ended 31 December 2013.

Financial Highlights:

ADJUSTED RESULTS	2013	2012	% Change
Revenue	£53.6m	£43.3m	24%
EBITDA*	£12.1m	£7.9m	53%
Operating profit*	£10.9m	£7.1m	54%
Profit before tax*	£10.0m	£6.2m	61%
Earnings per share from continuing operations**	10.5p	7.4p	42%
Dividend per share	1.9p	1.5p	27%
Net debt	£16.0m	£17.8m	

* before discontinued operations, exceptional items, amortisation and impairment of intangible assets, share based payments charge and other finance costs. The reconciliation of adjusted figures is shown in the Group Finance Director's statement.
** calculated based on the weighted average shares in issue and a standard tax charge.

STATUTORY RESULTS		
Revenue	£53.6m	£43.3m
Operating profit	£5.7m	£2.4m
Profit before tax	£5.0m	£1.5m
Earnings per share from continuing operations	5.9p	2.5p
Dividend per share	1.9p	1.5p
Net debt	£16.0m	£17.8m

Summary:

- Adjusted PBT up 61% at £10.0m; adjusted EPS up 42% at 10.5p
- Document Management division continued to trade well
- Strong second-half performance in Relocations; expansion into IT asset disposal
- Completion and integration of three acquisitions
- Net debt reduced to £16.0m (2012: £17.8m); arrangement of new increased bank facility post year end
- Recommended full year dividend of 1.9p (2012: 1.5p)

Commenting on the results, Charles Skinner, Chief Executive, said:

"We were pleased with our performance in 2013 and the further progress we made in line with our strategy of growing a market-leading UK office services business.

The current year has started in line with our expectations.

Our Document Management division continues to perform strongly and we expect the financial performance of our Relocations division to benefit from improved market conditions. Both divisions remain focused on extending their market share and growing the contribution of newer complementary activities such as shredding and IT asset disposal.

We will continue to pursue our strategy of organic and acquisitive growth and we look forward to delivering another year of strong progress in 2014."

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CHAIRMAN'S STATEMENT 2013

Results

I am pleased to report another strong performance by your Company. For the year to 31 December 2013, profit before tax, exceptional items, amortisation, discontinued activities and share-based payment charges was £10.0 million, a year-on-year increase of 61% (2012: £6.2 million). Turnover was £53.6 million (2012: £43.3 million), with a large part of the year-on-year increase reflecting acquisitions made in both 2012 and 2013. Earnings per share on an adjusted basis were up 42% at 10.5 pence (2012: 7.4 pence). With a recommended final dividend of 1.3p, the total dividend is up 27% at 1.9p.

Trading

The Document Management division performed well with the core Records Management business continuing to demonstrate the strength of its robust financial model. The division's turnover was £27.7 million (2012: £21.0 million) and adjusted operating profit was £10.3 million (2012: £7.5 million). Our Records Management business delivered an increase in revenue growth on an organic basis, reflecting good levels of underlying activity amongst our existing customers. This was partially offset by subdued new customer growth, which we have addressed through changes in our sales force. The majority of the increase in the division's turnover derived from the three records management acquisitions made in late 2012 and 2013, whose integration has now been successfully completed. Trading at Restore Scan, which was fully integrated into the Document Management division at the end of 2012, remained weak. Restore Shred had a strong year with several new business wins and revenues showing year-on-year growth of 50%.

The Relocations division's results now include Restore IT Efficient, the IT recycling business acquired in April 2013. The division's turnover was £25.9 million (2012: £22.3 million) and adjusted operating profit was £2.2 million (2012: £1.2 million). The major constituent of the division is Harrow Green, the UK's leading relocations business. Harrow Green's revenues were ahead year-on-year and both gross and net margin percentages increased. Its market showed signs of improvement towards the end of the year as the level of office moves in London began to recover. Restore IT Efficient made a healthy contribution to profit in line with the forecast set at the time of its acquisition.

Head Office costs remained flat at £1.6 million.

Corporate transactions

Three acquisitions were made in the year:

In March, we acquired File & Data, a records management business operating from 5 locations across mainland Britain. The initial consideration was £6.1 million with a potential additional payment of £0.15 million.

In April, we acquired Atix, a Kent-based records management business, for £0.9 million.

In April, we acquired IT Efficient, a Bedfordshire-based IT asset disposal business for £1.9 million, with a potential additional payment of £0.4 million. This took us into a new market, which complements our existing activities and customer base.

Funding

Net debt at the year-end was £16.0 million (2012: £17.8 million), including £3.9m of credit invoice discounting.

On 11 March 2014, we completed a refinancing of our bank debt with Barclays. The new facility comprises a 5-year Revolving Credit Facility of £30.0 million with an additional £7.5 million also available, comprising a total of £37.5 million – an increase in capacity of £15.0 million. This gives us considerable scope to continue to develop the Company through acquisitions.

In March and April 2013, we raised £7.0 million through an equity placing at 111p per share to fund the acquisition of File & Data.

Dividends

Your Board is recommending a final dividend of 1.3p, payable on 9 July 2014 to shareholders on the register on 13 June 2014. The total dividend for the year is 1.9p, a 27% year-on-year increase. It is the Board's firm intention to follow a progressive dividend policy.

Board

In November, Andrew Wilson resigned as a non-executive director from the Board. Andrew had been appointed to the Board in June 2009 when both the Chief Executive and I joined. He had been key in the transformation of the Company over the period since then. His departure from the Board reflected the placing of Geraldton Services' disclosable stake in the Company in September 2013. Geraldton had previously held up to 87% of the Company's shares and Andrew had been Geraldton's representative on the Board. I thank Andrew and Geraldton for their exceptional support of the Company during the period of their shareholding.

