Report & Financial Statements

For the year ended 31 December 2014

RESTORE PLC

RESTORE PLC

An increasingly important supplier to the UK office services market, with considerable scope to grow, both organically and through acquisition.

HIGHLIGHTS

"I am pleased to report 2014 as another year of strong performance by Restore.

We have a strong record of creating shareholder value, which we intend to continue. I look forward to another year of good progress in 2015."

Sir William Wells, Chairman

Revenue

+26%

2014: £67.5m (2013: £53.6m)

Adjusted* profit before tax

+20%

2014: £12.0m (2013: £10.0m)

Adjusted* earnings per share (p)

+17%

2014: 12.3p (2013: 10.5p)

Dividend (p)

+26%

2014: 2.4p (2013: 1.9p)

Financial highlights

- Group revenue up 26% to £67.5m
- Document Management revenue up 35%; operating profit up 12%
- Relocations revenue up 16%; operating profit up 50%
- Group adjusted profit before tax up 20% to £12.0m
- Adjusted earnings per share up 17% to 12.3p
- Dividend per share up 26% to 2.4p
- New five-year banking facility agreed

Operational highlights

- Significant progress in expanding the scale and scope of Group activities
- Improved new box growth in records management, reflecting investment in sales operations
- Relocations benefited from improved market condition and further operational efficiencies
- Six acquisitions completed in the year, including the UK records management and scanning division of Cintas; all integration programmes on track
- Restore Shred and Restore Scan transformed in scale by Cannon Confidential and Cintas acquisitions
- Significant multi-year contract with Carillion Amey secured by Harrow Green, providing increased revenue visibility in Relocations

Adjusted results

	2014	2013	% Change
Revenue	£67.5m	£53.6m	26%
EBITDA*	£14.8m	£12.1m	22%
Operating profit*	£12.9m	£10.9m	18%
Profit before tax*	£12.0m	£10.0m	20%
Earnings per share**	12.3p	10.5p	17%
Dividend per share	2.4p	1.9p	26%
Net debt	£30.9m	£16.0m	

Statutory results

	2014	2013
Revenue	£67.5m	£53.6m
Operating profit	£6.9m	£5.7m
Profit before tax	£6.1m	£5.0m
Earnings per share	6.4p	5.9p

* Before exceptional items, amortisation 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.

WHAT WE DO

Restore plc is an AIM-listed support services company providing office services across all of mainland Britain through two divisions: Document Management and Relocations.

Within these divisions, there are currently six primary business streams, serving and sharing a similar customer base.

Document Management Division	Relocations Division
RESTORE DOCUMENT MANAGEMENT, RESTORE SHRED, RESTORE SCAN	harrowgreen, Relocom IT relocation specialists, RESTORE IT EFFICIENT

Records Management

The majority of Records Management's sales are from the storage and retrieval of hard copy documents, typically stored in cardboard boxes. It manages millions of archive boxes of document files, magnetic data, film and other materials for blue-chip organisations, from 31 sites across mainland Britain, including a 70-acre freehold underground site near Bath. The business generates additional service income from the reorganisation of customer documents, document restoration, file-tracking services within customers' own buildings, and electronic data back-up. Restore services a broad range of customers throughout the UK, with the largest sector being law firms who, as meticulous and sophisticated users of storage services, ensure the business remains at the cutting edge of developments in document storage. Other important sectors include accountancy, corporate, financial, insurance and media firms, as well as local authorities, hospital trusts and other government bodies.

Restore Shred

Restore Shred offers secure shredding and recycling for customers across the UK and operates from 6 sites, as well as having 6 mobile shredding units. Restore entered the market in October 2011 and has grown its reach through targeted acquisition. The business has also seen sharply increased volumes through cross-selling, with customers of other Group businesses switching to Restore Shred for their secure shredding and recycling needs.

Restore Scan

Restore Scan is one of the country's leading document conversion and data management specialists. Its main function is the conversion of hard-copy documents into electronic data. As part of its service, it organises and indexes the electronic versions, enabling customers to identify and locate their data more efficiently. A significant part of its revenues derive from contracts involving repeat business, notably for the scanning of exam papers.

Harrow Green

Harrow Green is the market leader in UK commercial relocations – the physical movement of office furniture and other physical resources when an organisation moves staff either within a building or to a new site. From eight sites across mainland Britain, it serves a diverse range of customers, including large corporates, local businesses and a wide range of public sector bodies, such as libraries, universities and health trusts. The bulk of its business is in London, servicing many of the largest offices, particularly in the financial services sector, with regular customers who have a frequent demand, often involving staff working permanently on customer sites. Harrow Green also operates Global Moving Solutions, providing international moving services, typically for senior managers of global companies.

Relocom

Relocom is one of the UK's leading IT relocations service providers, helping leading blue-chip organisations during a relocation, reorganisation or period of change. It specialises in server and data centre relocation, desktop IT and trading desk relocation, furniture and IT asset audit and management.

Restore IT Efficient

Restore IT Efficient is one of the UK's leading providers of secure data destruction and hardware disposal services for computer equipment. It serves predominately large blue-chip customers nationwide, processing around 120,000 items of IT equipment a year. It provides on- and off-site destruction services alongside recycling, refurbishment and resale of electronic items.

Providing office services nationwide from

53 sites

across the UK

Head Office ★

Document Management Division

Records Management ○ **Restore Shred** □ **Restore Scan** △

Relocations Division

Harrow Green ◇ **Relocom** ⬡ **Restore IT Efficient** ⌓

Group-wide

cross-selling opportunities

derived from development of complementary office services

RESTORE DOCUMENT MANAGEMENT – RPC LAWYERS

Complete information storage and management

For leading multi-disciplinary legal firm RPC we're helping it achieve its aim of running an office with less paper. With off-site archiving, we manage the lifecycle of the sensitive documents its lawyers generate. And when they need the right paperwork on their desk at the right time, this is what Restore achieves – even including two same-day deliveries of vital documents.

HOW WE WORK

Restore provides office services across all of mainland Britain.

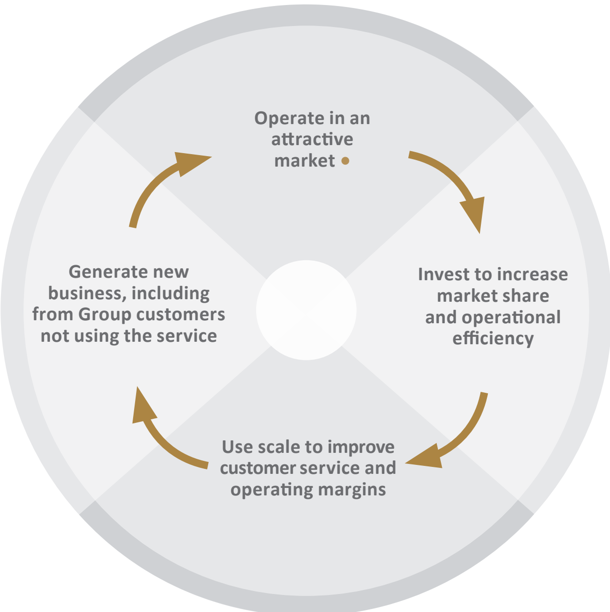
Our business model

Restore provides office services across all of mainland Britain. The services we provide are closely inter-related with similar or identical channels to market within our customers, notably facilities managers and, to a lesser extent, IT departments. The services we provide tend to be those of limited interest to large facilities management companies, whose focus is on on-site contract-driven activities such as catering and security. Our largest operations are in records management and office relocation, which form the core of our Document Management and Relocations divisions respectively.

Records management storage offers a strong source of predictable, recurring revenues, as the volume of documents requiring attention tends not to vary with the economic climate, nor with advances in technology. It is also a sector in which customers tend to be satisfied with their existing suppliers and the complexity and disruption of moving suppliers means that customers rarely change their suppliers.

HOW WE CREATE VALUE

Operating Model



- Recurring revenues
- Customers appreciate importance of high service levels
- Unattractive for customer to change suppliers
- Group holds strong customer relationships
- High barriers to entry

This means that growth above the standard organic growth rate is best achieved through acquisition. Our experience in acquiring records management businesses shows that significant cost synergies are achieved post-acquisition. We achieve industry-leading margins in Records Management through scale, tight cost control and low property rental costs thanks to our mix of suitable low-cost properties, including our large underground freehold site in Wiltshire.

With a strong business in Records Management, we have been building our shredding and scanning activities where the customer base and skillset required are congruent.

Our relocations activities share a similar customer base and channel to market to the document activities. Office relocation, which trades as the market-leading Harrow Green, has established a strong presence among UK blue-chip companies. Over 50 per cent of its business is recurring revenue from very large customers who recognise the need for consistency of supply. Harrow Green's business generates excellent opportunities for Group companies as office relocations often lead to a need for off-site document storage, shredding or scanning, and old computer equipment or data requiring secure recycling or destruction.

A key part of the Group's strength is our Customer Relationship Management system which is used by all business streams. This provides a cross-functional database of procurement teams and people within all Group customers, which translate directly into sales opportunities. This CRM system sits at the heart of our business model.

Service Offering Expansion Model

Financial Growth Model

Complex and mission-critical operational services for a

blue-chip customer base

RESTORE SHRED – BUPA CARE HOMES

Shredding

For BUPA, we run a programme to remove and destroy confidential waste from its 300 offices and care homes across the country. Each location is unique in its access restrictions, available space, services required and their frequency, but we are able to meet the company's full requirements through one centralised contract.

HOW WE WORK

We understand what it takes for UK offices to work well. And we understand our customers – IT and facilities managers.

Our development strategy

We aim to be a market leader in the spheres we operate in, and to maintain a truly national network across mainland Britain. In all of our business streams, particularly Records Management, customers prefer not to change suppliers so we frequently build our market share and reach by acquisition. That way, we can also offer customers with national presence the opportunity to consolidate their supplier base. We have a proven record of acquiring and integrating businesses, and creating efficiencies of scale.

We understand what it takes for UK offices to work well, and we understand our customers: the IT and facilities managers responsible for keeping their offices running smoothly. Thus, with our activities all having this similar channel to market, once we gain a customer, we focus on retaining them through first-class customer service and cross-selling the services we offer, so helping our customers to deliver their objectives, and use our comprehensive CRM system to identify such opportunities.

Having built originally on our records management activities, we have steadily diversified into related markets and then built our market share through a combination of acquisition and investment in sales, locations and technology.

Overall we seek to consolidate certain UK office services where there are benefits of scale and consistency of demand.

How we manage

Our key principle is that power and responsibility go hand in hand. Our people know what is expected of them and we give them the power to make their own decisions. Accordingly, they accept responsibility for their actions. This is crucial in a business where first-class customer service is the only way to satisfy and retain customers. We achieve success through well-motivated, capable people doing their jobs to the best of their ability. As such, ours is a decentralised model and our two divisions are autonomous, with little involvement from a small head office other than to identify and encourage cross-selling.

Business decisions, when required from the centre, are fast and flexible with open lines of communication. This is reflected in the ease and speed with which we are able to undertake new acquisitions to expand the Group.

A diversified customer base of leading organisations across the UK.

Our customer base

We have continued to develop our Group Customer Relationship Management system during the year, with all sales people across the Group using the same system. This greatly facilitates cross-selling as most of our customers have a demand for most of our services and the procurement person or team is often the same. Our customer base comprises blue chip organisations in private and public sectors:

43%
of FTSE 100 companies

29%
of local authorities in England, Scotland and Wales

80%
of top 25 UK accountancy companies

27%
of UK National Health Trusts

64%
of top 50 UK legal practices

Competitive advantage through

UK focus, market knowledge and geographical coverage

HARROW GREEN – MANCHESTER CITY COUNCIL

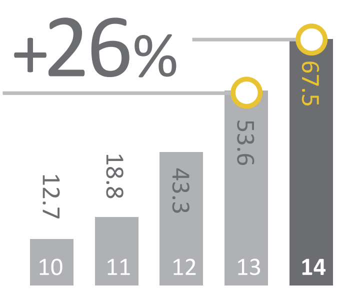
Secure storage and relocation

When Manchester City Council refurbished its historic Central Library, the task amounted to sequentially itemising, packing and storing the contents of about 25 miles of shelving: more than a million books, periodicals, photos – even Handel manuscripts – some needing temperature-controlled storage. Plus a large amount of historic furniture. And then relocating every item. All was completed on time and on budget, with all items tracked and traceable.

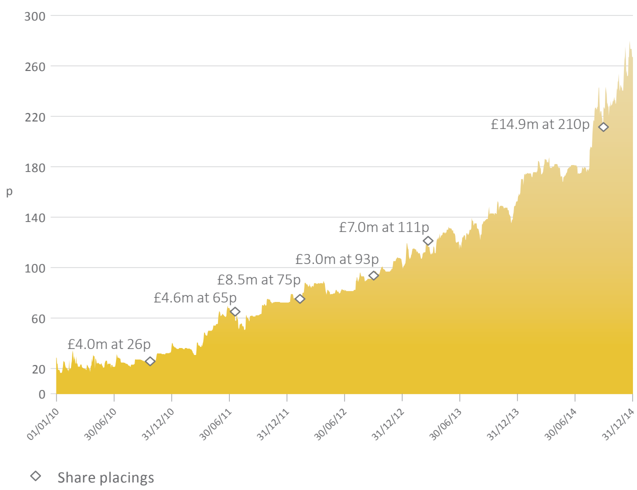
HISTORICAL PERFORMANCE

A history of strong growth, both organically and through integrating acquisitions.

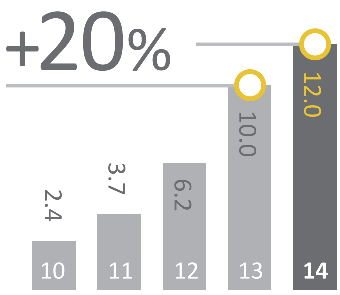
Revenue (£'m)



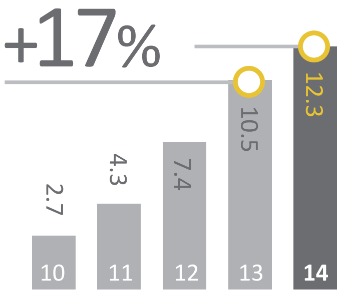
Share price and placing history



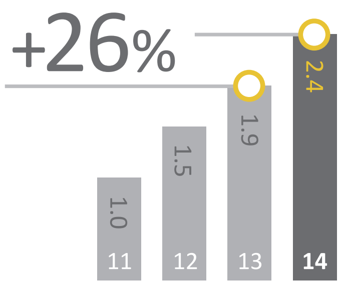
Adjusted* profit before tax (£'m)



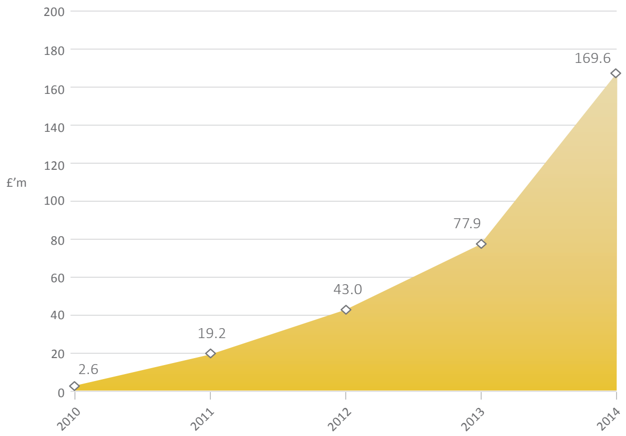
Adjusted* earnings per share (p)



Dividend per share (p)

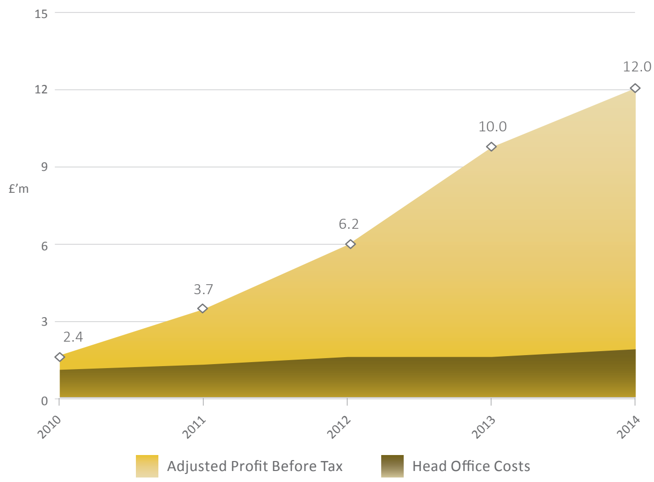


Total shareholder return



Total shareholder return – cumulative increase in market value, plus dividends minus capital raised

Adjusted* Profit Before Tax / Head Office Costs



* Before exceptional items, amortisation of intangible assets, share based payments charge and other finance costs

Growth through acquisition

and market consolidation, with a successful record of integration

RESTORE DOCUMENT MANAGEMENT – NATIONAL CONSERVATION SERVICE

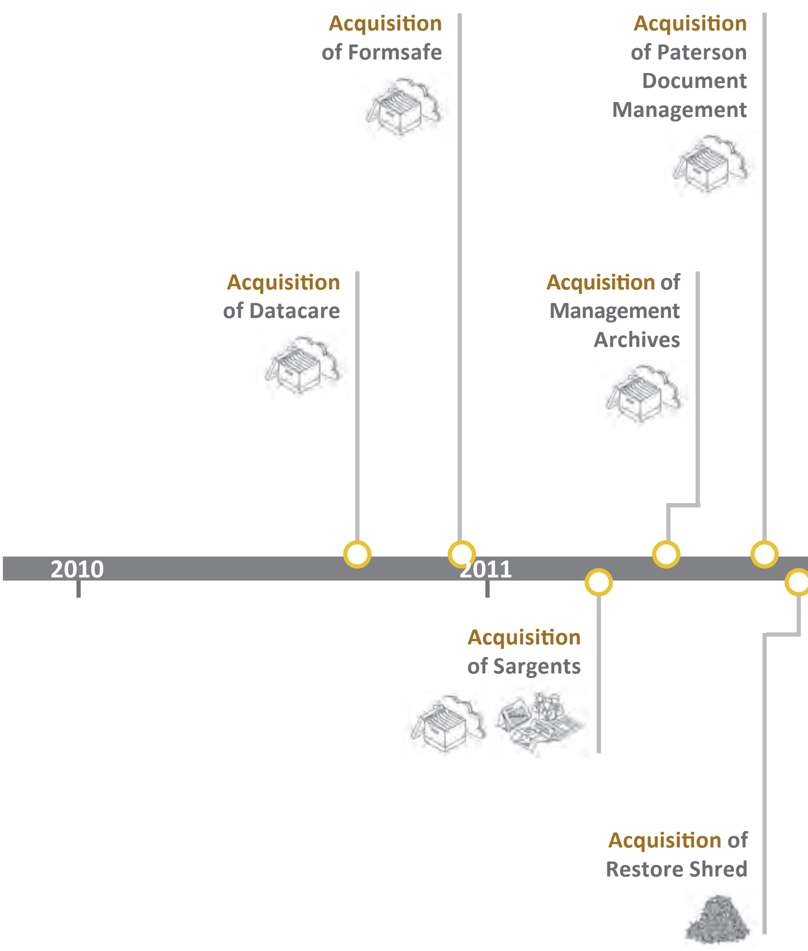
Heritage storage scheme

The NCS is highly respected in the conservation world, and wanted to operate a national scheme to benefit heritage institutions by storing priceless artefacts, while minimising the risks to them from light, humidity, temperature and pests. Items might include 18th century scientific or musical instruments, textiles and works of art. It chose Restore as a partner who could provide premium storage services compliant with Environment PD5454, the specified standard for conservation storage, including collection from museum locations.