Stephen Davidson joined the Board as a non-executive director in January 2014. His investment banking and public company experience means he has much to bring to us. I welcome Stephen to the Board.

People

As I have previously noted, the success of a business services provider depends first and foremost upon the people who work in the organisation. Recent customer surveys that we have undertaken consistently show that our customers across all of our business streams are very pleased with the services we supply and this is predominantly attributed by them to the quality and energy of our staff. Our business has changed significantly over the past few years with many new people joining us, and I am pleased that our people have benefited from the stability and growth of the business. I thank everyone for their commitment over the last year and look forward to them continuing to share in the success of the Company. I also welcome the people who have joined us through acquisitions made during the year.

Strategy

The Company has grown significantly over the last four years, whether measured by revenue, profit or market capitalisation. The engine for this growth has been the predictability and inherent growth of our records management business and our ability to consolidate this market by selectively acquiring smaller operators. We have also been skilled at integrating acquisitions and operating them cost-effectively so as to improve margins. This has enabled us to increase revenues and profits in records management by 150% and 250% respectively over the four-year period.

Records management continues to generate the majority of Group operating profit and we continue to seek out appropriate records management acquisitions. But we have also been successful in expanding the range of services which we supply to our customer base. We are now the market leader in UK office relocation through Harrow Green, and in addition we now have:

- a rapidly growing shredding and recycling business in Restore Shred;
- and an IT Asset Disposal business with significant scope for growth in Restore IT Efficient.

We also have a small but steadily growing on-line storage business.

These are all services which the majority of our customers require.

Over the last three years we have invested heavily in terms of management time in establishing a Group-wide customer relationship management system. This enables all of our sales staff in whatever service line to identify and leverage the contacts we have elsewhere in the Group. Despite being operationally and managerially decentralised, this ability to plug into our Group-wide customer contacts makes it far easier for our sales people to introduce their service to our Group customers. This is beginning to create momentum across the Group.

We continue to focus on increasing our UK market share. In Records Management this is achieved most successfully through acquisitions. In some of our other services this is most likely to be achieved through organic growth, particularly by leveraging our customer base across the Group.

In parallel, we are always looking at offering additional services which complement our existing activities. Historically we have achieved this through acquiring a business in a new, related business area and then seeking to build it, frequently by using the Group's customer base.

As I noted last year, we have clearly identified the characteristics of the areas in which we operate and seek to operate:

- A strong element of recurring revenues
- A degree of operational complexity which enables good margins to be achieved
- A similar channel to market: typically through our customers' facilities or IT managers
- Switching suppliers is neither desirable nor practical for customers
- Scope for cross-selling the other services we offer.

Outlook

The current year has started in line with our expectations.

Our Document Management division continues to perform strongly and we expect the financial performance of our Relocations division to benefit from improved market conditions. Both divisions remain focused on extending their market share and growing the contribution of newer complementary activities such as shredding and IT asset disposal.

We will continue to pursue our strategy of organic and acquisitive growth and we look forward to delivering another year of strong progress in 2014.

Sir William Wells
Chairman 13 March 2014

CHIEF EXECUTIVE'S REVIEW

Key Performance Figures

	Revenue 2013	Revenue 2012	Adjusted Operating Profit/(loss) 2013*	Adjusted Operating Profit/(loss) 2012*
	£'m	£'m	£'m	£'m
Document Management	27.7	21.0	10.3	7.5
Relocations	25.9	22.3	2.2	1.2
Head Office Costs	-	-	(1.6)	(1.6)
Total	53.6	43.3	10.9	7.1

* before exceptional items, amortisation and impairment of intangible assets and share based payments charge.

DOCUMENT MANAGEMENT DIVISION

Business Description

Our document management division currently comprises three primary activities: records management, document scanning and secure shredding and recycling. The division has its own infrastructure, including financial functions, reporting to the divisional Managing Director. The divisional Sales Director has responsibility for all the division's sales activities with sales teams operating within the individual business streams.

Records Management is the largest and most profitable of the activities within the division and, with the exception of Datacare, our specialist medical and pharmaceutical operations, it operates solely under the Restore brand. The majority of Restore's sales are from the storage and retrieval of hard copy documents, typically stored in cardboard boxes. Restore also stores and retrieves individual files, magnetic data (typically for emergency back-up), film and other materials. It also offers retrieval of documents by scanning and derives additional service income from reorganisation of customer documents and document restoration. Additional products include file-tracking services, which enable customers to locate documents within their own buildings, and Restore Online, which provides electronic data back-up.

Restore services a broad range of customers from 17 sites across mainland Britain. Our largest facility is our freehold underground site in Monkton Farleigh, near Bath, which covers 60 acres. Our largest customer sector is law firms who are probably the most demanding and sophisticated users of storage services; this ensures Restore is at the cutting edge of developments in physical document storage and monitors closely the developments in electronic data management. Most other commercial, industrial and public sectors are represented amongst Restore's customer base, with particular strengths in financial services, larger corporates, councils and health trusts. These represent an excellent channel to market for other services.

Document Scanning trades as **Restore Scan** and is based in Peterborough. Its main function is the conversion of hard-copy documents into electronic data. As part of this service, it organises and indexes the electronic versions, enabling its customers to identify and locate their data more efficiently.