HISTORICAL PERFORMANCE

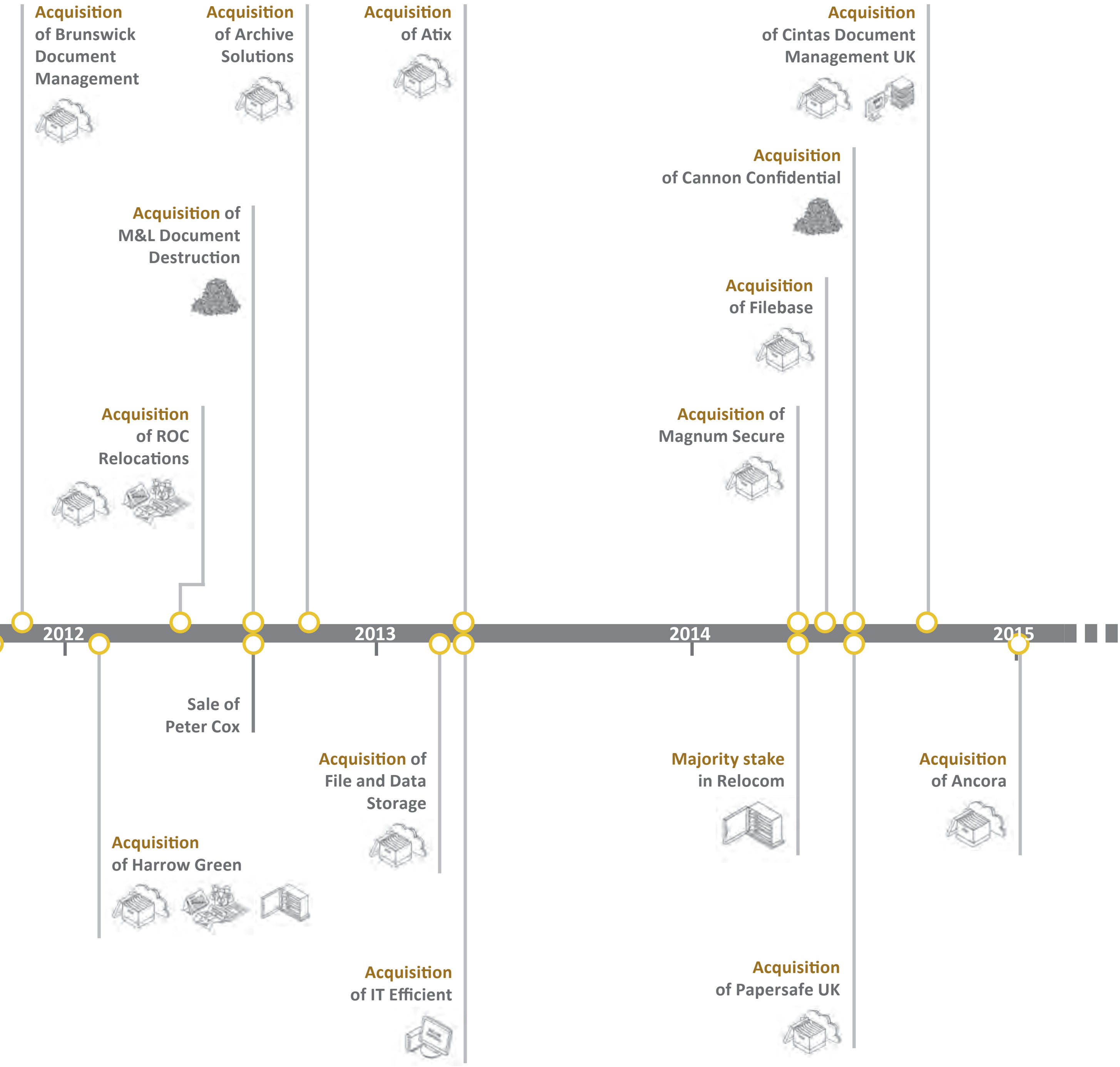
A timeline through five years of successful acquisitive growth.

5 years of corporate history



Current UK market position

Records Management	Relocation	Shred	IT Relocation	IT Asset Disposal	Scan
2	1	3	Top 10	Top 10	2


Acquisition of Brunswick Document Management
Acquisition of Archive Solutions
Acquisition of Atix
Acquisition of Cintas Document Management UK
Acquisition of Cannon Confidential
Acquisition of M&L Document Destruction
Acquisition of Filebase
Acquisition of ROC Relocations
Acquisition of Magnum Secure
2012
2013
2014
2015
Sale of Peter Cox
Acquisition of File and Data Storage
Majority stake in Relocom
Acquisition of Ancora
Acquisition of Harrow Green
Acquisition of IT Efficient
Acquisition of Papersafe UK

OUR MARKETS

We provide outsourced services to offices in mainland Britain. Most of our larger customers have a steady demand for our services, largely unrelated to the economic cycle. There is no logic in our customer self-supplying these services, although there are many potential customers in the public sector yet to recognise the benefits of outsourcing what we supply.

Records Management

This is a large global industry with many international operators. The UK market, worth in the region of £500-600 million a year, has been established for more than 30 years and is still growing at 5 per cent a year. The market is being consolidated, both globally and in the UK (the latter largely by us), offering participants the benefits of operating at scale.

There are very high barriers to entry in records management, largely because of the difficulty in acquiring new customers. It is also difficult for smaller operators to grow further as larger customers consolidate their supply to those operators able to provide geographical coverage and invest in meeting higher regulatory standards. Larger operators benefit from these market characteristics such that revenues are secure and rising, while scale facilitates tight cost control.

The private sector in the UK has generally migrated to a model of outsourcing in records management due to the cost savings and improved efficiency it brings. We believe that the public sector is increasingly recognising the benefits of outsourcing this service.

One perceived threat is the trend towards cloud computing – remote storage of data accessible via the internet. However, while only a small percentage of data now ends up on paper, the amount of data as a whole has increased exponentially, and cloud hasn't affected storage volumes. In addition, the explosive growth in soft-copy storage has led to a confusing market which has suffered from problems with security as well as concerns about its level of energy consumption.

Restore

We are currently number two in the UK market behind the leading global player. We offer national coverage and compete mainly with subsidiaries of multinationals, one of our core differentiators being our understanding of the specific requirements of the UK customers. We expect the documents we currently store to remain with us for as long as they need to be kept, since back-scanning is both expensive and complex. We anticipate organic growth from existing customers to remain close to the historic rate of 5%.

Shredding

The UK security shredding and recycling market is worth approximately £180 million a year. Shredding is a relatively young, fragmented and fast-growing industry at the early stages of consolidation. Many small regional businesses in the market struggle to meet new compliance and legislation standards, fund capital for modern high-security mobile shredding vehicles, or provide acceptable audit trails. There are two leading players, each with over 15 per cent of the market.

Sales are generated mainly from the collection and destruction of confidential documents and media along with sales of baled, shredded material for recycling, such as tissues. Demand for destruction is growing fast, driven by legislation to protect data and combat identity fraud, and compliance with the Environmental Protection Act for disposal. Improved and growing use of management information will increase the use of destruction policies for customer documents. In addition, volume shredding is very time-consuming for customers to manage in-house and so outsourcing is likely to remain the chosen option for most clients. On the recycling side, the improving UK economy and growing emerging markets are increasing tissue demand and consumption, with UK consumption growing at 3.5 per cent a year, and recovered fibre prices rising 15 per cent in 2014.

Restore

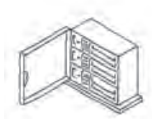
Restore is currently ranked number 3 in the UK market. Consolidation and acquisition of mid-market firms will continue to provide growth opportunities in key geographical areas. The Restore Shred business is highly complementary to our storage, scanning and relocations businesses, and this leads to important cross-selling opportunities.

Scanning

It is difficult to assess the size of the scanning market because such a wide range of businesses provide document imaging services - from Business Process Outsourcing providers, reprographics and print providers and retailers, to scanning bureaux, mailroom providers, software houses and other document management service providers. A rough estimate, however, would place the size of the entire scanning market at more than £500 million a year. Industry consolidation is underway, especially at the smaller end of the market.

Restore

Restore is the second largest traditional bureau scanning operation in the UK. Historically our segment of the market has been major one-off projects. Since the acquisition of Cintas, we are focused more on recurring revenues from major contracts for long-term backlog clearance for clients such as health authorities, or work integral to the client’s own offering, such as exam paper processing.



Relocation including IT

The market for high-level corporate relocations remains steady at in excess of £100 million a year in the UK. Success in this demanding market is based on sophisticated logistics for what clients see as a mission-critical service. Thus there are high barriers to entry, especially at the top end of the market. Accordingly, customer relationships tend to be long-term as reliability and knowledge of customer sites is key. We are witnessing growth in the IT relocation market, and this is to be expected as organisations change hardware configuration to reflect the move to cloud services. We also anticipate growth in furniture recycling, which is a relatively immature market.

Restore

In this sector, Restore, through its Harrow Green and Relocom businesses, is the UK market leader, offering national coverage. We are well-established with our blue-chip customer base, for whom our skills in complex project management are essential. Our relocations businesses also act as excellent lead generators for our document management and IT asset disposal businesses. This is to be expected, since relocation prompts decisions about archiving and legacy equipment.

IT asset disposal

The market benefits from regulation relating to the safe and secure disposal of IT equipment, including the EU Waste Electrical and Electronic Equipment Directive. This increasing focus on responsible handling, together with security and corporate social responsibility, provides significant growth in secure asset disposal, often to the benefit of charitable causes. This service includes a manufacturing and retail element for sale of recycled equipment.

Restore

Restore IT Efficient has a strong presence in the financial services sector, including services to five of the world’s leading investment banks. We have been in this market for almost 2 years and are looking to leverage our Group customer base to sharply increase our market share.

Acting as
good citizens

Performing a useful role in society

**HARROW GREEN –
UK BORDER AGENCY**

Recycling

Harrow Green identified an opportunity for the UK Border Agency to redeploy more than 700 pieces of unwanted office furniture weighing nearly 40 tonnes, which would otherwise either be stored or disposed of as landfill. By repurposing and giving the furniture to local charitable organisations, the project has pumped £150,000 at `fair' market value back into the community, and avoided CO_2 emissions of approximately 190 tonnes.

Aiming for high standards in everything we do.

Our value to society

Restore and its employees seek to be good citizens and our blue-chip customers expect nothing less. So it's good to know that our business activities play a useful role in society.

The growth of our business creates new jobs. By storing documents in remote premises, we are helping our customers make more efficient use of premium office space or public service facilities. Shredding helps our customers recycle more paper (21,300 tonnes recycled in 2014) and reduce their carbon footprint, while we also help them securely recycle IT equipment and office furniture and equipment or offer it for charitable re-use or re-sale.

Our scanning business improves public access to important documents, creates efficient processes for information-based public services and also allows more efficient use of office space. Our relocation businesses ensure our customers receive the highest levels of health, safety and efficiency.

Caring for the planet and its people in our Document Management division

To further strengthen our environmental credentials, we have embarked on wide-ranging consultancy work with The Carbon Trust – an initiative which resulted in a detailed, 10-point plan of action. We are committed to working through the recommendations in our Carbon Trust Plan, for example replacing older lights where possible with LED, more energy efficient units for our air-handling equipment, and moving to low-carbon solutions for our gas-suppressed areas.

Restore is currently working with independent expert advisors in preparing for compliance under the Energy Savings Opportunity Scheme in 2015. Where available, Restore procure 100% renewable electricity. As part of our policy to encourage our staff to reduce energy consumption, we are completing a programme to install smart meters across the property portfolio. We source storage boxes made from unbleached recycled material and send securely recyclable papers to processors such as M-Real where it is made into products such as tissue and printing papers.

Additional measures include reducing energy use, sending more waste products for recycling, and reviewing our purchasing policies. We are also renewing heating and air-conditioning equipment with more modern, efficient and environmentally sensitive models.

We have adopted a number of practices to limit the environmental impact of our vehicle fleet. This has included a transport review to co-ordinate locations and storage and reduce mileage, and our teams plan deliveries and collections to minimise fuel usage. We have introduced GPS tracking which allows the routes to be monitored and improved. We have also opted to lease the majority of our vehicles to ensure that we run a modern fleet optimised for fuel efficiency and emission reductions.

Restore supports the Surrey Care Trust, an independent charity founded in 1982 supporting people in transforming their life chances, and donates 1p for every storage container that our customers purchase.

A commitment to sustainability and caring in our Relocations division

The Relocations division has now achieved The Planet Mark sustainability certification, which is provided by Planet First in partnership with the Eden Project. The certification demonstrates our commitment to sustainability through reducing energy, water and travel consumption and associated carbon emissions. As part of our certification, we are also proudly supporting the Eden Project Education programme which aims to develop educational materials and workshops for school children and young people.

The division provides a full range of environmental services for the recycling, reuse, charitable donation and resale of redundant furniture, IT and related office equipment. These are promoted under the Refresh initiative which each year provides over 2,000 tonnes of No Longer Needed assets to charities, schools, community and voluntary groups and start-up businesses.

The charitable donation option generates money which goes to a variety of good causes including:

- MacMillan Cancer Trust
- Cancer for Children
- Great Ormond Street
- Jeans for Genes
- Wear it Pink
- British Heart Foundation
- Refuge.

Our employees are also regularly involved in charitable fund raising activities. Events during 2014 have included a monthly dress-down day with donations given to our chosen charities, along with participation in:

- Shine Walk for Cancer
- Walk the Walk for Breast Cancer
- Paris Cycling for Breast Cancer
- Ladies networking event for Refuge.

Caring for our own people

Our commitments also, of course, extend to our own people. We have maintained and expanded our apprenticeship and cycle to work schemes and are proud of our excellent health and safety record. We are committed to continually improving health & safety management systems and safety cultures throughout the organisation.

At present each operational business maintains appropriate health, safety and environmental management systems. In 2015, these will be combined to streamline health and safety management processes and reporting. We are establishing KPIs to ensure the effective implementation of systems and processes.

Throughout 2014, the hours lost across the Group have continued to decrease as our health and safety training and awareness has improved.

Health & safety incidents 2014

Document Management division:

- Employee man months 4,768
- RIDDOR events 5
- Near misses 7
- RIDDOR events per man month – 0.1% or 1 event per 954 man months worked

Excludes health & safety data relating to Cintas, acquired in October 2014

Relocations division:

- Employee man hours* 604,987
- RIDDOR events 2
- Near misses 1
- RIDDOR events per man hour - 0.00033% or 1 event per 302,493 man hours worked

* Measured in hours due to the nature of the Relocations business.

RIDDOR – Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

Strong, predictable

recurring revenues

and high customer retention profile

RELOCOM®

Multi-site Server relocation

Relocom undertook the task, for one of the UK's leading managed IT service providers, of relocating three data centres to one new 88,000 sq ft facility in south-east England. The project included moving new and existing clients to the new facility, and was structured in multiple weekend phases of up to 100 servers at a time, to ensure business continuity.

CHAIRMAN'S STATEMENT

2014 was another key year in the strategic development of the Group.

Results

I am pleased to report another strong performance by your Company. For the year to 31 December 2014, profit before tax, exceptional items, amortisation and share-based payment charges was £12.0 million, a year-on-year increase of 20% (2013: £10.0 million). Turnover was £67.5 million (2013: £53.6 million), with a large part of the year-on-year increase reflecting the effect of acquisitions made in both 2013 and 2014. Earnings per share on an adjusted basis were up 17% at 12.3 pence (2013: 10.5 pence). A final dividend of 1.6p is recommended, giving a total dividend for 2014 of 2.4p, up 26% (2013: 1.9p).

Strategy

We aim to be a market leader in the segments in which we operate, and to offer truly national coverage across mainland Britain. Document storage provides a strong source of predictable, recurring revenues, as the volume of documents requiring storage tends not to vary with the economic climate, nor with advances in technology. In all our business streams, particularly records management, customers tend to retain their existing suppliers, and only infrequently change suppliers due to the complexity and disruption of switching. This means market share and revenue growth above the long-term organic growth rate is often best achieved through acquisition. This way, we can also offer customers with national presence the opportunity to consolidate their supplier base. We have a proven record of acquiring and integrating businesses, and creating efficiencies of scale with a commensurate increase in profitability.

We have also been successful in increasing the range of services we supply to our customer base, which was earlier limited to records management and scanning. We understand what it takes for UK offices to work well, and we understand the requirements of our customers, who in the main are the IT and facilities managers responsible for keeping their offices running smoothly. As all our activities have this similar channel to market, once we gain a customer we focus on retaining them through exceptional customer service and cross-selling the services we offer, thereby helping them achieve their objectives. Over the last three years we have invested substantial management time in establishing a Group-wide customer relationship management system in support of this.

As a result of building on our records management activities, we have steadily diversified into related markets and increased our market share through a combination of acquisition and investment in sales, locations and technology. Overall we aim to consolidate those UK office services where there are benefits of scale and consistency of demand.

In summary, and 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 managers or IT managers
- Services where customers appreciate that it is neither desirable nor practical to switch away from a well-performing supplier
- A channel to market where we can maximise our cross-selling opportunities through our Group-wide customer relationship management system.

Trading

The Document Management division performed well with the core records management activity continuing to demonstrate the strength of its robust operational and financial model. The division's turnover was £37.4 million (2013: £27.7 million) and operating profit was £11.5 million (2013: £10.3 million). The decline in operating margin is largely attributable to the acquisition of businesses, particularly Cintas and Cannon Confidential, whose operating margins were much lower than those achieved in our existing operations – as their integration continues their operating margins are being significantly improved. In Records Management overall box growth, excluding acquisitions, totalled just over 6% (2013: 5%) The effect of strong new box growth, especially towards the end of the year, and good organic growth was partially offset by higher than anticipated destruction rates. Restore Shred continued to show strong organic growth, with its overall revenue growth significantly enhanced following the acquisition of Cannon Confidential. Restore Scan operated satisfactorily; this business stream now largely comprises Cintas's scanning business.

The Relocations division benefited from an upturn in market conditions as well as further operational improvements. The division's turnover was £30.1 million (2013: £25.9 million) and operating profit was £3.3 million (2013: £2.2 million). These figures include Relocom, whose results are now consolidated into the Group's results following the acquisition by the Group of a majority stake in Relocom during the year. The major constituent of the division is Harrow Green, the UK's leading office relocation business, where revenues were ahead by 7% year-on-year and operating margins increased sharply because of tighter controls. Relocom, which during the year worked more closely with Harrow Green, performed well, while Restore IT Efficient continued to perform satisfactorily.

Head Office costs increased to £1.9 million (2013: £1.6 million) reflecting the increased size of the Group and a higher level of corporate activity than the prior year.

Corporate transactions

2014 was another key year in the strategic development of the Group. The Cintas acquisition significantly increased our share of the UK's records management market and gave us a substantial presence in the UK scanning market. The Cannon Confidential acquisition greatly enhanced our capability and coverage within the UK shredding market. These businesses are becoming strongly profitable as a result of their integration into the Group as a whole.

In total, six acquisitions were made in the year:

- In April, we acquired Magnum Secure, a records management business operating from 2 locations in North East England, for £3.2 million. The post-acquisition management involved a significant cost-saving exercise.
- In April, we acquired a majority stake in Relocom, the IT relocation business in which we were previously a 50 per cent shareholder. This has enabled us to integrate Relocom's activities more closely with Harrow Green to improve profitability.
- In May, we acquired Filebase, a records management business also in North East England, for a consideration of £0.4 million. Operational changes have been made to increase the profitability of the business.

- In June, we acquired the trade and assets of Cannon Confidential, a loss-making shredding business operating from 4 sites in mainland Britain, for £0.9 million. The integration has been completed and the outcome has been transformational in providing Restore Shred with critical mass, additional locations and increased profit.
- In June, we acquired Papersafe, a small records management business, and subsequently transferred its boxes in store to our sites.
- In October, we acquired Cintas UK, one of the larger records management and scanning businesses in the UK, for £26.6 million, partly funded by a share placing. The business was operating at low profitability but there are significant synergies which we are realising to bring operating margins towards those achieved by Restore.

In addition, on 1 January 2015, we acquired Ancora, a records management business in East Anglia, for £0.5 million, giving us coverage in an area in which we were under-represented.

Funding
Net debt at the year-end was £30.9 million (2013: £16.0 million). The increase in debt reflects the cost of acquisitions made during the year. In March we announced a refinancing of our bank debt with Barclays, comprising a 5-year revolving credit facility of £30 million, with an additional £7.5 million accordion facility available. Following the acquisition of Cintas, this facility was increased by a further £15 million. The Cintas acquisition was partly funded by the placing of 7.1 million shares at 210p.

The current bank facility, coupled with internal cash generation, gives us considerable scope to continue to develop the Company through acquisitions.

Dividends
Your Board is recommending a final dividend of 1.6p, payable on 9 July 2015 to shareholders on the register on 12 June 2015. This gives a total dividend for the year of 2.4p, a 26% year-on-year increase. It remains the Board's firm intention to follow a progressive dividend policy.

Board
During 2014, we appointed three new non-executive Directors. In January, Stephen Davidson joined the Board, bringing his investment banking and public company experience. In June, James Wilde joined the Board, bringing his extensive experience of the business-to-business service sector. In September, Sharon Baylay joined the Board, bringing her experience of business services, media and technology.

Sir Paul Stephenson and John Forrest stepped down from the Board during the year. I thank them for their support and commitment which played an important role in the development of the Group.

We have a very strong and capable Board, particularly for an AIM-listed company. For many reasons, not least the quality of our customer base and the breadth of our shareholder base, we regard good corporate governance as key to the ongoing success of the Company. The quality of our Board reflects this.

People
As I have previously noted, the success of a provider of business services depends first and foremost upon the people who work in the organisation. Our key principle is that power and responsibility go hand in hand. Our people know what is expected of them and we give them the power to make their own decisions. Accordingly, they accept responsibility for their actions. This is crucial in a business where exceptional customer service is the only way to satisfy and retain customers.

We achieve this success through well-motivated, capable people doing their jobs to the best of their ability. I thank all our people for their commitment over the last year and look forward to them continuing to share in the success of the Group. In addition, I am delighted to welcome the people who have joined us through acquisitions made over the year.

Outlook
The current year has started satisfactorily.

Our principal near-term focus in 2015 is to integrate into the Group the acquisitions made in 2014 and to drive operating margins in the integrated businesses towards those we have historically achieved. We are making good progress in this and we are realising the efficiencies anticipated at the time of acquisition. At the same time, our established businesses continue to trade strongly.

Our Document Management division has started the year well. In our Records Management business, the improving trend in new box intake seen towards the end of last year has continued. We believe this reflects our significant investment in our sales operations over the last two years. The integration of the Cintas business is proceeding to plan, with significant cost reductions being achieved. We are also steadily rationalising our property portfolio to increase capacity usage towards our target of at least 90 per cent such that we are able to achieve the appropriate operating margins. Restore Scan, which primarily comprises the Cintas scanning business, has had an excellent start to the year, having secured several large contract wins and increased its base of recurring revenues. Restore Shred has successfully integrated Cannon Confidential, where we are achieving improved operating margins on increasing revenues.

Our Relocations division has started the year well. The core Harrow Green business has seen strong year-on-year growth in revenues, particularly in London, and we expect good opportunities to become available later in the year. The mobilisation of our recently-awarded contract with Carillion Amey for furniture moving and storage services to the Ministry of Defence is progressing smoothly and to plan. Relocom and Restore IT Efficient are operating much more closely within the division and this is generating both new business and improved efficiencies.

The Group remains focused on the UK office services market. This is an attractive sector in which we hold an increasingly important position as a key supplier. We have a well-balanced business which continues to have considerable scope to grow, both organically and through acquisition. We have a strong record of creating shareholder value which we intend to continue. I look forward to another exciting year in the development and performance of your company.

Sir William Wells
Chairman

24 March 2015

Most of our customers have a demand for most of our services...and the strength of our customer base is an opportunity for future development

These are the key results from the ongoing businesses which are included in the fuller statement set out under 'Profit Before Tax' on page 22.

Document Management Division

Trading in Document Management was steady in 2014 with adjusted operating profits increasing by £1.2 million to £11.5 million. Turnover increased from £27.7 million to £37.4 million. The majority of the increase in revenue derived from acquisitions made during the year, although these had a limited effect on profitability.

Records management comprises the bulk of these results and its performance remained robust. Organic box growth, defined as increase in box numbers from existing customers, continued to run at 7 per cent. New box growth, at 7 per cent, was encouragingly higher than in previous years and we believe this reflects the benefits of restructuring and the investment we have made in our sales operations. Box destructions and permanent retrievals were higher than expected so that overall net box growth (before acquisitions) was 6%. Average rates per box remained stable over the year.

Much of our operational focus was on integrating new acquisitions which had been operating at negligible profitability at the point of acquisition. We have a clear business model and we have been effective in making changes which bring the margins of acquired businesses up to our customary operating margins. This is achievable and underway in the records management businesses acquired in the year. Cintas UK was the largest of these and a primary reason behind its low profitability was the comparatively low level of boxes stored as a percentage of storage capacity. By moving out of inappropriate sites and filling underutilised sites with new boxes, we are sharply increasing capacity utilisation and profitability. Profitability is further enhanced by material cost synergies.

Alongside additional capacity from acquired businesses, we continue to develop our existing facilities. The newly-developed district in our freehold underground site in Wiltshire is on its way to full capacity and we have taken on 3 further hardened aircraft shelters at Upper Heyford. We have also continued to invest in our IT infrastructure, mostly to ensure that our systems can absorb further acquisitions and that the customer-facing aspects of acquired businesses remain consistent.

Restore Scan had a stable and marginally profitable year but for much of the year was over-dependent on large one-off projects. The acquisition of Cintas UK's scanning operations in October transformed our activities in this space. It is a strong business on a far larger scale than our pre-existing scanning business, which has now been integrated into the Cintas business. The combined business now trades as Restore Scan.

Restore Shred, our secure shredding and recycling business, continued to trade strongly with an encouraging level of new business wins. The acquisition of Cannon Confidential in June sharply increased the scale of the business and provided it with more operating sites and increased its on-site shredding capability. This has reduced the percentage of revenue spent on transport costs and will benefit margins in 2015 and beyond.

Relocations

The Relocations division recorded adjusted operating profits for the year of £3.3 million (2013: £2.2 million) on revenue of £30.1 million (2013: £25.9 million). The uplift in revenues reflected increased turnover at Harrow Green and the consolidation of £1.6 million of revenues at Relocom.

The core **Harrow Green** business showed another strong year-on-year improvement in revenues, as well as an increase in operating margins. Market conditions steadily improved in the London market where the office relocation market was increasingly active. The regional branches also performed strongly with several major projects taking place such as North Bristol NHS Trust and The University of Manchester Library. The recently awarded contract, estimated to have a contract value of £2.5m per annum, for work with the Ministry of Defence made a contribution in December, its first month of operation. **Global Moving Solutions** traded satisfactorily during the year.

Relocom increased both its revenues and operating margins. It is working more closely with Harrow Green and Restore IT Efficient which should enhance revenues in future.

Restore IT Efficient processed more equipment than in the prior year but a fall in the price of recycled equipment meant that revenues and profits were broadly flat year-on-year. As with Relocom, we expect the business to benefit from working more closely with other parts of the division.

Key performance table

	Revenue 2014 £'m	Revenue 2013 £'m	Adjusted* Operating Profit 2014 £'m	Adjusted* Operating Profit 2013 £'m
Document Management	37.4	27.7	11.5	10.3
Relocations	30.1	25.9	3.3	2.2
Head Office costs	–	–	(1.9)	(1.6)
Total	67.5	53.6	12.9	10.9

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

Customers

We continued to develop our Group Customer Relationship management system during the year, with all sales people across the Group now using the same system. This greatly facilitates cross-selling as most of our customers have a demand for most of our services and the customer's procurement manager or team is often common to all our activities. Much of our sales effort is focused on increasing our share of existing customers' service requirements.

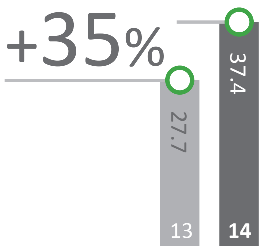
We recently conducted an exercise which showed that our penetration of customers in various groupings was:

- 43% of FTSE 100 companies
- 64% of top 50 UK legal firms
- 80% of top 25 UK accountancy firms
- 29% of local authorities in England, Scotland and Wales
- 27% of UK National Health Trusts.

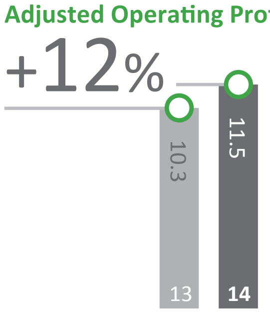
I believe this represents an excellent indication of the strength of our business and of the Group's opportunity for future development.

Charles Skinner
Chief Executive

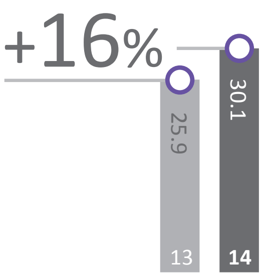
Document Management Division Revenue (£'m)



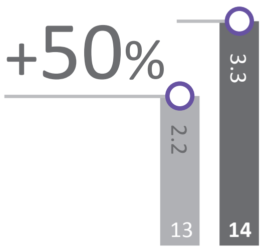
Adjusted Operating Profit (£'m)



Relocations Division Revenue (£'m)



Adjusted Operating Profit (£'m)



The key drivers of profit are consistent with the prior year – integration of acquired businesses, organic growth in Document Management and margin growth in Relocations.

Profit Before Tax

Statutory profit before tax for the year ended 31 December 2014 was £6.1 million (2013: £5.0 million). The key drivers of this increase are consistent with the prior year:

- Contribution resulting from the ongoing integration of acquired businesses.
- Continued organic profit growth from the existing Document Management division.
- Another encouraging step forward in the margin performance of the Relocations division.

Exceptional costs of £3.1 million (2013: £3.4 million) largely reflect the acquisitions completed during the year. The 2014 acquisitions have required significant levels of restructuring activity which is substantially complete with the exception of the Cintas acquisition which remains ongoing at the end of the year. Amortisation of intangible assets for the year was £1.9 million (2013: £1.3 million) with the increase attributable to the higher carrying value of intangible assets. The Group now has a strong track record of profitable growth on which it can continue to develop.

Due to the 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 Group's business. The items adjusted for in arriving at that underlying adjusted profit before tax are as follows:

	2014 £'m	2013 £'m
Profit before tax	6.1	5.0
Share based payments charge	1.0	0.5
Exceptional items	3.1	3.4
Amortisation of intangible assets	1.9	1.3
Other finance costs	(0.1)	(0.2)
Adjusted profit before tax	12.0	10.0

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

	2014 £'m	2013 £'m
Operating profit	6.9	5.7
Share based payments charge	1.0	0.5
Exceptional items	3.1	3.4
Amortisation of intangible assets	1.9	1.3
Adjusted operating profit	12.9	10.9
Depreciation	1.9	1.2
Adjusted EBITDA	14.8	12.1

Earnings Per Share (Eps)

	2014	2013
Basic adjusted earnings per share (pence)	12.3p	10.5p
Basic earnings per share (pence)	6.4p	5.9p

Basic adjusted earnings per share are calculated as adjusted profit for the year less standard tax charge divided by the weighted average number of shares in issue in the year. Basic earnings per share reflect the actual tax charge which in 2013 included a benefit of £0.8 million resulting from recognition of tax losses and the impact of the reduction in future tax rates on deferred tax.

Exceptional costs

	2014 £'m	2013 £'m
Acquisition – transaction costs	0.4	0.2
Acquisition – box relocation and transport costs	0.4	0.7
Restructuring and redundancy costs	2.5	1.4
Other exceptional	(0.2)	1.1
Total	3.1	3.4

The Group completed six acquisitions in the period and these are the key drivers of exceptional costs. This is a significant increase in both number and scale over 2013. Whilst overall exceptional costs have fallen, the acquisition-related exceptional costs have increased as a direct result of 2014 activity.

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

Box relocation and transport costs include the cost of uplifting boxes to existing facilities and duplicated transport costs incurred during the integration of the Cannon Confidential acquisition. This cost is significantly lower in 2014 due to the lower requirement to relocate boxes from the 2014 acquisitions compared to acquisitions undertaken in 2013.

Restructuring and redundancy costs have increased to £2.5 million in 2014. This is a result of acquiring four businesses whose profitability at acquisition was materially lower than our standard operating model. As a result, the Group has undertaken a period of restructuring in each of those businesses which was largely complete by the end of the period, with the exception of the Cintas acquisition which completed in October 2014 and was the largest Document Management division acquisition to date.

Interest

Net finance costs amounted to £0.8 million (2013: £0.7 million). Included within finance cost is a credit of £0.1 million (2013: £0.2 million) representing the revaluation of the interest rate collar.

Taxation

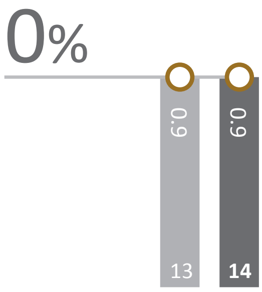
UK Corporation Tax is calculated at 21.5% (2013: 23.25%) of the estimated assessable profit/(loss) for the year. The UK Corporation Tax rate reduced on 1 April 2014 to 21%, with a further reduction to 20% on 1 April 2015; accordingly, this rate reduction has been reflected in the deferred tax balance which forms part of the statement of financial position.

Statement of financial position

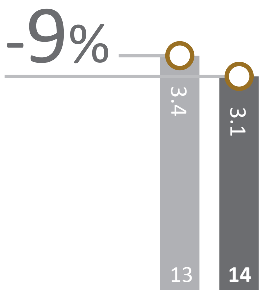
Net assets increased to £67.0 million (2013: 47.1 million) following the six acquisitions and placing of shares. Goodwill and intangibles at 31 December 2014 were £68.9 million (2013: £41.9 million).

Property, plant and equipment totalled £30.2 million (2013: £20.1 million), comprising the freehold underground storage facilities in Wiltshire, storage racking, vehicles and computer systems. The development of additional storage space in the underground facility has continued in 2014, with revenue generation commencing during the year.

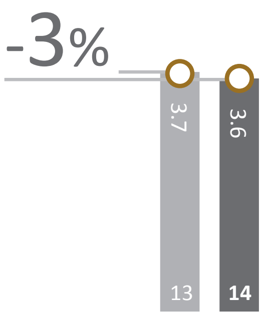
Bank interest cost (£'m)



Exceptional items (£'m)



Capital expenditure (£'m)



Cash flow

The net cash inflow from operations was £5.6 million (2013: £10.2 million). During the year Group working capital increased by £6.1 million (2013: £1.5 million decrease) which has been primarily driven by:

- Acquisition related working capital resulting from the reduction in the headline consideration paid as a result of future working capital obligations post completion that were identified during the due diligence process. This accounts for approximately half of the working capital increase.
- Significant organic growth in the last two months in 2014 which has consequently increased the working capital requirement of the business by an estimated £1.9 million.
- Other short term timing differences in the working capital cycle of the business.

Capital expenditure totalled £3.6 million (2013: £3.7 million) following the continued development of additional space in the underground storage facility, development of storage capacity in other sites and the continued investment in our shredding capability.

Net debt

Net debt at the end of the year was £30.9 million (2013 £16.0 million) reflecting the additional debt taken on to fund the acquisition spend of £28.9 million and associated working capital requirements. Following the bank refinancing completed in March 2014, which was supplemented by additional facilities to part-fund the acquisition of Cintas UK in October 2014, bank facilities at the end of the period comprised a £30.0 million revolving credit facility, drawn to £22.0 million, a £15.0 million term loan and a potential further £7.5 million accordion facility. This structure has the appropriate flexibility to complement the Group's growth strategy.

Principal Risks and uncertainties

The management of the business and the execution of the Group's strategies are subject to a number of risks. The key business risks affecting the Group are shown below.

Risk Management

The significant financial risks the Group faces have been considered and policies have been implemented to best deal with each risk. The three most significant risks are considered to be liquidity risk, finance cost risk and customer relationship risk. The Group is wholly based in the United Kingdom so the direct exposure to exchange risk is considered to be small.

Liquidity risk

The year end net debt was £30.9 million (2013: £16.0 million), which consisted of £37.0 million of interest bearing loans and borrowings plus £1.2 million of overdrafts (note 18), (2013: £15.7 million of interest bearing loans and borrowings plus £0.3 million of overdrafts). Net debt is monitored on a daily basis and banking facilities are reviewed against future expected cash flow movements to ensure that adequate facilities are in place.

Finance cost risk

The Group pays finance costs on its bank facilities. The bank facilities finance cost is a variable cost linked to LIBOR plus a margin. Interest rates are managed through an interest rate swap. The average finance cost on bank facilities for the Group in 2014 was 2.7% (2013: 3.5%). The potential exposure to LIBOR movements is deemed acceptable given the current and anticipated future levels of debt.

Customer relationship risk

The Group has commercial relationships with over 9,000 business customers. Attrition rates are low and relationships are strong. The largest customer accounts for less than 4% of Group revenue, with the majority of large customers tied into longer term contracts. Due to the relatively low revenue concentration of our largest customers the perceived customer relationship risk is deemed to be low.

Management

It is likely that changes to members of the senior management team might impact on the Group's ability to perform to the expectations within its strategy. The Board ensures that the management team is appropriately rewarded for its efforts and that succession planning is considered.

Legislative

The Group has systems and procedures in place to ensure compliance with, and to manage the impact of changes in, Government legislation such as agency worker regulations, vehicle operating procedures and environmental requirements.

Key Performance Indicators ('KPIs')

The Group uses many different KPIs at an operational level which are specific to the business and provide information to management. At an executive level, a selection of operational KPIs, which allow a relevant and robust review of operational performance, are considered with operational management on a monthly basis. The board also relies on KPIs that focus on the financial performance of the Group.

The table below shows the main KPIs used to manage the Group's performance during the year.

Key Performance Indicator	2014 £'m	2013 £'m	Analysis
Revenues	67.5	53.6	Year-on-year change in revenues analysed by segment (see note 4)
Adjusted operating profit	12.9	10.9	Year-on-year change in adjusted operating profit analysed by segment (see note 4)
Operating cash flow before financing costs and tax	5.6	10.2	Operating cash flow generated in 2014 decreased from 2013 as detailed earlier in this section
Bank interest cost	0.9	0.9	Year-on-year change in cost of Group finance. Finance costs in the year remained unchanged due to lower average interest rates being offset by higher levels of average debt
Net debt	30.9	16.0	Year-on-year change in bank debt, which increased to fund the acquisitions in the year

The non-financial indicators that are regularly monitored are customer satisfaction and retention as well as staff turnover ratios. Customer attrition rates are very low, as the business has strong and long-term relationships and a high level of customer satisfaction. The Group has a strong team of experienced and dedicated staff and staff turnover rates are low.

Adam Councell
Group Finance Director

Speedy, decentralised decision-making

where power and responsibility sit together


Image © Peter Stubbs. www.edinphoto.org.uk

RESTORE SCAN – RM EDUCATION

Scanning

RM Education's on-screen marking application is the most widely used worldwide, with 121 million pages scanned and marked in 2012. Restore was selected to become one of RM's major partners, working with it to digitise exam papers in preparation for marking. Once students have completed their written papers, Restore's scanning and logistics operations take over to create tens of millions of digital images each year. Restore has created a range of specialist support products for use exclusively with RM.

BOARD OF DIRECTORS

SIR WILLIAM WELLS

Aged 75, Non-Executive Chairman

Sir William Wells was appointed Chairman of the Board on 8 June 2009. His career encompasses senior positions in public health, commercial property, insurance and business services. He was Managing Partner and then Chairman of Chesterton Chartered Surveyors for 34 years, where he oversaw their transition from a private partnership to a listed company. His other experience includes non-executive director roles with AMP (UK), Henderson Group plc and Exel plc. Sir William is Chairman of ADL plc, a care home provider, CMG plc, a specialist in the care of adults with learning difficulties, and Transform plc, the leading cosmetic surgery company in the UK. He was the Chairman of the Department of Health's Commercial Advisory Board and the NHS Appointments Commission.

STEPHEN DAVIDSON

Aged 59, Non-Executive Director

Stephen Davidson joined the Board on 8 January 2014. He is currently Non- Executive Chairman of JSE and AIM-listed Datatec Limited and Non-Executive Director of Inmarsat plc and Jaywing plc. He has recently been Chief Executive of Mecom Group plc, where he was previously Non-Executive Chairman. In his earlier career Stephen was Chief Financial Officer then Chief Executive Officer of Telewest Communications plc and Vice Chairman of investment banking at WestLB Panmure.

CHARLES SKINNER

Aged 54, Chief Executive

Charles Skinner was appointed Chief Executive of the Group on 8 June 2009. Charles was previously Chief Executive of Johnson Services Group plc and Brandon Hire plc for nine years, prior to which he was at SG Warburg, 3i plc and editor of Management Today. Charles has considerable business-to-business services experience.

ADAM COUNCELL

Aged 36, Group Finance Director

Adam Councell was appointed Group Finance Director on 18 June 2012. Adam began his career at Whitbread plc in the accounts department of The Pelican Group restaurant division before moving to the Milward Brown Precis subsidiary of WPP plc. He joined Rentokil Initial plc in 2003, where he held a variety of finance posts including Commercial Director of the Business and Industry division and Finance Director of Catering and the combined Catering and Hospitals division. Most recently, he was Finance Director of the UK Business Services division, supervising eight businesses with a combined turnover of £250 million.

JAMES WILDE

Aged 61, Non-Executive Director

James Wilde joined the Board on 1st June 2014. He is currently Non-Executive Chairman of Nirvana Equity Limited, the holding company of NSL Services Group. He has previously been Non-Executive Chairman of several support services and manufacturing businesses, including Deb Group Limited, Zenith Vehicle Contracts Group Limited, ATPI Limited and Allied Glass Group Limited. He was on the Board of the Navy Army and Air Force Institutes (NAAFI) for six years and spent much of his executive career at Securiguard Group plc and Rentokil Initial plc, where he was Chief Executive.