Secure Shredding and Recycling trades as **Restore Shred** and is run from Upper Heyford, Oxfordshire, where we have a significant records management operation, and has locations in London and Middlesbrough. Its activities are complementary to our other operations, particularly Records Management and Relocations. We have seen sharply increased volumes through effectively targeted selling and leveraging our Group-wide customer base, with many existing customers of our other businesses switching their secure shredding and recycling to Restore Shred.

Trading and Operations

Trading in Document Management was strong in 2013 with adjusted operating profits increasing by £2.8 million to £10.3 million. Turnover increased from £21.0 million to £27.7 million, partly as a result of the acquisitions made in 2012 and 2013.

Records management comprises the bulk of these results and its performance was robust. Organic box growth, defined as increase in box numbers from existing customers, continued to grow and underpins the stable growth in the business before the effect of acquisitions. New box growth, defined as box intake from new customers, was lower than the number of boxes lost to destruction and permanent retrieval.

Over the last year, our main focus has been on improving the sales team performance, the integration of acquisitions made in 2012 and 2013 and the continuing development of appropriate storage space across the Group's premises.

We have completed the reorganisation of our Document Management salesforce, which is now fully staffed. All of the sales data is held on the Group's central database, from which sales performance data can also be extracted. New sales are typically harder to secure in records management business relative to some of Restore's other activities, reflecting customers' reluctance to change suppliers. Our recent focus has been on the public sector where a significant number of entities perform the function in-house and it can easily be demonstrated that there are appreciable cost savings to be achieved by outsourcing this activity.

The major operational challenge for records management during the year was the integration of the File & Data business where premises containing over 300,000 boxes needed to be vacated by the end of the year. This was successfully achieved with the majority being transferred to Upper Heyford where we have taken significant additional space. By locating boxes to the most appropriate sites, we can continue to achieve the excellent operating margins we have historically achieved in records management.

We continued to develop our underground facility at Monkton Farleigh, where we have increased our capacity to accommodate more than 350,000 additional boxes in the course of this year. We have also expanded our sites in Manchester, Middlesbrough and Redhill, as well as starting to convert the Harrow Green facility at Thurrock into a records management facility. We currently have 92 per cent of available space being utilised which gives us sufficient capacity for our anticipated growth over the next 12 months.

Trading at **Restore Scan** remained weak and as a result we have further scaled back the fixed costs of this business. Scanning is a service that several of the Group's customers continue to require. We secured a significant business win on behalf of the Passport Office towards the end of the year and we are confident that the combination of additional revenues and lower overheads has the potential to transform the profitability of this business.

Restore Shred, our secure shredding and recycling business, had an excellent year with annualised revenues increasing by over 50%. We secured numerous new contract wins, a large number of which were derived from leads generated by other parts of the Group. We are looking to increase our geographic coverage of mainland Britain and as part of this have recently set up a new shredding facility in Upper Heyford, Oxfordshire, alongside our existing records management facilities.

RELOCATIONS DIVISION

Business Description

Harrow Green is the UK market leader in office relocation, the physical movement of office furniture when a customer moves staff either within a building or to a new site. We entered this market originally with the acquisition of Sargents, a London-based removal firm, and secured market leadership through our acquisition of Harrow Green in 2012. We have 7 locations across the UK which gives us coverage of all of mainland Britain. Both Sargents and Harrow Green had records management businesses - subsequently integrated into Restore's record management operations -

which illustrates that both office relocation and records management share a common customer base. However, the financial dynamics of the two businesses are different, with office relocation having a far higher direct cost base.

The bulk of our office relocation market is in London where we service many of the largest offices, particularly in the financial services sector. A high proportion of the business is described as “churn” where we supply office-moving services on a daily basis to large organisations which have a continual need for our services, frequently involving our staff being permanently on our customers’ sites. We also have a large number of regular customers who have a frequent demand for our services. We also service several large one-off jobs, such as the removal of archives for the British Library. There are high barriers to entry in what is for our customers a mission-critical service. Customer relationships tend to be long-term as reliability and knowledge of customers’ sites is key.

During the year, we integrated Sargents into Harrow Green to reduce our infrastructure costs and to trade as one brand.

In addition to the core Harrow Green business, Harrow Green also operates Global Moving Solutions (“GMS”), providing international moving services typically for senior managers of global companies. We also own a 50% shareholding in **Relocom**, an IT relocation business.

Restore IT Efficient is the renamed IT Efficient which we acquired in April 2013. It provides secure data destruction and hardware disposal services for computer equipment, predominantly to large blue-chip customers across the UK, and operates from a recycling facility in Bedfordshire. It has a strong presence in the financial services sector, with customers that include five of the world's leading investment banks. Restore IT Efficient has a similar channel to market and a complementary customer base to Restore and benefits from regulation related to the safe and secure disposal of IT equipment, including the EU Waste Electrical and Electronic Equipment Directive.

Trading and Operations

The Relocations division recorded adjusted operating profits for the year of £2.2 million (2012: £1.2 million) on revenue of £25.9 million (2012: £22.3 million). The uplift in revenues reflected a full year’s contribution from Harrow Green as well as an initial contribution from Restore IT Efficient.

Revenues in the core **Harrow Green** business showed a year-on-year improvement, with the regional branches, particularly Birmingham, performing well. Gross margins remained stable and the improved operating margin reflected the steady reduction in overhead. We are the UK market leader and we expect to benefit from the upturn in the UK office market particularly in London. We continue to target an operating margin of 10 per cent, and we remain confident of achieving this in due course. GMS traded satisfactorily during the year.

Relocom operated profitably despite a drop in revenue, partly caused by the receivership of a major customer.

Restore IT Efficient traded in line with a testing budget set at the time of acquisition. It has historically been dependent on eight major customers and we are seeking to broaden its customer base. So far we have secured one new major customer from amongst the Group’s existing customers and we continue to view asset disposal as an activity where we have significant scope for growth.

Charles Skinner
Chief Executive

GROUP FINANCE DIRECTOR'S REPORT

Profit Before Tax

Profit before tax for the year ended 31 December 2013 was £5.0 million (2012: £1.5 million). This is a significant step forward for the Group and can be attributed to the following:

- contribution resulting from the successful integration of acquired businesses;
- continued organic profit growth from the existing Document Management division;
- an encouraging step forward in the margin performance of the Relocations division.

Exceptional costs of £3.4 million (2012: £3.0m) reflect the Group's continued acquisitive nature and the significant project undertaken in the year to uplift boxes as part of the File and Data acquisition. Amortisation and impairment of intangible assets was unchanged at £1.3 million (2012: £1.3 million) with the higher level of customer list amortisation offsetting the reduced impairment charge. The Group now has a substantial level of core profitability on which we can now build according to our growth strategy.

Due to one off nature of exceptional costs and the non cash element of certain charges the Directors believe that an adjusted measure of profit before tax and earnings per share provides shareholders with a more appropriate representation of the underlying earnings derived from the Restore Group's business. The items adjusted for in arriving at that underlying adjusted profit before tax are as follows:

	2013 £'m	2012 £'m
Continuing operations		
Profit before tax	5.0	1.5
Share based payments charge	0.5	0.4
Impairment of intangible assets	-	0.4
Exceptional administrative expenses	3.4	3.0
Amortisation of intangible assets	1.3	0.9
Other finance costs	(0.2)	-
Adjusted profit before tax – continuing operations	10.0	6.2

Reconciliation of Reported Operating Profit to Adjusted Operating Profit and Adjusted EBITDA

	2013 £'m	2012 £'m
Operating profit	5.7	2.4
Share based payments charge	0.5	0.4
Impairment of intangible assets	-	0.4
Exceptional administrative expenses	3.4	3.0
Amortisation of intangible assets	1.3	0.9
Adjusted operating profit	10.9	7.1
Depreciation	1.2	0.8
Adjusted EBITDA	12.1	7.9

Earnings Per Share (Eps)

	2013	2012
Basic adjusted earnings per share from continuing operations (pence)	10.5p	7.4p
Basic earnings per share from continuing operations (pence)	5.9p	2.5p

Basic adjusted earnings per share are calculated as adjusted profit for the year less a standard tax charge divided by the weighted average number of shares in issue in the year.

Exceptional Costs

	2013 £'m	2012 £'m
Acquisition – transaction costs	0.2	0.6
Acquisitions – box relocation and associated costs	0.7	1.0
Restructuring and redundancy costs	1.4	0.8
Corporate restructuring	-	0.6
Other exceptional	1.1	-
Total	3.4	3.0

The Group completed three acquisitions in the year and these are the key drivers of exceptional costs.

Transaction costs include the cost of legal and professional fees incurred as part of the acquisition.

Box relocation and associated costs include the costs of uplifting boxes to existing facilities and comprise site, transport and labour costs. In 2013 c. 400,000 boxes had to be uplifted and moved to our existing locations as part of the acquisitions of File and Data and Atix, including 300,000 boxes from a single site.

Restructuring and redundancy costs include the cost of the merger of our secondary Relocations business Sargents into our core Harrow Green business following its successful integration into the Group. Restructuring and redundancy costs also include duplicated costs of our existing Records Management cost base as a result of the integration of acquisitions, and have also been shown as exceptional costs as they are not expected to recur.

Following the acquisition of Sargents in 2011, the Group was required to service Sargent's largest customer through BGM Group Limited, a move planning business which entered administration during the year. As a result there is an exceptional bad debt charge of £0.9m in relation to BGM included in other exceptional costs. However, we continue to service the large customer but through a financially strong intermediary.

Other exceptional costs include a £0.2m charge for employers national insurance associated with an incentive scheme between Geraldton Services Inc (Geraldton) and certain key employees. All obligations under this scheme have now been fulfilled and Geraldton is no longer a notifiable shareholder in Restore.

Also within other exceptional costs is a credit of £0.2m against an onerous property lease provision reflecting the surrender of the lease to the landlord on favourable terms and a payment of deferred consideration on the Archive Solutions acquisition of £0.2m.

Interest

Net finance costs amounted to £0.7 million (2012: £0.9 million). Included within finance costs is a credit of £0.2 million (2012: £nil) representing the revaluation of the interest rate collar.

Taxation

UK Corporation Tax is calculated at 23.25% (2012: 24.5%) of the estimated assessable profit/(loss) for the year. Due to the recognition of brought forward tax losses on Harrow Green the effective rate for 2013 is less than the standard rate. The UK Corporation Tax rate will reduce to 21% on 1 April 2014; accordingly this rate reduction has been reflected in the deferred tax balance which forms part of the statement of financial position.

Statement of Financial Position

Net assets increased to £47.1 million (2012: 36.3 million) following the three acquisitions and placing of shares. Goodwill and intangibles at 31 December 2013 were £41.9 million (2012: £32.7 million).

Property, plant and equipment totalled £20.1 million (2012: £17.6 million) principally comprising the freehold underground storage facilities at Monkton Farleigh, but also computer systems, storage racking and vehicles. There has been significant progress in the development of additional storage space in the underground facility with revenue generation expected to commence in 2014.