SHARON BAYLAY

Aged 46, Non-Executive Director

Sharon Baylay joined the board on 10 September 2014. She is a Non-Executive Director of ITE Group plc, the listed organiser of international trade exhibitions and conferences, and Non-Executive Chairman of Dot Net Solutions Ltd, a private equity backed Cloud Computing business. She has previously been Marketing Director and main Board Director of the BBC, responsible for Marketing Communications and Audiences, and spent much of her career at Microsoft where she was Board Director of Microsoft UK and Regional General Manager of MSN International. Sharon is also a holder of the FT/Pearson Non-Executive Director Diploma.

DIRECTORS' REPORT

The Directors submit their report and the financial statements of Restore plc for the year ended 31 December 2014.

Restore plc is a public limited company quoted on AIM, incorporated and domiciled in the United Kingdom and has no branches outside the UK.

RESULTS

The profit before tax for the year ended 31 December 2014 was £6.1 million (2013: £5.0 million).

DIVIDENDS

The Directors recommend a final dividend for the year of 1.6 pence per share payable on 9 July 2015 (2013: 1.3 pence per share). An interim dividend of 0.8 pence was paid during the year (2013: 0.6 pence). The estimated final dividend to be paid is £1.3 million (2013: £1.0 million).

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were that of Document Management and Relocations.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

This is dealt with in the Strategic report on pages 4 to 25.

DIRECTORS

The following directors have held office during the year:

Sir William Wells (Chairman)

Charles Skinner (Chief Executive)

Adam Councell (Group Finance Director)

Dr John Forrest (Non-Executive Director)
(resigned 9 September 2014)

Sir Paul Stephenson (Non-Executive Director)
(resigned 28 May 2014)

Stephen Davidson (Non-Executive Director)
(appointed 8 January 2014)

James Wilde (Non-Executive Director)
(appointed 1 June 2014)

Sharon Baylay (Non-Executive Director)
(appointed 10 September 2014)

Information on Directors' remuneration, share options, long-term executive plans, pension contributions and benefits is set out in the Remuneration Report on pages 32 to 34.

The Company maintains liability insurance for its directors and officers.

SHARE CAPITAL

Full details of the authorised and issued share capital of the Company are set out in note 23 to the financial statements.

SUBSTANTIAL SHAREHOLDINGS

At 20 March 2015 the Company had been notified of the following interests amounting to 3% or more of the Company's issued share capital:

	Number of 5p ordinary shares	Percentage of issued share capital
Hargreave Hale	11,450,460	13.9
BlackRock Inc	10,041,871	12.2
Octopus Investments	7,405,552	9.0
Old Mutual Global Investors	6,402,450	7.8
M&G Investments	4,675,000	5.7
River and Mercantile	4,044,000	4.9
Slater Investments	3,922,000	4.8
Investec Asset Management	3,722,582	4.5
Schroders plc	3,414,383	4.2

PROPERTY VALUES

The Directors are aware that a significant difference may exist between market and book values, as shown in the Consolidated Statement of Financial Position at 31 December 2014, for the Group's freehold properties, all of which have a market value in excess of the book value recorded. The Directors believe that this excess is in the region of £7.4 million.

EMPLOYEES

The Group's people are its most important asset. Our policy is to employ the best people irrespective of race, gender, nationality, disability or sexual orientation. Consultation with employees or their representatives occurs at all levels, with the aim of ensuring their views are taken into account when decisions are made that are likely to affect their interests.

DISABLED EMPLOYEES

Applications for employment by disabled persons are given full and fair consideration for all vacancies, having regard to their particular aptitudes and abilities. In the event of an employee becoming disabled, every effort is made to retain them in order that their employment with the Group may continue. It is the policy of the Group that training, career development and promotion opportunities should be available to all employees.

ENVIRONMENTAL POLICY

Maintaining and improving the quality of the environment in which we live is an important concern for the Group, our staff, customers, suppliers, sub-contractors and communities in which we operate. We have adopted high standards of environmental practices and aim to minimise our impact on the environment wherever this is practical. In particular, we comply with, and endeavour to exceed the requirements of all laws and regulations relating to the environment.

HEALTH AND SAFETY

The Group recognises the importance of maintaining high standards of health and safety for everyone working within our business and also for anyone who may be affected by our business. Health and safety is a particular concern to our customers. Consequently, both of our business segments have appointed Health and Safety Officers who report to their respective Managing Directors.

The Group's operational report to the board on a monthly basis includes a section on all health and safety matters.

FINANCIAL RISK MANAGEMENT

Information in respect of the financial risk management objectives and policies of the Group, including the policy for hedging each major type of forecasted transaction for which hedge accounting is used and the exposure of the Group to market risk, credit risk, liquidity risk and cash flow risk is contained in note 3, and detailed in the Group Finance Director's statement.

POLITICAL AND CHARITABLE DONATIONS

Donations of £12,000 were made by the Group for charitable purposes during the year (2013: £nil). The Group does not make political donations.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors in office on 24 March 2015 have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting to be held on 15 May 2015 is set out on pages 83 to 86.

POST BALANCE SHEET EVENTS

Details of post balance sheet events are given in note 35 of the financial statements.

Sarah Waudby
Company Secretary

24 March 2015

CORPORATE GOVERNANCE STATEMENT

The policy of the Board is to manage the affairs of the Company having regard to Quoted Company Alliance. The Directors support the principles underlying these requirements insofar as is appropriate for a group of the size of Restore plc.

THE BOARD OF DIRECTORS

The Group is led and controlled by a Board comprising two Executive Directors and four Non-Executive Directors.

Board meetings are held on a regular basis and no significant decision is made other than by the Directors.

All Directors participate in the key areas of decision-making, including the appointment of new directors. There is no separate Nomination Committee due to the current size of the Board. The Board receives timely information on all material aspects of the Group to enable it to discharge its duties.

All Directors submit themselves for re-election at the Annual General Meeting at regular intervals. The following were Directors during the year:

	Number of Board meetings attended during the year ended 31 December 2014	Number of Audit Committee meetings attended during the year ended 31 December 2014	Number of Remuneration Committee meetings attended during the year ended 31 December 2014
	Total 12	Total 2	Total 1
Executive Directors			
Charles Skinner	12	2	–
Adam Councell	12	2	–
Non-Executive Directors			
Sir William Wells	12	2	1
Stephen Davidson (appointed 8 January 2014)	12	2	1
James Wilde (appointed 1 June 2014)	7	1	1
Sharon Baylay (appointed 10 September 2014)	3	–	1

The Executive Directors are not members of the Audit Committee or Remuneration Committee but may attend the meetings as a guest of the chair of the committee.

DIRECTORS' REMUNERATION

The Company has an established Remuneration Committee.

Details of the remuneration of each Director are set out in the Remuneration report on page 32.

ACCOUNTABILITY AND AUDIT

The Company has established an Audit Committee comprising the Chairman and Non-Executive Directors who are responsible for reviewing the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditor.

RELATIONS WITH SHAREHOLDERS

The Chief Executive and the Group Finance Director are the Company's principal contact for investors, fund managers, the press and other interested parties. At the Annual General Meeting, investors are given the opportunity to question the entire Board.

INTERNAL CONTROL

The Board acknowledges its responsibility for establishing and monitoring the Group's systems of internal control. Although no system of internal control can provide absolute assurance against material mis-statement or loss, the Group's systems are designed to provide the Directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

The key procedures that have been established and which are designed to provide effective control are as follows:

Management structure – The Board meets regularly to discuss all issues affecting the Group.

Investment appraisal – The Group has a clearly defined framework for investment appraisal and approval is required by the Board where appropriate.

The Board regularly reviews the effectiveness of the systems of internal control and considers the major business risks and the control environment. No significant control deficiencies have come to light during the year and no weakness in internal financial control has resulted in any material losses, contingencies or uncertainties which would require disclosure as recommended by the Turnball guidance for Directors on reporting on internal financial control.

The Board considers that in light of the control environment described above, there is no current requirement for a separate internal audit function. The Board will continue to review the need to put in place an internal audit function.

GOING CONCERN

As more fully explained in note 2, having made appropriate enquiries and having examined the major areas which could affect the Group's financial position, the Directors are satisfied that the Group has adequate resources to continue in operation for the foreseeable future.

REMUNERATION COMMITTEE

The Company has an established remuneration committee consisting of the Chairman and the Non-Executive Directors. The Chairman and Non-Executive Directors are responsible for the consideration and approval of the terms of service, remuneration, bonuses, share options and other benefits of the other Directors. All decisions made are after giving due consideration to the size and nature of the business and the importance of retaining and motivating management. The committee will meet at least once a year and at other times as appropriate.

DIRECTORS' CONTRACTS AND LETTERS OF APPOINTMENT

The Company's policy on Executive Directors' service contracts is that, in line with the best practice provisions of the UK Corporate Governance code, they are to be terminable by the Company on one year's or 6 months' notice.

The Non-Executive Directors do not have service contracts but have letters of appointment.

	Date of contract	Notice period
Executive Directors		
Charles Skinner	8 June 2009	12 months
Adam Councell	1 May 2012	6 months

	Date of Letter	Notice period
Non-Executive Directors		
Sir William Wells	8 June 2009	3 months
Dr John Forrest (resigned 9 September 2014)	8 November 2011	3 months
Sir Paul Stephenson (resigned 28 May 2014)	10 April 2012	3 months
Stephen Davidson (appointed 8 January 2014)	8 January 2014	3 months
James Wilde (appointed 1 June 2014)	28 March 2014	3 months
Sharon Baylay (appointed 10 September 2014)	12 August 2014	3 months

DIRECTORS' EMOLUMENTS

The aggregate emoluments of the Directors of the Company were:

£'000	Salary & Fees	Benefits	Pension costs	Total 2014	Salary & Fees	Benefits	Pension Costs	Total 2013
Executive Directors								
Charles Skinner	402	12	–	414	375	10	–	385
Adam Councell	155	1	17	173	144	1	16	161
Non-Executive Directors								
Sir William Wells	60	–	–	60	60	–	–	60
Dr John Forrest	35	–	–	35	35	–	–	35
Sir Paul Stephenson	23	–	–	23	35	–	–	35
Stephen Davidson	35	–	–	35	–	–	–	–
James Wilde	20	–	–	20	–	–	–	–
Sharon Baylay	11	–	–	11	–	–	–	–
	741	13	17	771	649	11	16	676

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

The beneficial interests of the Directors who were in office at 31 December 2014 in the shares of the Company, including family interests were as follows:

	Number of ordinary shares of 5p each 31 December 2014	Number of ordinary shares of 5p each 31 December 2013
Charles Skinner	541,415	541,415
Adam Councell	–	–
Sir William Wells	352,553	352,553
Stephen Davidson (appointed 8 January 2014)	–	–
James Wilde (appointed 1 June 2014)	–	–
Sharon Baylay (appointed 10 September 2014)	–	–

As at 24 March 2015 there has been no change in any of the above holdings.

The Directors believe that the success of the Group will depend to a high degree on the future performance of the management team. The Company has established incentive arrangements which will reward the Directors when shareholder value is created, thereby aligning the interests of the management directly with those of the shareholders.

RESTORE SHARE OPTION SCHEME – 2014 GRANTS

Employee Share Options

The following options have been granted to employees within the Group during the year.

Date of Grant	Granted	Number of ordinary shares of 5p each	Exercise price	Date from which exercisable	Expiry date
2 December 2014	200,000	200,000	240.0p	2 December 2017	2 December 2024

The share options granted have no performance conditions. See note 29 for details of the grant.

The closing price for Restore shares at 31 December 2014 was 266.5 pence. During the year the market price of the Company's ordinary shares ranged between 152.3 pence and 279.5 pence.

The Directors' interests in the share options schemes are as follows:

	Number of ordinary shares of 5p each 31 December 2014	Number of ordinary shares of 5p each 31 December 2013
Charles Skinner	2,699,611	2,699,611
Sir William Wells	1,053,389	1,053,389
Adam Councell	400,000	400,000

No share options were exercised by any of the Directors in the year (2013: nil).

RESTORE EXECUTIVE INCENTIVE PLAN

The Company has an Executive Incentive Plan ('EIP'), details of which are given in note 29. The Directors' interests in the EIP are as follows:

	Number of performance units 31 December 2014	Number of performance units 31 December 2013
Charles Skinner	66,667	66,667
Adam Councell	16,667	16,667

By order of the Board

Stephen Davidson
Chairman of the Remuneration Committee

24 March 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic report and the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have elected under company law to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Group financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the Group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 the Company and of the profit or loss of the Group for that period.

In preparing each of the Group and Company 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;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs adopted by the EU and for the Company financial statements state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Company financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Restore plc website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RESTORE PLC

For the year ended 31 December 2014

We have audited the group and parent company financial statements ("the financial statements") on pages 37 to 82. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements 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 auditor

As more fully explained in the Statement of Directors' Responsibilities set out on page 35, 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 (APB'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 of the parent company's affairs as at 31 December 2014 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

David Clark (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP

Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

24 March 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

		Year Ended 31 December 2014			Year Ended 31 December 2013		
	Note	Before exceptional items £'m	Exceptional items (note 5) £'m	After exceptional items £'m	Before exceptional items £'m	Exceptional items (note 5) £'m	After exceptional items £'m
Revenue	4	67.5	–	67.5	53.6	–	53.6
Cost of sales	6	(43.8)	–	(43.8)	(34.9)	–	(34.9)
Gross Profit		23.7	–	23.7	18.7	–	18.7
Administrative expenses	6	(11.8)	(3.1)	(14.9)	(8.3)	(3.4)	(11.7)
Amortisation of intangible assets	12	(1.9)	–	(1.9)	(1.3)	–	(1.3)
Operating profit	6	10.0	(3.1)	6.9	9.1	(3.4)	5.7
Finance costs	7	(0.8)	–	(0.8)	(0.7)	–	(0.7)
Profit before tax		9.2	(3.1)	6.1	8.4	(3.4)	5.0
Income tax (charge)/credit	8	(1.8)	0.6	(1.2)	(1.4)	0.7	(0.7)
Profit and total comprehensive income for the year attributable to owners of the parent		7.4	(2.5)	4.9	7.0	(2.7)	4.3
Earnings per share attributable to owners of the parent (pence)	9						
– Basic				6.4p			5.9p
– Diluted				6.0p			5.6p

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Attributable to owners of the parent				
	Share capital £'m	Share premium £'m	Other reserves £'m	Retained earnings £'m	Total equity £'m
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					
Issue of shares during the year	0.3	7.0	–	–	7.3
Issue costs	–	(0.3)	–	–	(0.3)
Dividends	–	–	–	(1.3)	(1.3)
Transfers (note 25)	–	–	(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
Balance at 1 January 2014	3.7	21.3	1.9	20.2	47.1
Profit for the year	–	–	–	4.9	4.9
Total comprehensive income for the year	–	–	–	4.9	4.9
Transactions with owners					
Issue of shares during the year	0.4	14.6	–	–	15.0
Issue costs	–	(0.6)	–	–	(0.6)
Dividends	–	–	–	(1.6)	(1.6)
Deferred tax on share based payments	–	–	1.2	–	1.2
Transfers (note 25)	–	–	(0.3)	0.3	–
Share based payments charge	–	–	1.0	–	1.0
	0.4	14.0	1.9	(1.3)	15.0
Balance at 31 December 2014	4.1	35.3	3.8	23.8	67.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2014

Company registered no. 05169780

	Note	2014 £'m	2013 £'m
ASSETS			
Non-current assets			
Intangible assets	12	68.9	41.9
Property, plant and equipment	13	30.2	20.1
Investments	14	–	0.5
Deferred tax asset	22	4.2	2.0
		103.3	64.5
Current assets			
Inventories	15	0.6	0.4
Trade and other receivables	16	24.7	17.5
Cash and cash equivalents	20	6.9	3.9
		32.2	21.8
Total assets		135.5	86.3
LIABILITIES			
Current liabilities			
Trade and other payables	17	(15.2)	(14.8)
Financial liabilities – borrowings	18	(3.7)	(6.0)
Other financial liabilities	19	–	(0.1)
Current tax liabilities		(0.6)	(0.3)
Provisions	21	(1.0)	(0.4)
		(20.5)	(21.6)
Non current liabilities			
Financial liabilities – borrowings	18	(34.1)	(10.0)
Other long term liabilities	11	(1.2)	(1.0)
Other financial liabilities	19	(0.3)	(0.1)
Deferred tax liability	22	(6.2)	(4.5)
Provisions	21	(6.2)	(2.0)
		(48.0)	(17.6)
Total liabilities		(68.5)	(39.2)
Net assets		67.0	47.1
Equity			
Share capital	23	4.1	3.7
Share premium account	24	35.3	21.3
Other reserves	25	3.8	1.9
Retained earnings	26	23.8	20.2
Equity attributable to the owners of the parent		67.0	47.1

These financial statements were approved by the Board of Directors and authorised for issue on 24 March 2015 and were signed on its behalf by:

Charles Skinner
Chief Executive

Adam Councell
Group Finance Director

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

	Note	Year ended 31 December 2014 £'m	Year ended 31 December 2013 £'m
Net cash generated from operations	27	5.6	10.2
Net finance costs		(0.9)	(0.9)
Income taxes paid		(1.0)	(0.6)
Net cash generated from operating activities		3.7	8.7
Cash flows from investing activities			
Purchase of property, plant and equipment and applications software		(3.6)	(3.7)
Purchase of subsidiary undertakings including acquisition costs, net of cash acquired	11	(28.9)	(9.0)
Sale of subsidiary	11	1.2	0.3
Cash flows used in investing activities		(31.3)	(12.4)
Cash flows from financing activities			
Net proceeds from share issues		14.4	7.0
Dividends paid		(1.6)	(1.3)
Repayment of bank borrowings		(16.0)	(2.6)
Drawdown of revolving credit facility		21.9	-
New bank loans raised		15.0	3.5
Increase/(decrease) in bank overdrafts		0.9	(1.5)
Finance lease repayments		(0.1)	(0.1)
Net cash generated from financing activities		34.5	5.0
Net increase in cash and cash equivalents		6.9	1.3
Cash and cash equivalents at start of year		–	(1.3)
Cash and cash equivalents at end of year	20	6.9	–
Cash and cash equivalents shown above comprise:			
Cash at bank		6.9	3.9
Balance on invoice discounting facility		–	(3.9)
		6.9	–

NOTES TO THE GROUP FINANCIAL STATEMENTS
For the year ended 31 December 2014

1 GENERAL INFORMATION

Restore plc and its subsidiaries specifically focus on Document Management and Relocations. The Group operates in the UK. The Company is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is The Databank, Unit 5, Redhill Distribution Centre, Salbrook Road, Redhill, Surrey RH1 5DY.

The Company is listed on the AIM market.

These Group consolidated financial statements were authorised for issue by the Board of Directors on 24 March 2015.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The consolidated financial statements of Restore plc have been prepared in accordance with EU endorsed International Financial Reporting Standards (IFRS), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on a historical cost basis although derivatives are reflected at their fair value. The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed later in this note.

The consolidated financial statements are presented in pounds sterling and, unless stated otherwise, shown in pounds million to one decimal place.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance, financial position, its cash flows, liquidity position, principal risks and uncertainties affecting the business are set out in the Strategic report on pages 4 to 25. In addition, note 3 to the financial statements includes the company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk.

The Group meets its day-to-day working capital requirements through its financing facilities which are due to expire between March 2017 and March 2019. Details of the Group's borrowing facilities are given in note 20 of the financial statements.

The Group's budgets for 2015 and forecasts for 2016, 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.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, contingent consideration and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date.

Provisional fair values are adjusted against goodwill if additional information is obtained within one year of the acquisition date, about facts or circumstances existing at the acquisition date. Other changes in provisional fair values are recognised through profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Basis of Consolidation continued

Changes in contingent consideration arising from additional information, obtained within one year of the acquisition date, about facts or circumstances that existed at the acquisition date are recognised as an adjustment to goodwill.

Other changes in contingent consideration are recognised through profit or loss, unless the contingent consideration is classified as equity. In such circumstances, changes are recognised within equity.

Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In the opinion of the Directors, the chief operating decision maker is the Board of Restore plc and there are two segments, Document Management and Relocations, whose reports are reviewed by the Board in order to allocate resources and assess performance. Segment revenue comprises sales to external customers all of whom are located in the UK. Services are provided from the UK.

Revenue Recognition

Revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT, returns, rebates and after eliminating intra-group sales.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below.

Sale of services – Document Management

Revenue from Records Management represents amounts billed or due for the storage and retrieval of customers' files and boxes. Revenue is recognised on retrieval of documents or time-apportioned for the period for which the documents are stored.

The Group sells scanning and IT services which are provided on a time basis or as a fixed price contract with contract terms ranging up to three years, in which case revenue is recognised based upon the value of work completed, or revenue may be received on a contractual basis, either as a fixed proportion of managed costs or other fee mechanism, in which case revenue is recognised once those contractual conditions have been satisfied, either based on managed costs incurred, on a time basis, or other appropriate contractual measurement.