Cash Flow

The net cash inflow from operations was £10.2 million (2012: £0.1 million outflow). The Group delivered a strong operational cash performance during the year with cash conversion of 117%. Working capital has reduced largely driven by a reduction in debtors resulting from a reduction in debtor days of 10 and the write down of the BGM bad debt into exceptional costs.

Capital expenditure on the continuing business totalled £3.7 million (2012: £1.9 million) following the continued development of additional space in the underground storage facility and the investment in an additional facility at our site in Upper Heyford to hold the boxes uplifted following the acquisition of File and Data.

Net Debt

Net debt at the end of the year was £16.0 million (2012: £17.8 million) reflecting an extension of £3.5 million to the term loan with Barclays to fund the acquisitions. This has been offset by the operational cash generation of the business. Repayments of £2.6m were made against the term loan in the year. The RCF has remained fully drawn at £3.0 million throughout the year. The Group is operating comfortably within its covenants and now benefits from significant leverage headroom to allow it to further pursue its growth strategy.

The Group has subsequent to the end of the year entered into a new finance arrangement with Barclays. The new agreement will see current facilities, comprising £12.7 million term loan, £3.0 million RCF and £5.3 million CID facility, replaced with a single £30 million RCF with the potential for a further £7.5 million accordion facility. The agreement will cover a 5 year framework with an initial term of 3 years with an option for two separate 1 year extension periods. The new facility includes a margin ratchet that means the Group will benefit from lower debt costs as leverage decreases through internal cash generation in periods following acquisition activity. This move leaves the Group with a highly complementary, flexible financing arrangement which is an excellent fit with the current strategy of growth through acquisitions.

Customer relationships

The Group has commercial relationships with over 7,000 business customers. Attrition rates are low and relationships are strong. The largest of these accounts for less than 3% of Group revenue.

Adam Councell
Group Finance Director

Unaudited Consolidated statement of comprehensive income
For the year ended 31 December 2013

		Year Ended 31 December 2013			Year Ended 31 December 2012		
		Before exceptional items	Exceptional items (note 3)	After exceptional items	Before exceptional items	Exceptional items (note 3)	After exceptional items
		£'m	£'m	£'m	£'m	£'m	£'m
REVENUE		53.6	-	53.6	43.3	-	43.3
Cost of sales		(34.9)	-	(34.9)	(28.3)	-	(28.3)
Gross Profit		18.7	-	18.7	15.0	-	15.0
Administrative expenses		(8.3)	(3.4)	(11.7)	(8.3)	(3.0)	(11.3)
Amortisation of intangible assets		(1.3)	-	(1.3)	(0.9)	-	(0.9)
Impairment of intangible assets		-	-	-	-	(0.4)	(0.4)
OPERATING PROFIT		9.1	(3.4)	5.7	5.8	(3.4)	2.4
Finance costs		(0.7)	-	(0.7)	(0.9)	-	(0.9)
PROFIT BEFORE TAX		8.4	(3.4)	5.0	4.9	(3.4)	1.5
Income tax (charge)/credit		(1.4)	0.7	(0.7)	(0.5)	0.6	0.1
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		7.0	(2.7)	4.3	4.4	(2.8)	1.6
Profit from discontinued operations		-	-	-	0.1	-	0.1
Profit for the year attributable to owners of the parent		7.0	(2.7)	4.3	4.5	(2.8)	1.7
Other comprehensive income for the year net of tax		-	-	-	-	-	-
Total comprehensive income for the year attributable to owners of the parent		7.0	(2.7)	4.3	4.5	(2.8)	1.7
Earnings per share (pence)	Note 5						
Basic				5.9p			2.7p
Diluted				5.6p			2.6p
Earnings per share from continuing operations	Note 5						
Basic				5.9p			2.5p
Diluted				5.6p			2.4p
Earnings per share from discontinued operations	Note 5						
Basic				-			0.2p

Unaudited Consolidated statement of changes in equity
For the year ended 31 December 2013

	Attributable to owners of the parent				
	Share capital £'m	Share premium £'m	Other reserves £'m	Retained earnings /(deficit) £'m	Total equity £'m
Balance at 1 January 2012 (as previously stated)	2.7	4.1	0.5	16.0	23.3
Restatement	-	-	2.0	(2.0)	-
Balance at 1 January 2012 (as restated)	2.7	4.1	2.5	14.0	23.3
Profit for the year	-	-	-	1.7	1.7
Total comprehensive income for the year	-	-	-	1.7	1.7
Transactions with owners					
Issues of shares during the year	0.7	11.0	-	-	11.7
Issue costs	-	(0.5)	-	-	(0.5)
Dividends	-	-	-	(0.9)	(0.9)
Deferred tax on share based payments	-	-	-	0.6	0.6
Share based payments charge	-	-	0.4	-	0.4
	0.7	10.5	0.4	(0.3)	11.3
Balance at 31 December 2012	3.4	14.6	2.9	15.4	36.3
Balance at 1 January 2013	3.4	14.6	2.9	15.4	36.3
Profit for the year	-	-	-	4.3	4.3
Total comprehensive income for the year	-	-	-	4.3	4.3
Transactions with owners					
Issues of shares during the year	0.3	7.0	-	-	7.3
Issue costs	-	(0.3)	-	-	(0.3)
Dividends	-	-	-	(1.3)	(1.3)
Transfers	-	-	(1.8)	1.8	-
Deferred tax on share based payments	-	-	0.3	-	0.3
Share based payments charge	-	-	0.5	-	0.5
	0.3	6.7	(1.0)	0.5	6.5
Balance at 31 December 2013	3.7	21.3	1.9	20.2	47.1

Unaudited Consolidated statement of financial position
As at 31 December 2013

	31 December 2013 £'m	31 December 2012 £'m
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	41.9	32.7
Property, plant and equipment	20.1	17.6
Investments	0.5	0.5
Deferred tax asset	2.0	2.0
	64.5	52.8
CURRENT ASSETS		
Inventories	0.4	0.2
Trade and other receivables	17.5	17.4
Cash and cash equivalents	3.9	2.7
	21.8	20.3
TOTAL ASSETS	86.3	73.1
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	(14.8)	(12.1)
Financial liabilities – borrowings	(6.0)	(6.4)
Other financial liabilities	(0.1)	(0.1)
Current tax liabilities	(0.3)	(0.1)
Provisions	(0.4)	(0.5)
	(21.6)	(19.2)
NON CURRENT LIABILITIES		
Financial liabilities - borrowings	(10.0)	(10.1)
Other long term liabilities	(1.0)	(0.8)
Other financial liabilities	(0.1)	(0.2)
Deferred tax liability	(4.5)	(3.9)
Provisions	(2.0)	(2.6)
	(17.6)	(17.6)
TOTAL LIABILITIES	(39.2)	(36.8)
NET ASSETS	47.1	36.3
EQUITY		
Share capital	3.7	3.4
Share premium account	21.3	14.6
Other reserves	1.9	0.9
Retained earnings	20.2	17.4
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	47.1	36.3

Unaudited Consolidated statement of cash flows
For the year ended 31 December 2013

		Year ended 31 December 2013 £'m	Year ended 31 December 2012 £'m
NET CASH GENERATED FROM /(USED IN) OPERATIONS	Note 7	10.2	(0.1)
Net finance costs		(0.9)	(0.8)
Income taxes paid		(0.6)	(0.5)
NET CASH GENERATED FROM /(USED IN) OPERATING ACTIVITIES		8.7	(1.4)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and applications software		(3.7)	(1.9)
Purchase of subsidiary undertakings including acquisition costs, net of cash acquired		(9.0)	(12.0)
Sale of subsidiary net of cash disposed		0.3	0.6
CASH FLOWS USED IN INVESTING ACTIVITIES		(12.4)	(13.3)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from share issues		7.0	11.2
Dividends paid		(1.3)	(0.9)
Repayment of bank borrowings		(2.6)	(0.9)
Drawdown of indebtedness		-	1.4
New bank loans raised		3.5	1.5
Decrease in bank overdrafts		(1.5)	(1.2)
Finance lease repayments		(0.1)	(0.6)
NET CASH GENERATED FROM FINANCING ACTIVITIES		5.0	10.5
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1.3	(4.2)
CASH AND CASH EQUIVALENTS AT START OF YEAR		(1.3)	2.9
CASH AND CASH EQUIVALENTS AT END OF YEAR		-	(1.3)
CASH AND CASH EQUIVALENTS SHOWN ABOVE COMPRISE:			
Cash at bank		3.9	2.7
Balance on invoice discounting facility		(3.9)	(4.0)
		-	(1.3)

Notes to the preliminary financial information for the year ended 31 December 2013

1 Basis of preparation

The figures for the year ended 31 December 2013 have been extracted from the unaudited statutory financial statements for the year that have yet to be delivered to the Registrar of Companies and on which the auditor has yet to issue an opinion. The financial information attached has been prepared in accordance with the recognition and measurement requirements of international financial reporting standards (IFRS) as adopted by the EU and international financial reporting interpretations committee (IFRIC) interpretations issued and effective at the time of preparing those financial statements. The accounting policies applied in the year ended 31 December 2013 are consistent with those applied in the financial statements for the year ended 31 December 2012.

The financial information for the years ended 31 December 2013 and 31 December 2012 does not constitute statutory financial information as defined in Section 434 of the Companies Act 2006 and does not contain all of the information required to be disclosed in a full set of IFRS financial statements. This announcement was approved by the Board of Directors on 13 March 2014. The auditor's report on the financial statements for 31 December 2012 was unqualified, and did not include reference to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and did not contain a statement under either Section 498 (2) or 498 (3) of the Companies Act 2006. The financial statements for the year ended 31 December 2012 have been delivered to the Registrar.

The Group is reliant on financing and meets its day to day working capital requirements through its bank facilities. The Group's budgets for 2014 and forecasts for 2015, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2 Segmental analysis

The Group is organised into two main operating segments, Document Management and Relocations, and incurs head office costs. Services per segment operate as described in the Chief Executive's Review. All trading of the Group is undertaken within the United Kingdom and the Company has no foreign operations. Segment assets include intangibles, property, plant and equipment, inventories, receivables and operating cash. Central assets include deferred tax and head office assets. Segment liabilities comprise operating liabilities. Central liabilities include income tax and deferred tax, corporate borrowings and head office liabilities. Capital expenditure comprises additions to computer software, property, plant and equipment and includes additions resulting from acquisitions through business combinations. Segment assets and liabilities are allocated between segments on an actual basis.