The Group provides all round secure document destruction and recycling processes, including the rental and servicing of office recycling units as well as larger secure waste containers providing a confidential waste destruction process. Revenue is recognised on a time apportioned basis in respect of rental and when destruction is complete.

Sale of services – Relocation

Revenue represents amounts in respect of relocation, furniture storage and asset disposal and recycling. Revenue is recognised based upon the value of the work completed for removals, storage revenue is recognised on a per day basis for the furniture stored on behalf of its customers and when a disposal is complete.

Interest income

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Exceptional Items

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the group's financial performance. Transactions which may give rise to exceptional items are principally gains or losses on disposal of investments and subsidiaries, redundancy, integration and other restructuring costs, provisions made in respect of onerous leases and acquisition costs relating to business combinations.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of identifiable assets and liabilities of a subsidiary, at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible Assets

Intangible assets are recognised when they are controlled through contractual or other legal rights, or are separable from the rest of the business, and their fair value can be reliably measured.

Intangible assets that are regarded as having indefinite useful lives are not amortised. Intangible assets that are regarded as having limited useful lives are amortised on a straight-line basis over those lives. Assets with indefinite lives are reviewed for impairment annually and other assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of value in use or fair value less cost to sell. Amortisation and any impairment write downs are recognised immediately in profit or loss.

Customer relationships

Acquired customer relationships are identified as a separate intangible asset as they are separable and can be reliably measured by valuation of future cash flows. This valuation also assesses the life of the particular relationship. The life of the relationship is assessed annually. Customer relationship assets are being written off on a straight line basis over a remaining life of 3 to 10 years, except where the relationships have been assessed as having an indefinite life. These relationships are considered indefinite due to the business having a strong relationship and low attrition rates with its customers. The customer lists are considered annually to ensure that this classification is still appropriate.

Trade names

Acquired trade names are identified as a separate intangible asset. The life of the trade name is assessed annually. Trade names are being written off on a straight line basis over 10 years, except where the trade names are assessed as having an indefinite life due to the history of trading and the Group being a market leader in the services provided.

Application software and IT

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight line basis over their estimated useful lives (three to five years).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Computer software development costs recognised as assets are amortised on a straight line basis over their estimated useful lives (expected to be up to five years). Residual values and useful lives are reviewed each year.

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Property, Plant and Equipment

Property, plant and equipment is stated at historical cost, less accumulated depreciation and accumulated impairment losses. Depreciation is provided on a straight line basis on all property, plant and equipment, except freehold land.

	% per annum
Freehold and long leasehold buildings	2–5%
Long leasehold land	over the remaining life of the lease
Leasehold improvements	over the life of the lease
Plant and machinery	5–50%
Racking	5%
Office equipment, fixtures and fittings	10–40%
Motor vehicles	20–25%

Leased Assets

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease.

Where property lease contracts contain guaranteed minimum incremental rental payments, the total committed cost is determined and is amortised on a straight line basis over the life of the lease.

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership to the Group are classified as finance leases. Finance leases are classified as a financial liability and measured at amortised cost. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property, plant and equipment and the present value of the minimum lease payments and depreciated over the period of the lease. The resulting lease obligations are included in liabilities. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Investments

Loan notes are loans and receivables and measured at amortised cost. Impairment losses are recognised in profit or loss when there is evidence of impairment. Available for sale investments are non–derivative assets and are initially recognised at fair value net of any transaction costs and are subsequently carried at fair value. Fair value gains and losses are recognised in other comprehensive income and are recycled to profit or loss on disposal of the investment. If a fair value for an investment cannot be reliably measured, due to the variability in the range of reasonable fair value estimates being significant, or the probabilities of the various estimates within the range not being able to be reasonably assessed, that investment will be carried at cost. An impairment test is performed annually on the carrying value of the investment. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount, when there is objective evidence for impairment including significant or prolonged decline in fair value below cost.

Investments which are held for the long term and which management do not exercise significant control are carried at cost. An impairment review is carried out annually.

Investments Accounted for Using the Equity Method

Investments which are held for the long term, and in which the Group has a participating interest and exercises joint control with one or more other parties under a contractual arrangement, are treated as joint ventures and accounted for by the equity method. The Group's share of the results of investments is included in the Consolidated Income Statement and the Group's share of net assets is included in investments in the Statement of Financial Position.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value is the price at which inventories can be sold in the normal course of business. Provision is made where necessary for obsolete, slow moving and defective inventories.

Trade and Other Receivables

Trade receivables, classified as loans and receivables in accordance with IAS 39 'Financial Instruments: Recognition and Measurement', are recorded initially at fair value and subsequently measured at amortised cost. A provision for impairment of trade receivables is established when there is evidence that the Group will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the assets' carrying amount and the present value of future cash flows discounted at the effective interest rate. The movement in the provision is recognised in profit or loss. Any other receivables are recognised at their initial fair value less an allowance for any doubtful amounts. An allowance is made when collection of the full amount is no longer considered probable.

Customer Incentives
Incentives provided to new customers are in the form of either costs borne on behalf of new customers or the provision of services free of charge. Such incentives are recognised as an asset at amortised cost at the point when the contract is signed and the costs are incurred, or when the service is provided and are amortised in the income statement over the period of the contract.

Cash and Cash Equivalents
Cash and cash equivalents as defined for the Consolidated Statement of Cash flows comprise cash in hand, cash held at bank with immediate access, other short-term investments and bank deposits with maturities of three months or less from the date of inception, less amounts owed under invoice discounting facilities.

Assets Held For Sale
Assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only when a sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification. If this condition is no longer met and the assets and disposal groups are held for continuing use they are transferred out of assets held for sale in the current year. Disposal groups are groups of assets, and liabilities directly associated with those assets, that are to be disposed of together as a group in a single transaction.

Non–current assets and disposal groups classified as held for sale are initially measured at the lower of carrying value and fair value less costs to sell. At subsequent reporting dates non-current assets (and disposal groups) are measured to the latest estimate of fair value less costs to sell. As a result of this measurement any impairment is recognised by charging to profit or loss.

Trade Payables
Trade payables, classified as other liabilities in accordance with IAS 39, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Other payables are stated at amortised cost.

Borrowings
Borrowings are classified as other liabilities in accordance with IAS 39 and are recorded at the fair value of the consideration received, net of direct transaction costs. Finance charges are accounted for in profit or loss over the term of the instrument using the effective interest rate method.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profits nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based upon tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited directly to other comprehensive income and equity, in which case the deferred tax is also dealt with in other comprehensive income and equity.

Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at an appropriate pre-tax discount rate.

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Equity Instruments

Equity instruments issued by the Company are recorded at fair value net of transaction costs.

Share Based Payments

The Group has applied the requirements of IFRS 2 Share-based Payment.

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is measured by use of a stochastic pricing model. Where employees' contracts are terminated the options are treated as having been forfeited and accordingly previous charges are credited back to profit or loss if the option has not yet vested or retained earnings if the option has vested.

Pensions

The Group operates a number of defined contribution pension schemes. Contributions are charged to profit or loss as incurred.

Financial Instruments

Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group has become party to the contractual provisions of the instrument. The Group uses derivative financial instruments such as interest rate caps to hedge its risks associated with interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to profit or loss.

Critical Accounting Estimates and Judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimates, which have the most significant effect on the amounts recognised in the financial statements.

Acquisitions

The Group has made some significant acquisitions in the year, mainly the acquisition of Cintas (note 11). The assessment of the fair values of the assets and liabilities at acquisition is inherently judgemental and these are still being assessed so the amounts included in these financial statements are included as provisional. The key assumptions that have been made are in respect of the valuation of customer relationships, the reimbursement of costs in relation to lease obligations on an unwanted property, and the over renting provision (see Provisions below).

As set out in note 11, an amount of £2.5m was agreed between the Company and the vendors of Cintas to cover the costs associated with one of the premises leased by Cintas at acquisition. The Company did not wish to acquire this lease commitment and sought to exclude it from the transaction. This proved impractical and therefore it was agreed that the vendors would reimburse the Company for costs associated with that lease. In the view of the Directors, this reimbursement did not form part of the acquisition and was a separate transaction. As such it has been reflected in the financial statements as a reimbursement of costs with the creation of a liability to be released to the income statement over the period for which the related premises costs are to be incurred.

Exceptional costs

Included within exceptional costs, and as disclosed in note 5, are amounts included in respect of restructuring and reorganisation and the related duplication of costs. The period taken to complete restructuring varies for each acquisition and management judgement is applied in determining the level of duplication of costs incurred, particularly in relation to personnel costs where it can take some time for the optimal levels of staffing to be achieved.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non–financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 12.

Valuation of separable intangibles on acquisition

When valuing the intangibles acquired in a business combination, management estimate the expected future cash flows from the asset and choose a suitable discount rate in order to calculate the present value of those cash flows. Separable intangibles valued on acquisitions made in the year were £8.8m (2013: £3.3m) as detailed further in note 11.

Provisions

Included within provisions is an 'over-renting' provision which relates to the amount by which future lease rental commitments, arising as a result of acquisitions, exceed the fair market rentals. In calculating this provision the key estimates are those relating to the fair values of the rentals on the properties concerned, the impact of future rent reviews and the discount rate applicable.

Adoption of New and Revised Standards

a) New standards, amendments and interpretations issued and effective during the financial year commencing 1 January 2014

The following relevant new standards, amendments to standards and interpretations are mandatory for the first time for the financial year commencing 1 January 2014 and have been adopted by the Group, but had no significant impact.

IFRS 10 – Consolidated financial statements and corresponding amendment to IAS 27 – consolidated and separate financial statements.

IFRS 10 replaces guidance in IAS 27 regarding the principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. It builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

IFRS 11 – Joint Arrangements

IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures proportional consolidation of joint ventures is no longer allowed.

Amendment to IAS 27 – Separate Financial Statements

The amendment requires an investment entity to account for particular investments in its separate financial statements at fair value through profit and loss and provides guidance on accounting when investment entity status changes.

Amendment to IAS 28 – Associates and joint ventures

IAS 28 includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

IFRS 12 – Disclosure of interests in other entities

Provides disclosure requirements for IFRS 10, IFRS 11 and IAS 28 (Associates) and introduces disclosure requirements for unconsolidated structured entities.

Amendment to IAS 32 – Offsetting Financial Assets and Financial liabilities

The amendments clarify existing application issues relating to the offsetting requirements.

Amendment to IAS 36 – Impairment of Assets

Amendment to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Amendment to IAS 39 – Financial Instruments: Recognition and Measurement

Amendment to make it clear there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty must happen as a consequence of laws or regulations or the introduction of laws or regulations.

Standards issued but not yet effective

The following relevant new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning on 1 January 2014, as adopted by the European Union, and have not been early adopted:

Amendment to IAS 19 – Employee benefits

The amendments address updates on employee contributions.

IFRS 9 – Financial instruments

The standard is the first standard issued as part of a wider project to replace IAS 39. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The classification depends on the entity's business model and the contractual cash flow characteristics of the instrument. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply.

IFRS 15 – Revenue from contracts with customers

The standard provides guidance on when to recognise revenue and provides a single, principles-based five-step model to be applied to all contracts with customers.

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group when the relevant standards and interpretations come into effect.

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out centrally under policies approved by the Board of Directors. The Group evaluates and hedges financial risks. The Board provides written principles for overall risk management.

(a) Market risk

(i) Foreign exchange risk:

The Group operates in the UK and is not exposed to foreign exchange risk.

(ii) Cash flow and fair value interest rate risk:

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. During 2014 and 2013, the Group's borrowings at variable rates were denominated in the UK pound. The Group analyses its interest rate exposure using financial modelling. Based on the various scenarios, the Group manages its cash flow interest rate risk by using interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates at a certain level. Interest rate swaps are an agreement with other parties at quarterly intervals, to exchange the difference between fixed and floating rate calculated by reference to the notional principal amount as shown in note 20.

(b) Credit risk

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to retail customers, including outstanding receivables and committed transactions. The maximum exposure is the carrying amount as disclosed in note 16.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as also shown in note 16.

(c) Liquidity risk

The Group monitors its risk to a shortage of funds using a forecasting model. This model considers the maturity of both its financial assets and financial liabilities (e.g. accounts receivables, other financial assets) and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance in order to ensure that there is sufficient cash or working capital facilities to meet the requirements of the Group for its current business plan. A detailed analysis of the Group's debt facilities is given in note 20.

Capital risk management

The Group's main objective when managing capital is to protect returns to shareholders by ensuring the Group will trade profitably in the foreseeable future. The Group also aims to maximise its capital structure of debt and equity so as to minimise its cost of capital.

The Group manages its capital with regard to the risks inherent in the business and the sector within which it operates by monitoring its gearing ratio on a regular basis. The Group considers its capital to include share capital, share premium, other reserves, retained earnings and net debt as noted below. Net debt includes short and long term borrowings (including overdrafts) net of cash and cash equivalents.

No changes were made in the objectives, policies or processes during the years ending 31 December 2014 and 31 December 2013.

The Group's strategy is to strengthen its capital base in order to sustain the future development of the business.

Debt to Capital Ratio	2014 £'m	2013 £'m
Total debt	37.8	16.0
Less: cash and cash equivalents (note 20)	(6.9)	–
Net debt	30.9	16.0
Total equity	67.0	47.1
Debt to capital ratio	0.5	0.3

The gearing, during 2014 increased as a result of the additional debt to acquire the businesses in the year (note 11) exceeding the equity raised (note 23). The Group does not have any externally imposed capital requirements.

Fair value estimation

The fair value of financial instruments is market value.

4 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 Strategic report. 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:

	Document Management £'m	Relocations £'m	Head Office £'m	2014 Total £'m
Revenue	37.4	30.1	–	67.5
Segment adjusted operating profit/(loss)	11.5	3.3	(1.9)	12.9
Exceptional items				(3.1)
Share based payments charge				(1.0)
Amortisation of intangible assets				(1.9)
Operating profit				6.9
Finance costs				(0.8)
Profit before tax				6.1
Tax charge				(1.2)
Profit after tax				4.9
Segment assets	101.1	27.4	7.0	135.5
Segment liabilities	23.3	7.0	38.2	68.5
Capital expenditure	3.5	0.1	–	3.6
Depreciation and amortisation	3.2	0.6	–	3.8

	Document Management £'m	Relocations £'m	Head Office £'m	2013 Total £'m
Revenue	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	55.1	25.3	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

Major Customers

For the year ended 31 December 2014 no customers individually accounted for more than 4% (2013: 3%) of the Group's total revenue.

5 EXCEPTIONAL ITEMS

	2014 £'m	2013 £'m
Acquisition – transaction costs	0.4	0.2
Acquisition – box relocation and transport costs	0.4	0.7
Restructuring and redundancy costs	2.5	1.4
Release of deferred consideration provisions	(1.0)	–
Additional consideration on sale of Peter Cox (note 11)	(0.6)	–
Other exceptional items	1.4	1.1
Total	3.1	3.4

The Group completed six acquisitions in the year and these are the key driver of exceptional costs. This is a significant increase in both number and scale over 2013. Whilst overall exceptional costs have fallen the acquisition related exceptional costs have increased as a direct result of 2014 activity.

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

Box relocation and transport costs include the cost of uplifting boxes to the existing facilities and duplicated transport costs incurred during the integration of the Cannon Confidential acquisition. This cost is significantly lower in 2014 due to the lower requirement to relocate boxes from the 2014 acquisitions compared to 2013.

Restructuring and redundancy costs have increased to £2.5m in 2014. This is a result of acquiring four businesses whose profitability at acquisition has been materially lower than our expectations once fully integrated. As a result the Group has undertaken a period of restructuring in each of those businesses which was largely complete by the end of the period with the exception of the Cintas acquisition which completed in October 2014 and was our largest acquisition to date.

Deferred consideration provisions of £1.0m have been released in the year due to acquisitions not meeting performance targets set to trigger such payments (note 11).

Other exceptional costs include the write down of certain balances brought forward from prior periods. During the year the Group has undertaken a thorough review of the accounting treatment of certain accounting estimates made in prior periods, which were largely related to historic acquisitions, and has made adjustments to ensure these are reflected at recoverable amounts in the closing statement of financial position.

6 OPERATING PROFIT

	2014 £'m	2013 £'m
The following items have been included in arriving at operating profit:		
Amortisation of intangible assets	1.9	1.3
Depreciation of property, plant and equipment	1.9	1.2
Share based payments charge	1.0	0.5
Operating leases – plant and machinery	1.8	1.6
Operating leases – land and buildings	4.5	4.7
Auditors' remuneration:		
– Parent and consolidated financial statements	0.1	0.1
– Audit of company's subsidiaries pursuant to legislation	0.1	0.1
– Corporate finance services	0.1	–
– Tax compliance services	0.1	0.1
Expenses by function:		
Staff costs (note 30)	20.2	15.6
Depreciation	1.9	1.2
Premises costs	9.2	7.8
Materials	3.1	1.5
Subcontractors	11.2	8.3
Selling and distribution expenses	0.2	0.2
Transport costs	3.5	2.9
Computer costs	0.8	0.5
Audit and tax services	0.3	0.3
Legal and professional	0.3	0.2
Telecommunication costs	0.4	0.4
Exceptional items	3.1	3.4
Other expenses	4.5	4.3
Total cost of sales and administrative expenses	58.7	46.6
Amortisation of intangible assets	1.9	1.3
Total operating costs	60.6	47.9

7 FINANCE COSTS

	2014 £'m	2013 £'m
Interest on bank loans and overdrafts	0.9	0.9
Interest rate swap	(0.1)	(0.2)
Total	0.8	0.7

8 TAXATION

	2014 £'m	2013 £'m
Current tax:		
UK corporation tax on profit for the year	1.1	0.5
Adjustments in respect of previous periods	0.1	–
Total current tax	1.2	0.5
Deferred tax: (note 22)		
Current year	–	(0.1)
Adjustments in respect of previous periods	–	0.3
Total deferred tax	–	0.2
Total tax charge	1.2	0.7

The charge for the year can be reconciled to the profit per the Consolidated Statement of Comprehensive income as follows:

	2014 £'m	2013 £'m
Profit before tax	6.1	5.0
Profit before tax multiplied by the rate of corporation tax of 21.5% (2013: 23.25%)	1.3	1.2
Effects of:		
Expenses not deductible for tax purposes	0.2	0.2
Losses previously not recognised for deferred tax	–	(0.6)
Tax losses utilised	(0.3)	–
Effect of change in rate used for deferred tax	(0.1)	(0.2)
Non taxable income	–	(0.2)
Adjustments in respect of corporation tax for previous periods	0.1	–
Adjustments in respect of deferred tax for previous periods	–	0.3
Tax charge	1.2	0.7

9 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.

	2014	2013
Weighted average number of shares in issue	76,624,278	73,222,082
Profit for the year	£4.9m	£4.3m
Total basic earnings per ordinary share (pence)	6.4p	5.9p
Weighted average number of shares in issue	76,624,278	73,222,082
Share options	4,490,487	3,454,303
Executive incentive plan	616,035	–
Weighted average fully diluted number of shares in issue	81,730,800	76,676,385
Total fully diluted earnings per share (pence)	6.0p	5.6p

Adjusted earnings per share

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

	£'m	£'m
Profit before tax	6.1	5.0
Adjustments:		
Amortisation of intangible assets	1.9	1.3
Exceptional items	3.1	3.4
Share based payments charge	1.0	0.5
Other finance costs	(0.1)	(0.2)
Adjusted profit for the year	12.0	10.0

The adjusted earnings per share, based on the weighted average number of shares in issue during the year, 76.6m (2013: 73.2m) is calculated below:

	2014	2013
Adjusted profit before taxation (£'m)	12.0	10.0
Tax at 21.5%/23.25% (£'m)	(2.6)	(2.3)
Adjusted profit after taxation (£'m)	9.4	7.7
Adjusted basic earnings per share (pence)	12.3p	10.5p
Adjusted fully diluted earnings per share (pence)	11.5p	10.0p

10 DIVIDENDS

In respect of the current year, the Directors propose a final dividend of 1.6p per share (2013: 1.3p) will be paid to ordinary shareholders on 9 July 2015. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. An interim dividend of 0.8p per share (2013: 0.6p) was paid during the year.

The proposed final dividend for 2014 is payable to all shareholders on the Register of Members on 12 June 2015. The final estimated dividend to be paid is £1.3m (2013: £1.0m).

11 BUSINESS COMBINATIONS

On 17 April 2014, the Group acquired 100% of the share capital of Magnum Secure Limited, a records management business for cash of £3.2m.

	Fair value at acquisition £'m
Intangible assets – customer relationships	1.2
Property, plant and equipment	0.9
Trade receivables	0.5
Other receivables	0.1
Cash	0.7
Trade and other payables	(2.8)
Deferred tax liabilities	(0.3)
Other financial liabilities	(0.1)
Net assets acquired	0.2
Goodwill	3.0
Consideration	3.2
Satisfied by:	
Cash to vendors	3.2

The goodwill represents the value attributable to new business and the assembled and trained workforce. Deferred tax at 20% has been provided on the value of intangible assets. Acquisition costs of £87,000 were incurred and have been charged to exceptional items in the income statement.