Revenue

The revenue from external customers was derived from the Group's principal activities in the UK (the Company is domiciled in England) as follows:

Continuing Operations

	2013 £'m			
	Document Management	Relocations	Head Office	Total
Sales of services	27.7	25.9	-	53.6
Segment adjusted operating profit/(loss)	10.3	2.2	(1.6)	10.9
Exceptional items				(3.4)
Share based payments charge				(0.5)
Amortisation of intangible assets				(1.3)
Operating profit				5.7
Finance costs				(0.7)
Profit before tax				5.0
Tax charge				(0.7)
Profit after tax				4.3
Segment assets	61.8	18.6	5.9	86.3
Segment liabilities	13.3	10.7	15.2	39.2
Capital expenditure	3.6	0.1	-	3.7
Depreciation and amortisation	2.0	0.5	-	2.5

	2012 £'m			
	Document Management	Relocations	Head Office	Total
Sales of services	21.0	22.3	-	43.3
Segment adjusted operating profit/(loss)	7.5	1.2	(1.6)	7.1
Exceptional items				(3.0)
Share based payments charge				(0.4)
Amortisation and impairment of intangible assets				(1.3)
Operating profit				2.4
Finance costs				(0.9)
Profit before tax				1.5
Tax credit				0.1
Profit after tax				1.6
Segment assets	50.1	17.8	5.2	73.1
Segment liabilities	9.4	12.2	15.2	36.8
Capital expenditure	1.7	0.2	-	1.9
Depreciation and amortisation	1.2	0.5	-	1.7

Major customers

For the years ended 31 December 2012 and 2011 no customers accounted for more than 3% of the Group's total revenue.

3 Exceptional items – Continuing operations

	Year ended 31 December 2013 £'m	Year ended 31 December 2012 £'m
Acquisition – transaction costs	0.2	0.6
Acquisition – box relocation and associated costs	0.7	1.0
Restructuring and redundancy costs	1.4	0.8
Corporate restructuring	-	0.6
Other exceptional	1.1	-
Total	3.4	3.0

The Group completed three acquisitions in the year and these are the key driver of exceptional costs. Transaction costs include the cost of and legal and professional fees incurred as part of the acquisition.

Box relocation and associated costs include the costs of uplifting boxes to the existing facilities and comprise site, transport and labour costs. In 2013 c. 400,000 boxes had to be uplifted and moved to our existing locations as part of the acquisitions of File and Data and Atix.

Restructuring and redundancy costs include the cost of the merger of our secondary office relocations business Sargents into our core Harrow Green business following its successful integration into the Group. Restructuring and redundancy costs also include duplicated costs of our existing Records Management cost base as a result of the integration of acquisitions, and have also been shown as exceptional costs as they are not expected to recur.

Following the acquisition of Sargents in 2011, the Group was required to service Sargent's largest customer through BGM Group Limited, a move planning business which entered administration during the year. As a result there is an exceptional bad debt charge of £0.9m in relation to BGM included in other exceptional costs. However, we continue to service the large customer but through a financially strong intermediary.

Other exceptional costs include a £0.2m charge for employers national insurance associated with an incentive scheme between Geraldton Services Inc. (Geraldton) and certain key employees. All obligations under this scheme have now been fulfilled and Geraldton is no longer a notifiable shareholder in Restore.

Also within other exceptional costs is a credit of £0.2m against an onerous property lease provision reflecting the surrender of the lease to the landlord on favourable terms and a payment of deferred consideration on the Archive Solutions acquisition of £0.2m.

4 Tax

UK Corporation Tax is calculated at 23.25% (2012: 24.5%) of the estimated assessable profit/(loss) for the year. Due to the recognition of brought forward tax losses on Harrow Green the effective rate for 2013 is less than the standard rate. The UK Corporation Tax rate will reduce to 21% on 1 April 2014; accordingly this rate reduction has been reflected in the deferred tax balance which forms part of the statement of financial position.

5 Earnings per ordinary share

Basic earnings per share have been calculated on the profit for the year after taxation and the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December 2013	Year ended 31 December 2012
Weighted average number of shares in issue	73,222,082	63,554,430
Profit for the year	£4.3m	£1.7m
Total basic earnings per ordinary share (pence)	5.9p	2.7p
Profit for the year – continuing operations	£4.3m	£1.6m
Basic earnings per ordinary share – continuing operations (pence)	5.9p	2.5p
Profit on ordinary activities – discontinued operations	-	£0.1m
Basic earnings per ordinary share – discontinued operations (pence)	-	0.2p
Weighted average number of shares in issue	73,222,082	63,554,430
Share options	3,454,303	2,180,504
Weighted average fully diluted number of shares in issue	76,676,385	65,734,934
Total fully diluted earnings per share (pence)	5.6p	2.6p
Fully diluted earnings per share – continuing operations (pence)	5.6p	2.4p

	£'m	£'m
Profit before tax – continuing operations	5.0	1.5
Adjustments:		
Amortisation of intangible assets	1.3	0.9
Impairment of intangible assets	-	0.4
Exceptional items	3.4	3.0
Share based payments charge	0.5	0.4
Other finance costs	(0.2)	-
Adjusted profit for the year – continuing operations	10.0	6.2

The directors believe that the adjusted basic earnings per share provide a more appropriate representation of the underlying earnings derived from Restore Group's business. The adjusting items are shown in the table above.

Adjusted Earnings Per Share

The additional adjusted earnings per share, based on the weighted average number of shares in issue during the year, 73.2m (2012: 63.6m) is calculated below.

	Year ended 31 December 2013	Year ended 31 December 2012
Adjusted profit before taxation (£'m)	10.0	6.2
Tax at 23.25%/24.5% (£'m)	(2.3)	(1.5)
Adjusted profit after taxation (£'m)	7.7	4.7
Adjusted basic earnings per share (pence)	10.5p	7.4p
Adjusted diluted earnings per share (pence)	10.0p	7.2p

6 Business combinations

On 19 March 2013, the Group acquired 100% of the share capital of File and Data Storage Limited (File and Data), a records management business, for cash of £6.1m, with up to a further £0.15m payable in 2014.