On 17 April 2014, the Group acquired a further 33% of Relocom Limited, an IT relocation business. The additional shares were purchased for a cash consideration of £0.35m. Prior to this date the Group owned a 50% investment in Relocom, held at historical cost of £0.5m (note 14) as the shareholder structure at that time did not allow the Directors to have significant influence over the operations of the business.

	Fair value at acquisition £'m
Intangible assets – customer relationships	0.2
Trade receivables	0.6
Other receivables	0.1
Overdraft	(0.1)
Trade and other payables	(0.4)
Current tax liabilities	(0.1)
Net assets acquired	0.3
Goodwill	0.6
Consideration	
Fair value of consideration transferred	0.4
Fair value of previously held equity interest	0.5
Satisfied by:	
Cash to vendors	0.4

The goodwill represents the value attributable to new business and the assembled and trained workforce. Deferred tax at 20% has been provided on the value of intangible assets. Acquisition costs of £3,000 were incurred and have been charged to exceptional items in the income statement.

The non-controlling interest in Relocom has not been disclosed separately as it is not considered to be material.

11 BUSINESS COMBINATIONS CONTINUED

On 12 May 2014, the Group acquired 100% of the share capital of Filebase Limited, a records management business for cash of £0.4m.

	Fair value at acquisition £'m
Intangible assets – customer relationships	0.2
Property, plant and equipment	0.3
Trade receivables	0.2
Other receivables	0.1
Overdraft	(0.2)
Trade and other payables	(0.6)
Net assets acquired	–
Goodwill	0.4
Consideration	0.4
Satisfied by:	
Cash to vendors	0.4

The goodwill represents the value attributable to new business and the assembled and trained workforce. Deferred tax at 20% has been provided on the value of intangible assets. Acquisition costs of £19,000 were incurred and have been charged to exceptional items in the income statement.

On 16 June 2014, the Group acquired the business and assets of Cannon Confidential, a recycling and shredding business for cash of £0.9m.

	Fair value at acquisition £'m
Intangible assets – customer relationships	0.3
Deferred tax liabilities	(0.1)
Net assets acquired	0.2
Goodwill	0.7
Consideration	0.9
Satisfied by:	
Cash to vendors	0.9

The goodwill represents the value attributable to new business and the assembled and trained workforce. Deferred tax at 20% has been provided on the value of intangible assets. Acquisition costs of £31,000 were incurred and have been charged to exceptional items in the income statement.

On 23 June 2014, the Group acquired 100% of the share capital of Papersafe UK Limited, a records management business. The initial cash consideration was £0.15m, a further £0.05m contingent consideration is payable in 2015, depending on contract renewals.

	Fair value at acquisition £'m
Intangible assets – customer relationships	0.2
Deferred tax liabilities	(0.1)
Net assets acquired	0.1
Goodwill	0.1
Consideration	0.2
Satisfied by:	
Cash to vendors	0.1
Contingent consideration	0.1

The goodwill represents the value attributable to new business and the assembled and trained workforce. Deferred tax at 20% has been provided on the value of intangible assets. Acquisition costs of £5,000 were incurred and have been charged to exceptional items in the income statement.

On 7 October 2014, the Company acquired 100% of the share capital of Cintas UK Document Management Limited, a records management business for cash consideration of £26.0m. On 22 January 2015, a purchase price adjustment of £0.6m in relation to working capital, was settled in cash. Due to the limited time available between acquisition and the approval of these financial statements, the Group is still in the process of establishing the fair value of the assets and liabilities acquired and the amounts shown in the table below are provisional.

	Provisional fair value at acquisition £'m
Intangible assets – customer relationships	6.7
Property, plant and equipment	8.2
Deferred tax asset	1.1
Inventories	0.1
Trade receivables	2.0
Other receivables	2.0
Cash	2.5
Trade and other payables	(3.6)
Deferred tax liabilities	(1.3)
Provisions	(5.4)
Net assets acquired	12.3
Goodwill	14.3
Consideration	26.6
Satisfied by:	
Cash to vendors	23.5
Purchase price adjustment	0.6
Reimbursement – less than 1 year	1.0
Reimbursement – more than 1 year	1.5

The reimbursement amounts cover rents to the end of the lease for a site which was acquired as it could not be excluded from the acquisition and was surplus to requirements. The reimbursement of these costs is separate to the business acquisition. These amounts are included as a deferred income creditor and will be released against costs incurred and is expected to be used by 2017. At 31 December 2014, £1.2m was classified as due after more than 1 year.

The goodwill represents the value attributable to new business and the assembled and trained workforce. Deferred tax at 20% has been provided on the value of intangible assets. Acquisition costs of £302,000 were incurred and have been charged to exceptional items in the income statement.

11 BUSINESS COMBINATIONS CONTINUED

Contingent consideration

On 2 January 2014, £150,000 deferred consideration was paid in respect of Archive Solutions and £50,000 contingent consideration was paid in respect of M&L Document Destruction Limited. On 26 March 2014, £170,000 was paid in respect of the first tranche of contingent consideration in respect of IT Efficient Limited.

Contingent consideration of £1.0m in respect of Harrow Green Limited and File and Data Storage Limited, has been released during the year, as this was not payable based upon the performance in 2014 (note 5).

Deferred consideration

On 29 September 2014, the company received £0.3m in respect of the deferred consideration due in respect of Peter Cox Limited which was sold in 2012. On 16 December 2014, the company received the final deferred consideration of £0.3m and £0.6m in final settlement of all amounts due following the sale of Peter Cox Limited (note 5).

Post acquisition results

	Magnum £'m	Relocom £'m	Filebase £'m	Cannon Confidential £'m	Papersafe £'m	Cintas £'m
Revenue	0.9	2.2	0.7	0.8	0.1	4.2
Profit/(loss) before tax since acquisition included in the consolidated statement of comprehensive income	(0.1)	0.2	(0.1)	–	–	(0.8)

If the acquisitions had been completed on the first day of the financial year, Group revenues would have been £85.7m and Group profit before tax would have been £3.6m. As explained in note 5, following acquisition a number of restructuring costs are incurred, and after this post acquisition restructuring the acquisitions have a positive impact on Group profit before tax.

The acquisitions of the Document Management businesses were made to extend national coverage and increase the Group's market share. The acquisition of the additional shareholding in Relocom, has enabled the Group to integrate Relocom's activities more closely with our relocations subsidiary, Harrow Green.

12 INTANGIBLE ASSETS

	Goodwill £'m	Customer relationships £'m	Trade names £'m	Applications software & IT £'m	Total £'m
Cost					
1 January 2013	33.0	10.0	2.0	2.0	47.0
Additions – external	–	–	–	0.8	0.8
Arising on acquisition of subsidiaries	6.4	3.3	–	–	9.7
31 December 2013	39.4	13.3	2.0	2.8	57.5
Cost					
1 January 2014	39.4	13.3	2.0	2.8	57.5
Additions – external	–	–	–	0.7	0.7
Acquisitions	–	–	–	0.3	0.3
Arising on acquisition of subsidiaries	19.1	8.8	–	–	27.9
31 December 2014	58.5	22.1	2.0	3.8	86.4
Accumulated amortisation and impairment					
1 January 2013	10.6	1.9	0.5	1.3	14.3
Charge for the year	–	0.8	0.2	0.3	1.3
31 December 2013	10.6	2.7	0.7	1.6	15.6
Accumulated amortisation and impairment					
1 January 2014	10.6	2.7	0.7	1.6	15.6
Charge for the year	–	1.2	0.2	0.5	1.9
31 December 2014	10.6	3.9	0.9	2.1	17.5
Carrying amount					
31 December 2014	47.9	18.2	1.1	1.7	68.9
31 December 2013	28.8	10.6	1.3	1.2	41.9
1 January 2013	22.4	8.1	1.5	0.7	32.7

Customer relationships include assets which are considered to have an indefinite life due to the business having a strong relationship and low attrition rates with its customer groups. The carrying amount of these assets is £2.9m (2013: £2.9m). The remaining relationships have a life of 3–10 years.

12 INTANGIBLE ASSETS CONTINUED

The changes to goodwill during the year were as follows:

	£'m
Cost	
1 January 2013	33.0
Acquired – File and Data	4.2
Acquired – Atix	0.6
Acquired – IT Efficient	1.6
31 December 2013	39.4
Acquired – Magnum	3.0
Acquired – Relocom	0.6
Acquired – Filebase	0.4
Acquired – Cannon Confidential	0.7
Acquired – Papersafe	0.1
Acquired – Cintas	14.3
31 December 2014	58.5
Accumulated impairment	
1 January 2013	10.6
31 December 2013 and 31 December 2014	10.6
Carrying amount at 31 December 2014	47.9
Carrying amount at 31 December 2013	28.8
Carrying amount at 1 January 2013	22.4

Allocation to cash-generating units

Goodwill and indefinite life intangible assets have been allocated for impairment testing purposes to the following cash-generating units.

The carrying value is as follows:

	Goodwill		Indefinite life intangibles	
	2014 £'m	2013 £'m	2014 £'m	2013 £'m
Document Management	42.5	24.0	2.9	2.9
Relocations	5.4	4.8	–	–
	47.9	28.8	2.9	2.9

Annual test for impairment

For the purpose of impairment testing, goodwill and other intangibles are allocated to business segments which represent the lowest level that those assets are monitored for internal management purposes. The recoverable amount of each cash-generating unit is determined from value-in-use calculations. The calculations use pre tax cash flow projections based on financial budgets approved by the Directors for year one and cash flow projections for years two and three using growth rates that are considered to be in line with the general trends in which each cash-generating unit operates. Terminal cash flows are based on these 3 year projections, assumed to grow perpetually at 1%. In accordance with IAS 36, the growth rates for beyond the forecasted three years do not exceed the long term average growth rate for the industry. The key assumptions forming inputs to the cash flows are in revenues and margins. Revenues for 2015 have been assessed by reference to existing contracts and market volumes. Margins have been assumed to be consistent in the Document Management and Relocations divisions. The forecasts have been discounted at a pre-tax rate of 13.5% (2013: 13.5%). This discount rate was calculated using a pre-tax rate based on the weighted average cost of capital for the Group.

The key assumptions used for the value in use calculations are as follows:

	Document Management %	Relocations %
Revenue growth – average over 3 years	4	2
Revenue growth – remainder	1	1
Cost growth – employee/overheads	4	1

Sensitivity

The key sensitivity concerns the first scanning acquisition where the recoverable amount calculated as value in use exceeded the carrying value by £0.6m. A 10% worsening of the key assumptions would not cause the value in use to fall below the carrying value. The Group has not identified any reasonably possible changes to key assumptions that would cause the carrying value of the remaining goodwill or intangible to exceed its recoverable amount.

13 PROPERTY, PLANT AND EQUIPMENT

	Freehold and long leasehold land & buildings £'m	Leasehold improvements £'m	Racking plant & machinery £'m	Office equipment fixtures & fittings £'m	Motor vehicles £'m	Total £'m
Cost						
1 January 2013	10.9	1.2	8.2	2.3	0.9	23.5
Reclassification	–	0.4	0.6	0.6	(0.3)	1.3
Transfer from subsidiaries	(0.1)	–	(0.4)	0.4	–	(0.1)
Additions	0.2	0.8	1.1	0.8	0.1	3.0
Disposals	–	–	–	–	(0.2)	(0.2)
Acquisitions	0.1	0.1	0.6	–	–	0.8
31 December 2013	11.1	2.5	10.1	4.1	0.5	28.3
At 1 January 2014						
Reclassification	–	–	0.8	(1.3)	(0.1)	(0.6)
Additions	0.4	0.6	1.2	0.3	0.4	2.9
Acquisitions	–	3.9	4.2	0.8	0.2	9.1
31 December 2014	11.5	7.0	16.3	3.9	1.0	39.7
Accumulated Depreciation						
1 January 2013	0.8	0.3	3.4	1.1	0.3	5.9
Reclassification	(0.1)	0.5	(0.2)	1.1	–	1.3
Transfer from subsidiaries	(0.1)	–	(0.1)	0.1	–	(0.1)
Charged in the year	0.1	0.1	0.7	0.2	0.1	1.2
Disposals	–	–	–	–	(0.1)	(0.1)
31 December 2013	0.7	0.9	3.8	2.5	0.3	8.2
At 1 January 2014						
Reclassification	–	–	–	(0.5)	(0.1)	(0.6)
Charged in the year	0.1	0.3	1.0	0.3	0.2	1.9
31 December 2014	0.8	1.2	4.8	2.3	0.4	9.5
Net book value						
31 December 2014	10.7	5.8	11.5	1.6	0.6	30.2
31 December 2013	10.4	1.6	6.3	1.6	0.2	20.1
1 January 2013	10.1	0.9	4.8	1.2	0.6	17.6

Capital expenditure contracted for but not provided in the financial statements is shown in note 32.

Depreciation is charged to profit or loss as an administrative expense. £0.2m (2013: £0.2m) of plant and machinery is held under a finance lease.

Management have made certain reclassifications in the year to better reflect the substance of the assets.

14 INVESTMENTS

	2014 £'m	2013 £'m
Investments	–	0.5

The Group previously held a 50% investment in Relocom Limited, a specialist IT relocations company. This shareholding was being held as an investment at historic cost, as due to the shareholder structure the Directors did not have the ability to exhibit significant influence over the operations of the business. On 17 April 2014, the Group acquired a further 33% in Relocom (note 11).

15 INVENTORIES

	2014 £'m	2013 £'m
Finished goods and goods for resale	0.6	0.4

£0.2m (2013: £0.1m) of inventories were recognised as an expense in cost of sales in the year.

16 TRADE AND OTHER RECEIVABLES

	2014 £'m	2013 £'m
Trade receivables	16.5	11.3
Less: provision for impairment of trade receivables	(0.1)	(0.1)
Trade receivables – net	16.4	11.2
Other receivables	1.6	1.6
Prepayments and accrued income	6.7	4.7
	24.7	17.5

The average credit period is 74 days (2013: 75 days). No interest is charged on the trade receivables for the first 30 days from the date of the invoice. Thereafter, interest may be charged at 2% per annum on the outstanding balance. Trade receivables are provided for based on estimated irrecoverable amounts, determined by reference to past payment history and the current financial status of the customers.

Movement in the allowance for impairment	2014 £'m	2013 £'m
Balance at beginning and end of the year	0.1	0.1

In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. See note 20 for an analysis of trade receivables that were past due but not impaired.

17 TRADE AND OTHER PAYABLES

	2014 £'m	2013 £'m
Trade payables	5.8	4.7
Other taxation and social security	2.8	1.9
Other payables	0.8	4.6
Accruals and deferred income	5.8	3.6
	15.2	14.8

Other payables include the fair value of the interest rate swap of £0.1m (2013: £0.2m), see note 20.

The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame. Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period for trade purchases is 60 days (2013: 63 days).

18 LOANS AND OVERDRAFTS

	2014 £'m	2013 £'m
Current		
Bank loans and overdrafts due within one year		
Overdrafts on demand	1.2	0.3
Bank loans – secured	2.6	5.7
Deferred financing costs	(0.1)	–
	3.7	6.0
Non-current		
Bank loans – secured	34.4	10.0
Deferred financing costs	(0.3)	–
	34.1	10.0

The bank debt is due to Barclays Bank plc and is secured by a fixed and floating charge over the assets of the Group. The interest rate profile and an analysis of borrowings is given in note 20. Under the bank facility the Group is required to meet quarterly covenant tests in respect of cashflow cover, interest cover and leverage. All tests were met during the year and the Directors expect to continue to meet these tests.

Analysis of net debt

	2014 £'m	2013 £'m
Cash at bank and in hand	6.9	3.9
Balance on invoice discounting facility	–	(3.9)
Bank loans and overdrafts due within one year	(3.7)	(6.0)
Bank loans due after one year	(34.1)	(10.0)
	(30.9)	(16.0)

19 OTHER FINANCIAL LIABILITIES

	2014 £'m	2013 £'m
Obligations under finance leases – present value of finance lease liabilities	0.3	0.2
Repayable by instalments:		
In less than one year	–	0.1
In two to five years	0.1	0.1
Over five years	0.2	–
	0.3	0.2

20 FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash, bank and various other receivable and payable balances that arise from its operations. The main purpose of these financial instruments is to finance the Group's operations.

Cash and cash equivalents net of invoice discounting

	2014 £'m	2013 £'m
Cash at bank and in hand	6.9	3.9
Invoice discounting facility	–	(3.9)
	6.9	–

As at 31 December 2014 trade receivables of £3.3m (2013: £3.0m) were past due but not impaired. These relate to a number of independent customers with no recent history of default. The ageing analysis of these trade receivables is as follows:

	2014 £'m	2013 £'m
60–90 days	1.4	1.4
Greater than 90 days	1.9	1.6

The main financial risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Directors review and agree policies for managing each of these risks. Interest rates are regularly reviewed to ensure competitive rates are paid. Detailed cash flows are produced on a regular basis to minimise liquidity risks.

Carrying value of financial assets and (liabilities) excluding cash and borrowings

	2014 £'m	2013 £'m
Loans and receivables	18.1	13.1
Derivatives used for hedging	(0.1)	(0.2)
Financial liabilities measured at amortised cost	(13.5)	(10.4)

Currency and interest rate risk profile of financial liabilities

All bank borrowings are subject to floating interest rates, at LIBOR plus a margin of between 1.5% and 2.25% on the RCF and 1.75% and 2.5% on the Term facility, depending on the leverage covenant and 3.5% on the overdraft.

The interest rate risk profile of the Group's gross borrowings for the year was:

Currency	Total £'m	Fixed rate financial liabilities £'m	Floating rate financial liabilities £'m	Subject to interest rate collar £'m	Weighted average interest rates %
Sterling at 31 December 2014	38.2	–	33.7	4.5	2.7
Sterling at 31 December 2013	16.0	–	10.2	5.8	3.5

The exposure of Group borrowings to interest rate changes and contractual pricing dates at the end of the year are as follows:

	2014 £'m	2013 £'m
6 months or less	38.2	16.0

20 FINANCIAL INSTRUMENTS CONTINUED

Interest rate sensitivity

At 31 December 2014 if interest rates had been 50 basis points higher and all other variables were held constant, it is estimated that the Group's profit before tax would be approximately £0.1m (2013: £0.1m) lower. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings and is based on the change taking place at the beginning of the financial year and held constant throughout the year.

The Group's sensitivity to future interest rates changes has increased during the current year due to the increased debt.

Financial assets recognised in the statement of financial position and interest rate profile

All financial assets are short term receivables and cash in hand. The cash in hand earns interest based on the variable bank base rate and is held with Barclays Bank plc.

Maturity of financial liabilities

The maturity profile of the carrying amount of the Group's financial liabilities (including interest payments), other than short term trade payables and accruals which are due within one year was as follows:

	Bank Debt £'m	Other financial liabilities £'m	2014 Total £'m	Bank Debt £'m	Other financial liabilities £'m	2013 Total £'m
Within one year, or on demand	1.2	0.4	1.6	9.8	0.7	10.5
Between one and two years	0.1	–	0.1	2.8	1.2	4.0
Between two and five years	37.2	–	37.2	7.4	–	7.4
	38.5	0.4	38.9	20.0	1.9	21.9

Borrowing facilities

The Group has a finance facility with Barclays Bank plc. This facility comprises a term loan of £15.0m expiring on 11 March 2019, a 3 year revolving credit facility (RCF) of £30.0m, expiring on 11 March 2017, and an on demand net overdraft facility of £1.5m (2013: a term loan of £12.7m expiring on 30 June 2016, a 3 year revolving credit facility (RCF) of £3.0m, an on demand net overdraft facility of £1.5m and an invoice discounting facility of £5.3m). An offset facility is in place and on a gross basis, £7.2m of the overdraft facility was unutilised at 31 December 2014 (2013: £4.2m). Details of security are given in note 18. Committed but undrawn borrowing facilities as at 31 December 2014 amounted to £8.3m (2013: £2.6m).

All of the Group's borrowings are in Sterling.

Fair values of financial assets and financial liabilities

The Group's financial assets and liabilities bear floating interest rates and are relatively short term in nature. In the opinion of the Directors the book values of the assets and liabilities equate to their fair value.