	Fair value at acquisition £'m
Intangible assets – customer relationships	2.0
Property, plant and equipment	0.6
Trade receivables	0.4
Other receivables	0.6
Trade and other payables	(1.0)
Current tax liabilities	(0.2)
Deferred tax liabilities	(0.4)
Net assets acquired	2.0
Goodwill	4.2
Consideration	6.2
Satisfied by:	
Cash to vendors	6.1
Contingent consideration	0.1

The goodwill represents the value attributable to new business and the assembled and trained workforce.

The intangibles capitalised represent £2.0m in respect of customer relationships. Deferred tax at 21% has been provided on the value of intangible assets. Acquisition costs of £68k were incurred and have been charged to the statement of comprehensive income, included in administration expenses as an exceptional cost.

The contingent consideration of up to £0.15m is payable in 2014 (discounted value £0.1m) depending on the performance for the year following acquisition. The directors believe that the consideration will be payable in full.

On 19 April 2013, the Group acquired 100% of the share capital of Atix Limited, a records management company, for cash of £1.1m.

	Fair value at acquisition £'m
Intangible assets – customer relationships	0.3
Property, plant and equipment	0.2
Trade receivables	0.1
Cash	0.2
Trade and other payables	(0.1)
Deferred tax liabilities	(0.1)
Other loans	(0.1)
Net assets acquired	0.5
Goodwill	0.6
Consideration	1.1
Satisfied by:	
Cash to vendors	1.1

The goodwill represents the value attributable to new business and the assembled and trained workforce. The intangibles capitalised represent £0.3m in respect of customer relationships. Deferred tax at 21% has been provided on the value of intangible assets. Acquisition costs of £34k were incurred and have been charged to the statement of comprehensive income, included in administration expenses as an exceptional item.

On 26 April 2013, the Group acquired 100% of the share capital of IT Efficient Limited, a national IT asset disposal and recycling business, for cash of £2.3m.

	Fair value at acquisition £'m
Intangible assets – customer relationships	1.0
Trade receivables	0.1
Other receivables	0.1
Cash	0.4
Trade and other payables	(0.2)
Current tax liabilities	(0.2)
Deferred tax liabilities	(0.2)
Net assets acquired	1.0
Goodwill	1.6
Consideration	2.6
Satisfied by:	
Cash to vendors	2.3
Contingent consideration	0.3

The goodwill represents the value attributable to new business and the assembled and trained workforce.

The intangibles capitalised represent £1.0m in respect of customer relationships. Deferred tax at 21% has been provided on the value of intangible assets. Acquisition costs of £47k were incurred and have been charged to the statement of comprehensive income, included in administration expenses as an exceptional item. The contingent consideration of up to £0.4m (discounted value £0.3m) is payable in two tranches in March 2014 and March 2015.

Contingent consideration of up to £1.0m is payable in 2015 (discounted value £0.8m) in respect of Harrow Green Limited, depending on the performance in 2014. The consideration is payable at a rate of double the amount at which gross profit exceeds £7.0m up to a maximum of £1.0m. The directors believe that the consideration could be payable in full.

Post Acquisition Results

	File and Data £'m	Atix £'m	IT Efficient £'m
Revenue	2.9	0.5	1.3
Profit before tax since acquisition included in the consolidated statement of comprehensive income	0.7	0.2	0.1

If the acquisitions had been completed on the first day of the financial year, Group revenues would have been £54.7m and Group profit before tax would have been £5.7m.

The acquisitions of the Records Management businesses were made to extend national coverage and increase the Group's market share. The acquisition of IT Efficient further expanded the services we can offer our customer base.

7 Cash Inflow/(Outflow) From Operations

	Year ended 31 December 2013 £'m	Year ended 31 December 2012 £'m
Continuing operations		
Profit before tax	5.0	1.5
Depreciation of property, plant and equipment	1.2	0.8
Amortisation of intangible assets	1.3	0.9
Impairment of intangible assets	-	0.4
Net finance costs	0.7	0.9
Share based payments charge	0.5	0.4
Increase in inventories	(0.2)	-
Decrease/(increase) in trade and other receivables	1.2	(3.9)
Increase/(decrease) in trade and other payables	0.5	(1.7)
CASH GENERATED FROM/(USED IN) CONTINUING OPERATIONS	10.2	(0.7)
Discontinued operations		
Profit for the year	-	0.2
Decrease in trade and other receivables	-	0.8
Decrease in trade and other payables	-	(0.4)
CASH GENERATED FROM DISCONTINUED OPERATIONS	-	0.6
NET CASH GENERATED FROM/(USED IN) OPERATIONS	10.2	(0.1)

8 Post balance sheet events

The Group has subsequent to the end of the year entered into a new finance arrangement with Barclays. The new agreement will see current facilities, comprising £12.7 million term loan, £3.0 million RCF and £5.3 million CID facility, replaced with a single £30 million RCF with the potential for a further £7.5 million accordion facility. The agreement will cover a 5 year framework with an initial term of 3 years with an option for two separate 1 year extension periods. The new facility includes a margin ratchet that means the Group will benefit from lower debt costs as leverage decreases through internal cash generation in periods following acquisition activity. This move leaves the Group with a highly complementary, flexible financing arrangement which is an excellent fit the current strategy of growth through acquisitions.