Interest rate management

The Group holds two interest rate swaps. The Group exchanges the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the issued variable rate debt held. The fair value of the interest rate swaps at the year end is as follows:

	Average contracted fixed interest rate		Notional principal amount		Fair value	
	2014 %	2013 %	2014 £'m	2013 £'m	2014 £'m	2013 £'m
1 to 2 years	2.8	2.8	3.3	3.6	–	–
2 to 5 years	2.8	2.8	0.6	0.9	(0.1)	(0.2)
2 to 5 years	1.5	1.5	0.6	1.1	–	–

The interest rate swap of 2.8% was entered into on 13 July 2011, expires on 30 June 2016 and settles on a quarterly basis. The swap was for £5.0m and decreases on a straight line basis so that it totals 50% of the original term loan facility. A further swap was entered into on 13 March 2013 for £1.5m in order to hedge the additional £1.5m term loan, put in place to fund the acquisition of Harrow Green. Both of these term facilities were repaid in 2014. As the hedge was not designated as effective on inception the movement in fair value has been taken to profit or loss. The valuation of derivatives is within level 2 of the fair value hierarchy as the significant inputs to the valuation are observable.

The hierarchy levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

21 PROVISIONS

Onerous lease provisions	2014 £'m	2013 £'m
1 January 2014	2.4	3.1
Used during the year	(0.6)	(0.5)
Released during the year	–	(0.2)
Arising on the acquisition of Cintas	5.4	–
31 December 2014	7.2	2.4

The onerous leases provision relates to future payments on onerous leases as required in the lease agreements. £1.3m of costs are expected to be incurred within one year and the balance over the next 8 years. This provision has been discounted at 8%.

Provisions are analysed as follows:

	2014 £'m	2013 £'m
Current	1.0	0.4
Non-current	6.2	2.0
Total	7.2	2.4

The provision arising on the acquisition of Cintas relates to a number of onerous leases expiring between March 2015 and March 2030 in relation to paying over market rent. The provision has been discounted at 8%.

22 DEFERRED TAX

Summary of balances	2014 £'m	2013 £'m
Deferred tax liabilities	(6.2)	(4.5)
Deferred tax asset	4.2	2.0
Net position at 31 December	(2.0)	(2.5)

The movement in the year in the Group's net deferred tax position is as follows:

	2014 £'m	2013 £'m
1 January	(2.5)	(1.9)
Charge to profit or loss for the year	–	(0.2)
Tax credited directly to equity	1.2	0.3
Acquisitions	(0.7)	(0.7)
31 December	(2.0)	(2.5)

The following are the major deferred tax liabilities and assets recognised by the Group and the movements thereon during the year:

Deferred tax liabilities

	Accelerated capital allowances £'m	On intangible assets £'m	Properties £'m	Total £'m
1 January 2013	(0.5)	(2.2)	(1.2)	(3.9)
(Charge)/credit to income for the year	(0.4)	0.4	0.1	0.1
Acquisitions	–	(0.7)	–	(0.7)
31 December 2013	(0.9)	(2.5)	(1.1)	(4.5)
(Charge)/credit to income for the year	(0.3)	0.3	0.1	0.1
Acquisitions	(0.1)	(1.7)	–	(1.8)
31 December 2014	(1.3)	(3.9)	(1.0)	(6.2)

Deferred tax assets

	Share based payments £'m	Losses £'m	Depreciation in excess of capital allowances £'m	Provisions £'m	Total £'m
1 January 2013	0.8	0.5	0.3	0.4	2.0
Credit/(charge) to income for the year	0.1	(0.2)	(0.2)	–	(0.3)
Transactions with owners	0.3	–	–	–	0.3
31 December 2013	1.2	0.3	0.1	0.4	2.0
Credit/(charge) to income for the year	0.2	(0.1)	–	(0.2)	(0.1)
Acquisitions	–	–	–	1.1	1.1
Transactions with owners	1.2	–	–	–	1.2
31 December 2014	2.6	0.2	0.1	1.3	4.2

A deferred tax asset has been recognised on the share based payments charge. An amount of £1.2m (2013: £0.3m) has been taken directly to equity.

A deferred tax asset of £0.2m (2013: £0.3m) has been recognised on brought forward tax losses due to greater certainty over recoverability of the asset. A potential deferred tax asset amounting to £1.2m (2013: £nil) on tax losses of £5.9m (2013: £nil) has not been recognised due to uncertainty over the recoverability of the asset.

23 CALLED UP SHARE CAPITAL

	2014 £'m	2013 £'m
Authorised:		
199,000,000 ordinary shares of 5p each	10.0	9.9
Allotted, issued and fully paid:		
82,213,540 (2013: 74,900,491) ordinary shares of 5p each	4.1	3.7

The issued ordinary share capital is as follows:

Date	Number of ordinary shares	Issue price
1 January 2013	68,207,932	
21 March 2013 – equity raised to acquire File and Data and placing of new shares	3,033,404	111.0p
26 March 2013 – exercise of share options	34,000	32.5p
9 April 2013 – equity raised to acquire File and Data and placing of new shares	3,525,155	111.0p
18 October 2013 – exercise of share options	100,000	83.0p
31 December 2013	74,900,491	
3 July 2014 – exercise of share options	80,000	83.0p
18 August 2014 – exercise of share options	20,000	83.0p
7 October 2014 – equity raised to acquire Cintas	7,090,049	210.0p
16 October 2014 – exercise of share options	123,000	32.5p
31 December 2014	82,213,540	

24 SHARE PREMIUM ACCOUNT

	2014 £'m	2013 £'m
1 January	21.3	14.6
Premium on shares issued during the year	14.6	7.0
Share issue costs	(0.6)	(0.3)
31 December	35.3	21.3

The Company may use the reserve to reduce a deficit in the Profit and Loss account of the Company from time to time subject to shareholders and court approval, and the Company may release the reserve upon transferring to a blocked trust bank account a sum equal to the remaining amount outstanding to non-consenting creditors that existed at the date of the capital reduction.

25 OTHER RESERVES

	Share based payments reserve £'m	Capital contribution reserve £'m	Total Other reserves £m
1 January 2013	0.9	2.0	2.9
Charge for the year	0.5	–	0.5
Deferred tax on share based payments charge	0.3	–	0.3
Transfers*	0.2	(2.0)	(1.8)
31 December 2013	1.9	–	1.9
Charge for the year	1.0	–	1.0
Deferred tax on share based payments charge	1.2	–	1.2
Transfers*	(0.3)	–	(0.3)
31 December 2014	3.8	–	3.8

* A net amount of £0.3m has been reclassified from share based payments reserve to retained earnings in respect of lapsed and exercised options, 2013: £0.2m (in respect of lapsed options £0.4m and deferred tax £0.6m). The capital contribution has been transferred to retained earnings following settlement of the management incentive scheme in 2013.

Since 30 June 2005, the share based payments reserve comprises charges made to the income statement in respect of share based payments under the Group's equity compensation scheme.

26 RETAINED EARNINGS

	2014 £'m	2013 £'m
1 January	20.2	15.4
Profit for the year	4.9	4.3
Dividends paid	(1.6)	(1.3)
Transfers*	0.3	1.8
31 December	23.8	20.2

* A net amount of £0.3m has been reclassified from share based payments reserve to retained earnings in respect of lapsed and exercised options 2013: £0.2m (in respect of lapsed options, £0.4m and deferred tax £0.6m). The capital contribution has been transferred to retained earnings following settlement of the management incentive scheme in 2013.

Retained earnings are the balance of income retained by the Group. Retained earnings may be distributed to shareholders by a dividend payment.

27 CASH INFLOW FROM OPERATIONS

	Year ended 31 December 2014 £'m	Year ended 31 December 2013 £'m
Profit before tax	6.1	5.0
Depreciation of property, plant and equipment	1.9	1.2
Amortisation of intangible assets	1.9	1.3
Net finance costs	0.8	0.7
Share based payments charge	1.0	0.5
Increase in inventories	(0.2)	(0.2)
(Increase)/decrease in trade and other receivables	(2.4)	1.2
(Decrease)/increase in trade and other payables	(3.5)	0.5
Net cash generated from operations	5.6	10.2

28 PENSIONS

The Group operates a number of defined contribution schemes for all qualifying employees. The assets of the schemes are held separately from those of the Group in funds under the control of trustees. The total cost charged to income of £0.3m (2013: £0.2m) represents contributions payable to these schemes by the Group at rates specified in the rules of the plan.

29 SHARE BASED PAYMENTS

Share options scheme

The Restore share option scheme was introduced in May 2005. Under the scheme the Remuneration Committee can grant options over shares in the Company to Directors and employees of the Group. Options are granted at a fixed price equal to the market price of the shares under option at the date of grant. The contractual life of the option is 10 years. Awards under the scheme are generally reserved for employees at senior management level and above.

Between 2010 and 2014 the Company made a grant of options to senior management and Directors, on which there are no performance conditions and which are exercisable within 2–10 years.

Options were valued using a stochastic model. The fair value per option and the assumptions used in the calculation are as follows:

Grant date	2 December 2014	27 November 2013	21 June 2012	30 July 2011	3 May 2011	16 April 2010
Share price at grant date	240.0p	149.5p	83.0p	60.0p	53.0p	41.0p
Exercise price	240.0p	149.5p	83.0p	69.5p	50.0p	32.5p
Number of employees	2	10	13	1	4	7
Share options granted	200,000	675,000	3,422,588	400,000	1,160,000	3,360,000
Vesting period (years)	3	3	2	2	2	2
Expected volatility	30%	30%	30%	30%	30%	30%
Option life (years)	10	10	10	10	10	10
Expected life (years)	6	6	6	6	6	6
Risk free rate	4.0%	4.0%	4.0%	4.0%	4.0%	5.6%
Expected dividends expressed as a dividend yield	0%	0%	0%	0%	0%	0%
Fair value per option	90.2p	55.9p	30.4p	18.9p	21.0p	5.0p

The total fair value of options issued in the year was £0.2m (2013: £0.4m). The volatility is measured by calculating the standard deviation of the natural logarithm of share price movements.

29 SHARE BASED PAYMENTS CONTINUED

A reconciliation of share option movements over the two years to 31 December 2014 is:

Grant date	Number	2014 Weighted average exercise price	Number	2013 Weighted average exercise price
Outstanding at 1 January	7,084,588	68p	8,666,176	51p
Granted	200,000	240p	675,000	149.5p
Exercised	(223,000)	36.5p	(2,256,588)	4p
Lapsed	(25,000)	149.5p	–	–
Outstanding at 31 December	7,036,588	73.1p	7,084,588	68p
Exercisable at 31 December	6,186,588	59.7p	3,087,000	34.3p

The options outstanding at 1 January 2013 have been restated to include the options in issue under the management incentive scheme which was settled in 2013.

The options outstanding at 31 December 2014 had an exercise price of between 32.5p and 240.0p and a weighted average remaining contractual life of 5.6 years (2013: 6.6 years). The weighted average share price at exercise date for options exercised in the year was 208.0p.

Executive Incentive Plan (EIP)

The Directors interests in the performance units of the EIP is as follows:

	2014	2013
Charles Skinner	66,667	66,667
Adam Councell	16,666	16,667

No payment has been made for the grant of these awards. Performance units will convert into a certain number of ordinary shares (in the form of nil-cost options) at the end of a three year performance period, provided that the value created for shareholders is in excess of a hurdle ("Threshold Hurdle") calculated by reference to 10% annualised growth in the market capitalisation of the Company plus dividend payments minus net shareholder investments, from the start of the performance period being 26 November 2013. Providing the Threshold Hurdle has been achieved by the end of the performance period, participants will be entitled to receive in aggregate 10% of the value created for shareholders above the hurdle. 50% of the entitlement will vest at the end of the performance period with 25% at the end of each of the following two years.

The fair value per unit and the assumptions used in the calculation are as follows:

Date of grant	Share price at date of grant (pence)	Exercise price (pence)	Expected dividend yield (%)	Expected volatility (%)	Risk-free rate (%)	Term (years)	Fair value per unit (£)
26 November 2013	149.5	–	1.1	37.7	0.7	3	18

30 DIRECTORS AND EMPLOYEES

Staff costs during the year	2014 £'m	2013 £'m
Wages and salaries	17.2	13.5
Social security costs	1.7	1.4
Pension costs	0.3	0.2
Share based payments charge	1.0	0.5
	20.2	15.6

Average monthly number of employees during the year	Number	Number
Directors	2	2
Management	107	57
Administration	66	89
Operatives	561	398
	736	546

No Directors exercised share options during the year.

Total amounts for Directors' remuneration and other benefits	2014 £'m	2013 £'m
Emoluments for Directors' services	0.8	0.7
Directors' remuneration shown above included the following amounts in respect of the highest paid Director		
Salary and benefits	0.4	0.4

	2014 £'m	2013 £'m
Key management compensation		
Short-term employment benefits	2.0	1.7
Post employment benefits	0.1	0.1
Share based payments	1.0	0.5
	3.1	2.3

The key management of the Group are management attending divisional board meetings within each division.

31 LEASING COMMITMENTS

The Group leases various premises and assets under non-cancellable operating lease agreements of varying terms. The majority of the lease agreements are renewable at the end of the lease period at market rate.

	Land and buildings		Plant and machinery	
Future aggregate minimum lease payments under non-cancellable operating leases	2014 £'m	2013 £'m	2014 £'m	2013 £'m
– Within one year	5.4	4.5	1.0	1.0
– Within two to five years	21.6	16.2	1.7	2.1
– Over five years	51.9	15.7	–	0.1
	78.9	36.4	2.7	3.2

The operating leases represent rentals payable by the Group for certain properties, vehicles and equipment.

32 CAPITAL COMMITMENTS

Capital expenditure	2014 £'m	2013 £'m
Contracted for but not provided in the financial statements	0.1	0.1

33 CONTINGENT LIABILITIES

The Company has entered into a bank cross guarantee with its subsidiaries. The guarantee amounts to £30.8m at 31 December 2014 (2013: £16.7m). The assets of the Company and its subsidiaries are pledged as security for the bank borrowings, by way of a fixed and floating charge.

34 RELATED PARTY TRANSACTIONS AND CONTROLLING PARTY

The remuneration of key management personnel and details of the Directors' emoluments are shown in note 30. Dividends of £11,370 and £7,404 (2013: £9,204 and £5,993) were paid to Charles Skinner and Sir William Wells respectively.

The Directors do not consider there to be a controlling party.

35 POST BALANCE SHEET EVENTS

On 2 January 2015, the Group acquired the business and assets of Ancora Solutions, a records management business, for cash consideration of £0.5m and is still in the process of establishing the fair value of the assets and liabilities acquired.

On 2 March 2015, the Group paid the final tranche of contingent consideration of £0.2m in respect of IT Efficient Limited.

COMPANY BALANCE SHEET

As at 31 December 2014

Company registered no. 05169780

	Note	2014 £'m	2013 £'m
Fixed assets			
Intangible assets	36	18.5	17.2
Tangible fixed assets	37	13.9	12.3
Investments	38	53.8	26.3
		86.2	55.8
Current assets			
Stock	39	0.1	0.1
DEBTORS: Due within one year	40	8.4	7.6
DEBTORS: Due after more than one year	40	13.8	10.5
Cash at bank		2.7	1.0
		25.0	19.2
Creditors: Amounts falling due within one year	41	(9.0)	(12.1)
Net current assets		16.0	7.1
Total assets less current liabilities		102.2	62.9
Creditors: Due after more than one year	42	(51.5)	(26.6)
Provisions for liabilities	43	(1.0)	(0.8)
Net assets		49.7	35.5
Capital and reserves			
Called up share capital	44	4.1	3.7
Share premium account	45	35.3	21.3
Other reserves	46	1.6	1.0
Profit and loss account	47	8.7	9.5
Shareholders' funds	48	49.7	35.5

These financial statements were approved by the Board of Directors and authorised for issue on 24 March 2015 and were signed on its behalf by:

Charles Skinner
Chief Executive

Adam Councell
Group Finance Director

COMPANY ACCOUNTING POLICIES

These Financial Statements for the Company have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom (UK GAAP). The Directors consider that the accounting policies set out below are suitable, are supported by reasonable judgements and estimates and have been consistently applied except where stated below. A summary of the more important accounting policies is set out below.

GOING CONCERN

The going concern basis has been applied in these accounts on the basis that funds will be made available from other group companies.

The going concern position is discussed further in the consolidated financial statements of the Group on page 41 and applies to the Company.

COMPANY PROFIT AND LOSS ACCOUNT

In accordance with section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account. The result for the financial year of the Company is disclosed in note 48 to these Financial Statements.

DIVIDEND INCOME

In the Company's financial statements, dividends received and receivable are recognised when the right to receive payment is established.

INVESTMENTS

The Company's investment in shares in Group companies are stated at cost less provision for impairment plus capital contributions in respect of share based payments.

TANGIBLE FIXED ASSETS

The costs of tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition. Depreciation is provided on a straight line basis on all property, plant and equipment, except freehold land.

	Per annum
Freehold and long leasehold buildings	2–5%
Long leasehold land	over the remaining life of the lease
Leasehold improvements	over the life of the lease
Plant and machinery	5–50%
Racking	5%
Office equipment, fixtures and fittings	10–40%
Motor vehicles	20–25%
Software	20–33%

DEFERRED TAXATION

Deferred taxation is recognised in respect of timing differences which have originated but not reversed at the balance sheet date based on tax rates enacted or substantively enacted. Deferred tax assets are recognised when their recovery is assessed as more likely than not. Deferred tax assets and liabilities are not discounted.

SHARE BASED PAYMENTS

The fair value of share based payments granted to employees is charged over the vesting period of the related share options or share allocations. The charge is based on the fair value of the options and shares allocated determined using a stochastic pricing model, which is appropriate given the vesting and other conditions attached to the options. The value of the charge is adjusted at each balance sheet date to reflect expected and actual levels of vesting.

PROVISIONS FOR LIABILITIES

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at an appropriate pre-tax discount rate.

GOODWILL

Purchased goodwill representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its useful economic life of 10 years.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2014

36 INTANGIBLE ASSETS

Goodwill

	£'m
Cost	
1 January 2014	20.3
Acquired – Magnum	3.3
Acquired – Papersafe	0.3
31 December 2014	23.9
Accumulated amortisation	
1 January 2014	3.1
Charge for the year	2.3
31 December 2014	5.4
Carrying amount	
31 December 2014	18.5
31 December 2013	17.2

37 TANGIBLE FIXED ASSETS

	Freehold and long leasehold and buildings £'m	Leasehold improvements £'m	Racking plant and machinery £'m	Office equipment fixtures and fittings £'m	Motor vehicles £'m	Software £'m	Total £'m
Cost							
1 January 2014	5.0	1.2	3.7	2.2	0.1	1.2	13.4
Reclassification	–	–	1.9	(1.9)	–	–	–
Additions	–	0.3	0.9	0.1	–	0.3	1.6
Acquisitions	0.3	0.2	0.5	0.1	–	0.1	1.2
31 December 2014	5.3	1.7	7.0	0.5	0.1	1.6	16.2
Accumulated depreciation							
1 January 2014	0.1	0.2	0.4	–	–	0.4	1.1
Charged in the year	–	0.1	0.5	0.2	–	0.4	1.2
31 December 2014	0.1	0.3	0.9	0.2	–	0.8	2.3
Net book value							
31 December 2014	5.2	1.4	6.1	0.3	0.1	0.8	13.9
31 December 2013	4.9	1.0	3.3	2.2	0.1	0.8	12.3

Management have made certain reclassifications in the year to better reflect the substance of the assets.

38 INVESTMENTS

Shares in subsidiary undertakings

	£'m
Cost	
1 January 2014	55.1
Acquired – Magnum	3.3
Acquired – Filebase	0.4
Acquired – Papersafe	0.2
Acquired – Cintas	26.9
Capital Contribution – Subsidiary share based payments	0.1
Transfer to goodwill (less deferred taxation)	(3.4)
31 December 2014	82.6
Provision for impairment	
At 1 January and 31 December 2014	28.8
Net book value	
31 December 2014	53.8
31 December 2013	26.3

At 31 December 2014 the Company held directly and indirectly equity and voting rights of the following undertakings:

Company	Class of holding	% held	Country of incorporation	Nature of business
Document Management Division				
*Wansdyke Security Limited**	Ordinary	100%	England and Wales	Records Management
Document Control Services Limited**	Ordinary	100%	England and Wales	Document Scanning
*Stapledon Holdings Limited**	Ordinary	100%	England and Wales	Holding Company
*Restore Shred Limited**	Ordinary	100%	England and Wales	Shredding Services
*File and Data Storage Limited**	Ordinary	100%	England and Wales	Records Management
* Magnum Secure Limited**	Ordinary	100%	England and Wales	Holding Company
Magnum Docstore Limited**	Ordinary	100%	England and Wales	Records Management
*Filebase Limited **	Ordinary	100%	England and Wales	Records Management
*Papersafe (UK) Limited**	Ordinary	100%	England and Wales	Dormant
*Restore 2 Limited**	Ordinary	100%	England and Wales	Records Management and Document Scanning
Preview Services Limited	Ordinary	100%	England and Wales	Dormant
Keymorr imaging Services Limited	Ordinary	100%	England and Wales	Dormant
Relocations Division				
*Sargents Trading Limited	Ordinary	100%	England and Wales	Dormant
*Harrow Green Limited	Ordinary	100%	England and Wales	Relocations
Relocom Limited**	Ordinary	83%	England and Wales	Relocations
*IT Efficient Limited**	Ordinary	100%	England and Wales	IT Asset Disposal

* Held directly
** The Company has taken the exemption from audit under section 479A of the Companies Act 2006.

Dormant companies are exempt from filing accounts under section 394 of the Companies Act 2006.

39 INVENTORIES

	2014 £'m	2013 £'m
Finished goods and goods for resale	0.1	0.1

40 DEBTORS

	2014 £'m	2013 £'m
Trade debtors	5.0	3.9
Amounts due from Group undertakings	0.4	0.1
Other debtors	0.1	0.8
Prepayments and accrued income	2.9	2.8
	8.4	7.6
Due after more than one year		
Amounts due from Group undertakings	13.8	10.5
Total	22.2	18.1

41 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'m	2013 £'m
Bank overdraft	–	0.1
Bank loans	2.5	5.7
Trade creditors	1.9	2.5
Amounts due to Group undertakings	0.3	0.2
Other taxation and social security	1.2	0.7
Corporation tax	0.5	0.2
Other creditors	0.7	1.3
Accruals and deferred income	1.9	1.4
	9.0	12.1

Bank overdrafts and loans are classified as follows:

	2014 £'m	2013 £'m
Current		
Bank loans and overdrafts due within one year		
Overdrafts on demand	–	0.1
Bank loans – secured	2.5	5.7
	2.5	5.8
Non-current (note 42)		
Bank loans – secured	34.1	10.0

42 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £'m	2013 £'m
Bank loans	34.1	10.0
Other long term liabilities	–	1.0
Amounts due to group undertakings	17.4	15.6
	51.5	26.6
Amounts falling due:		
After one and within two years	2.1	2.7
Between two years and five years	49.4	23.9
	51.5	26.6

The bank debt is due to Barclays Bank plc and is secured by a fixed and floating charge over the assets of The Group. The interest rates applied to the amounts due to group undertakings ranged from 2.23% above base rates to 3.38% above base rates. An analysis of Group borrowings is given in note 20.

43 PROVISIONS FOR LIABILITIES

	Deferred tax £'m	Property provision £'m	2014 £'m
1 January 2014	0.7	0.1	0.8
Acquired	0.1	–	0.1
Charged to profit and loss	0.1	–	0.1
31 December 2014	0.9	0.1	1.0

44 SHARE CAPITAL

	2014 £'m	2013 £'m
Authorised:		
199,000,000 ordinary shares of 5p each	10.0	9.9
Allotted, issued and fully paid:		
82,213,540 (2013: 74,900,491) ordinary shares of 5p each	4.1	3.7

The issued ordinary share capital is as follows:

Date	Number of ordinary shares	Issue price
1 January 2013	68,207,932	
21 March 2013 – equity raised to acquire File and Data and placing of new shares	3,033,404	111.0p
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9 April 2013 – equity raised to acquire File and Data and placing of new shares	3,525,155	111.0p
18 October 2013 – exercise of share options	100,000	83.0p
31 December 2013	74,900,491	
3 July 2014 – exercise of share options	80,000	83.0p
18 August 2014 – exercise of share options	20,000	83.0p
7 October 2014 – equity raised to acquire Cintas	7,090,049	210.0p
16 October 2014 – exercise of share options	123,000	32.5p
31 December 2014	82,213,540	

45 SHARE PREMIUM ACCOUNT

	2014 £'m	2013 £'m
1 January	21.3	14.6
Premium on shares issued during the year	14.6	7.0
Share issue costs	(0.6)	(0.3)
31 December	35.3	21.3

The Company may use the reserve to reduce a deficit in the Profit and Loss account of the Company from time to time subject to shareholders and court approval, and the Company may release the reserve upon transferring to a blocked trust bank account a sum equal to the remaining amount outstanding to non-consenting creditors that existed at the date of the capital reduction.

46 OTHER RESERVES

	Share based payments reserve £'m	Capital contribution reserve £'m	Total other reserves £m
1 January 2013	0.9	2.0	2.9
Charge for the year	0.5	–	0.5
Transfers*	(0.4)	(2.0)	(2.4)
31 December 2013	1.0	–	1.0
Charge for year	0.9	–	0.9
Transfers*	(0.3)	–	(0.3)
31 December 2014	1.6	–	1.6

* In 2014, a net amount of £0.3m has been reclassified from share based payments reserve to retained earnings in respect of lapsed and exercised options. In 2013, an amount of £0.4m has been reclassified from share based payments reserve to retained earnings in respect of lapsed options. A capital contribution was transferred to retained earnings following settlement of the management incentive scheme in 2013.

47 PROFIT AND LOSS ACCOUNT

	2014 £'m	2013 £'m
1 January	9.5	8.4
Profit for the year	0.5	–
Transfers*	0.3	2.4
Dividends	(1.6)	(1.3)
31 December	8.7	9.5

* In 2014, a net amount of £0.3m has been reclassified from share based payments reserve to retained earnings in respect of lapsed and exercised options. In 2013, an amount of £0.4m has been reclassified from share based payments reserve to retained earnings in respect of lapsed options. A capital contribution was transferred to retained earnings following settlement of the management incentive scheme in 2013.

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The Company's profit for the financial year was £546,000 (2013: loss £15,000).

48 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £'m	2013 £'m
Profit for the financial year	0.5	–
Issue of shares	15.0	7.3
Share issue costs	(0.6)	(0.3)
Share based payments charge	0.9	0.5
Dividends	(1.6)	(1.3)
Net addition to shareholders' funds	14.2	6.2
Opening shareholders' funds	35.5	29.3
Closing shareholders' funds	49.7	35.5

49 LEASING COMMITMENTS

	Land and buildings		Plant and machinery	
Annual commitment under non-cancellable operating leases	2014 £'m	2013 £'m	2014 £'m	2013 £'m
– Operating leases which expire:				
– Within one year	0.1	0.1	–	–
– Within two to five years	0.6	0.7	0.3	0.2
– Over five years	3.1	2.6	–	–
	3.8	3.4	0.3	0.2

50 CONTINGENT LIABILITIES

The Company has entered into a bank cross guarantee with its subsidiaries. The guarantee amounts to £30.8m at 31 December 2014 (2013: £16.7m). The assets of the Company and its subsidiaries are pledged as security for the bank borrowings by way of a fixed and floating charge.

NOTICE OF ANNUAL GENERAL MEETING

RESTORE PLC

Notice is hereby given that the Annual General Meeting of Restore plc ("the Company") will be held at 66 Grosvenor Street, London W1K 3JL on 15 May 2015 at 12 p.m. for the following purposes:

ORDINARY BUSINESS

1. To receive the Company's annual accounts for the financial year ended 31 December 2014, together with the Directors' report and the auditors' report on those accounts.
2. To re-appoint Baker Tilly UK Audit LLP as auditors to the Company to hold office from the conclusion of the meeting until the conclusion of the next annual general meeting at which accounts are laid.
3. To authorise the Directors to set the auditors' remuneration.
4. To re-appoint Sharon Baylay, who has been appointed by the Board since the last Annual General Meeting, as a Director of the Company.
5. To re-appoint James Christie Falconer Wilde, who has been appointed by the Board since the last Annual General Meeting, as a Director of the Company.
6. To re-appoint Charles Antony Lawrence Skinner, who retires by rotation pursuant to the Company's articles of association, as a Director of the Company.
7. To re-appoint Sir William Henry Weston Wells, who retires by rotation pursuant to the Company's articles of association, as a Director of the Company.
8. To declare a final dividend of 1.6 pence per ordinary share in respect of the year ended 31 December 2014. This dividend will be paid on 9 July 2015 to the holders of ordinary shares at 6 p.m. on 12 June 2015 (the ex dividend date being 11 June 2015).

SPECIAL BUSINESS

As special business, to consider and, if thought fit, to pass the following resolutions which will be proposed as to resolution 9 as an ordinary resolution and as to resolutions 10 and 11 as special resolutions:

9. That the Directors be and they are hereby generally and unconditionally authorised in substitution for all existing authorities (but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities) to exercise all the powers of the Company to allot equity securities (as defined in section 560 of the Companies Act 2006 (the "Act")) up to an aggregate nominal amount of £1,370,225.65 (being 27,404,513 ordinary shares of 5 pence each) provided that this authority shall, unless renewed, expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or if earlier on the date which is 15 months after the date of this annual general meeting, except that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offers agreements as if the authority conferred by this resolution had not expired.
10. That, subject to the passing of resolution number 9 above, the Directors be and they are hereby empowered, pursuant to section 570 of the Act, to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by resolution number 9 or by way of a sale of treasury shares as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to:

    10.1 the allotment of equity securities in connection with a rights issue or other pro rata offer in favour of holders of equity securities where the equity securities respectively attributable to the interests of all those persons at such record dates as the Directors may determine are proportionate (as nearly as may be) to the respective numbers of equity securities held by them subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with treasury shares, fractional entitlements, record dates, practical or legal difficulties under the laws of any territory or the requirements of any regulatory body or stock exchange or by virtue of equity securities being represented by depositary receipts or any other matter whatsoever; and

    10.2 the allotment (otherwise than pursuant to paragraph 10.1 above) of equity securities up to an aggregate nominal amount of £411,067.70, and shall expire upon the expiry of the general authority conferred by resolution 9 above, except that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted and/or shares held by the Company in treasury to be sold or transferred after such expiry and the Directors may allot equity securities and/or sell or transfer shares held by the Company in treasury in pursuance of such offers or agreements as if the power conferred by this resolution had not expired.

SPECIAL BUSINESS CONTINUED

11. That the Company be and is hereby generally and unconditionally authorised, in accordance with section 701 of the Act, to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 5 pence each in the capital of the Company ("Ordinary Shares") on such terms and in such manner as the Directors may from time to time determine provided that:

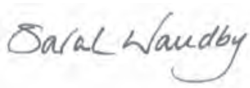
    11.1 the maximum number of Ordinary Shares authorised to be purchased is 8,221,354;

    11.2 the minimum price which may be paid for each Ordinary Share is 5 pence (exclusive of expenses payable by the Company);

    11.3 the maximum price which may be paid for each Ordinary Share (exclusive of expenses payable by the Company) cannot be more than 105 per cent. of the average market value of an Ordinary Share for the five business days prior to the day on which the Ordinary Share is contracted to be purchased;

    The authority conferred shall expire at the conclusion of the next annual general meeting of the Company or if earlier on the date which is 15 months after the date of this annual general meeting except that the Company may before such expiry make a contract to purchase its own shares which will or may be completed or executed wholly or partly after such expiry.

By order of the Board



Sarah Waudby
Company Secretary

24 March 2015

Registered Office
The Databank
Unit 5
Redhill Distribution Centre
Salbrook Road
Redhill
Surrey RH1 5DY

NOTES: THESE NOTES ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

1. A Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint another person of his/her choice as that Shareholder's proxy to exercise all or any of that Shareholder's rights to attend and to speak and vote at the meeting on his/her behalf. A Shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy does not need to be a shareholder of the Company.

2. A Form of Proxy for use in connection with the meeting is enclosed with the document of which this notice forms part. Completion and return of a Form of Proxy will not prevent a Shareholder from attending and voting in person at the meeting. Addresses (including electronic addresses) in this document are included strictly for the purposes specified and not for any other purpose.

3. To appoint a proxy or proxies Shareholders must complete a Form of Proxy, sign it and return it, together with the power of attorney or, any other authority under which it is signed, or a notarially certified copy of such authority, to the Company's registrars, Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF so that it is received no later than 12 p.m. on 13 May 2015.

4. Only those members entered on the register of members of the Company at 6 p.m. on 13 May 2015 or, in the event that this meeting is adjourned, in the register of members as at 6 p.m. on the day two days before the date of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their names at that time. Changes to the entries on the register of members by the close of business on 13 May 2015 or, in the event that this meeting is adjourned, in the register of members before the close of business on the day two days before the date of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held at 12 p.m. on 15 May 2015 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Capita Registrars Limited (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

   CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank proxy form. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you should contact Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

7. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

8. Copies of the following documents will be available for inspection at the Company's registered office during normal working hours on any week day (Saturdays, Sundays and public holidays excepted) from the date of this notice until the date of the Annual General Meeting and at the place of the Annual General Meeting for 15 minutes prior to and during the meeting:

   a. copies of all service agreements or letters of appointment under which the Directors of the Company are employed by the Company.

9. Biographical details of each Director who is being proposed for re-appointment or re-election by shareholders can be found by visiting the Company's website www.restoreplc.com.

EXPLANATION OF RESOLUTIONS

Resolution 9 – authority to allot shares

At the last AGM of the Company held on 22 May 2014, the Directors were given authority to allot ordinary shares in the capital of the Company up to a maximum nominal amount of £1,248,341.50 representing approximately one third of the Company's then issued ordinary share capital.

The Directors consider it appropriate that a further similar authority be granted to allot ordinary shares in the capital of the Company up to a maximum nominal amount of £1,370,225.65 representing approximately one third of the Company's issued ordinary share capital as at 24 March 2015 (the latest practicable date before publication of this document) during the shorter of the period up to the conclusion of the next annual general meeting in 2016 or 15 months.

As at the date of this notice the Company does not hold any ordinary shares in the capital of the Company in treasury.

Resolution 10 – disapplication of statutory pre-emption rights

Resolution 10 will empower the Directors to allot ordinary shares in the capital of the Company for cash on a non-pre-emptive basis:

- in connection with a rights issue or other pro-rata offer to existing shareholders; and
- (otherwise than in connection with a rights issue or other pro-rata offer to existing shareholders) up to a maximum nominal value of £411,067.70, representing approximately 10 per cent of the issued ordinary share capital of the Company as at 24 March 2015 (the latest practicable date before publication of this document).

Resolution 11 – authority to make market purchases of own shares

Resolution 11 gives the Company authority to buy back its own ordinary shares in the market as permitted by the Companies Act 2006. The authority limits the number of shares that could be purchased to a maximum of 8,221,354 (representing approximately 10 per cent. of the Company's issued ordinary share capital as at 24 March 2015 (the latest practicable date before publication of this document)), and sets minimum and maximum prices. This authority will expire at the conclusion of the next annual general meeting or, if earlier, 15 months after the resolution is passed.

The Directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and future funding opportunities. The authority will be exercised only if the Directors believe that to do so would be in the best interest of shareholders generally.

Companies purchasing their own shares are allowed to hold them in treasury as an alterative to cancelling them. No dividends are paid on shares whilst held in treasury and no voting rights attach to treasury shares.

RESTORE PLC
(the "Company")
(registered in England – No. 5169780)

FORM OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING TO BE HELD ON 15 MAY 2015 AT 12 P.M.

I/We

(Name in full in block capitals please)

of

being [a] member[s] of Restore plc appoint the chairman of the meeting or

as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the Company to be held on 15 May 2015 at 12 p.m. and at any adjournment of the meeting, on the resolutions listed below, as indicated by an 'X' in the appropriate box and, on any other resolutions, as he thinks fit.

Please tick here if this proxy appointment is one of multiple appointments being made

Resolution	Business	For	Against	Vote Withheld
Ordinary Resolutions				
1.	To receive the Company's annual accounts for the financial year ended 31 December 2014 together with the Directors' report and the auditor's report on those accounts.			
2.	To re-appoint Baker Tilly UK Audit LLP as auditors.			
3.	To authorise the Directors to set the auditors' remuneration.			
4.	To re-appoint Sharon Baylay as a director of the Company.			
5.	To re-appoint James Wilde as a director of the Company.			
6.	To re-appoint Charles Skinner as a director of the Company.			
7.	To re-appoint Sir William Wells as a director of the Company.			
8.	To declare a dividend of 1.6 pence per Ordinary Share.			
9.	To authorise the Directors to allot shares pursuant to section 551 Companies Act 2006.			
Special Resolutions				
10.	To disapply section 561 Companies Act 2006.			
11.	To authorise the Company to make market purchases of its own shares.			

Signature:

Date: 2015

To return your completed Proxy form
please use the reply paid envelope provided

NOTES

1. A member who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and to vote instead of him/her provided each proxy is appointed to exercise rights in respect of different shares. To appoint more than one proxy (an) additional proxy form(s) may be obtained by contacting Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF, or you may photocopy this page indicating on each copy the name of the proxy you wish to appoint and the number of shares in respect of which the proxy is appointed. All forms must be signed and should be returned to Capita Asset Services in the same envelope.
2. A proxy need not be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the space provided. If you sign and return this proxy form with no name inserted as such, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions.
3. If someone else signed the form on your behalf, you or that person must send the power of attorney or other written authority under which it is signed to the address detailed in Note 6 below.
4. In the case of joint holders, the vote of the senior member who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other of the joint holders. For these purposes, seniority shall be determined by the order in which the names stand on the register of members.
5. In the case of a corporation, this Form of Proxy must be executed under its common seal or signed on its behalf by a duly authorised officer.
6. To be valid any proxy form or other instrument appointing a proxy must be:
   a. completed and signed;
   b. sent or delivered to Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF; and
   c. received by Capita Asset Services no later than 12 p.m. on 13 May 2015.
7. Completion of a Form of Proxy will not affect the right of a member to attend and vote at the Annual General Meeting.
8. To direct your proxy how to vote on the resolutions mark the appropriate box on your proxy form with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
9. Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Capita Asset Services Limited (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
10. You may not use any electronic address provided either in this form of proxy or any related documents (including the notice of meeting) to communicate with the Company for any purposes other than those expressly stated.

OFFICERS AND ADVISERS

COMPANY SECRETARY
Sarah Waudby

REGISTERED NUMBER AND OFFICE
05169780
The Databank, Unit 5
Redhill Distribution Centre
Salbrook Road
Redhill
Surrey
RH1 5DY

NOMINATED ADVISER & BROKER
Cenkos Securities plc
6–8 Tokenhouse Yard
London
EC2R 7AS

PUBLIC RELATIONS
FTI Consulting
200 Aldersgate
Aldersgate Street
London
EC1A 4HD

INVESTOR RELATIONS CONSULTANTS
Broker Profile
Augustine House
6A Austin Friars
London
EC2N 2HA

INDEPENDENT AUDITOR
Baker Tilly UK Audit LLP
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

SOLICITORS
Brabners LLP
55 King Street
Manchester
M2 4LQ

BANKERS
Barclays Bank plc
1 Churchill Place
London
E14 5HP

REGISTRARS
Capita Asset Services
The Registry
34 Beckenham Road
Beckenham Kent
BR3 4TU

TRADING RECORD

Year ended 31 December	2014 £'m	2013 £'m	2012 £'m	2011 £'m	2010 £'m
Revenue	67.5	53.6	43.3	18.8	12.7
Adjusted profit before taxation*	12.0	10.0	6.2	3.7	2.4
Adjusted earnings per share*	12.3p	10.5p	7.4p	4.3p	2.7p
Net debt	(30.9)	(16.0)	(17.8)	(11.6)	(12.3)
Net assets	67.0	47.1	36.3	23.3	16.7

* Before exceptional items, amortisation of intangible assets, share based payments and other finance costs.

FINANCIAL CALENDAR

Annual General Meeting	Held in May
Half year results	September
Financial year end	31 December
Full year results	March

Designed and produced by ACCRUE FULTON www.accruefulton.com

RESTORE PLC

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66 Grosvenor Street
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E: info@restoreplc.com
W: www.restoreplc.com

LOCATIONS

Restore Document Management
The Databank
Unit 5 Redhill Distribution Centre
Salbrook Road
Redhill Surrey
RH1 5DY
T: 0844 725 5540
E: admin@restore.co.uk
W: www.restore.co.uk

Restore Shred
234 Heyford Park
Upper Heyford
Oxfordshire
OX25 5HA

T: 01869 238 521
E: admin@restoreshred.com
W: www.restore.co.uk/shred

Restore Scan
Unit 3 The Links
Popham Close
Feltham
TW13 6JE

T: 0844 725 5540
E: enquiries@restorescan.co.uk
W: www.restore.co.uk/scan

Harrow Green
2 Oriental Road
Silvertown
London
E16 2BZ

T: 0845 603 8774
E: info@harrowgreen.com
W: www.harrowgreen.com

Relocom
Unit 4B-4F
Shefford Industrial Park
St Francis Way
Shefford Bedfordshire
SG17 5DZ
T: 0845 313 1491
E: contactus@relocom.co.uk
W: www.relocom.co.uk

Restore IT Efficient
Unit 4B-4F
Shefford Industrial Park
St Francis Way
Shefford Bedfordshire
SG17 5DZ
T: 01462 813 132
E: ite@itefficient.com
W: www.restore.co.uk/it-disposal