

Shred-it Limited

Report and Financial Statements

31 December 2013

MONDAY



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Shred-it Limited

Director

J Rudyk

Secretary

J Rudyk

Auditors

Ernst & Young LLP
100 Barbirolli Square
Manchester M2 3EY

Bankers

HSBC Bank plc
Heathrow House
785 Bath Road
Cranford Middlesex TW5 9AT

Solicitors

Hammonds LLP
7 Devonshire Square
Cutlers Gardens
London EC2M 4YK

Registered Office

Unit 1 Foresters Green
Trafford Park
Manchester M17 1EJ

Registered No. 4047194

Strategic Report

The directors present their strategic report of the company for the year ending 31 December 2013.

Principal activities and review of the business

The principal activities of the company are the secure destruction of confidential documents.

Results and Review of the Business

The company continued to grow from the prior year with turnover increasing by 22.76% over 2012. The company's operating profit this year is £2,776,827 compared to an operating loss of £71,500 in the prior year. The director is pleased with the company's performance and is confident about continued growth.

We continue to see steady increase in business through organic growth and third party acquisitions. The company has generated significant EBITDA and cash flow during the year to date results for 2014, which strongly supports the overall growth strategy.

Future Outlook

The company predicts continued revenue and EBITDA growth in the coming years.

Whilst competitive activity has intensified over the last 2 years, we remain confident that the market opportunity coupled with our high quality service offering and disciplined execution of our sales and retention plans will ensure that the company continues to grow.

The company continues to listen to the market in the development of new service offerings and we predict some significant additions to our base service offerings in the short term to capitalise on our market leading position in the UK.

In addition to this organic growth, we believe the potential for future acquisitions is also significant.

The above factors point to a positive outlook for the company in the short medium and long term.

Principal risks and uncertainties

Foreign currency risk

The company has no operations outside of the UK but it has amounts payable and receivable from other group companies denominated in currencies other than sterling. As a result the value of the payables and receivables can be affected significantly by movements in exchange rates in general and in the Canadian Dollar and Euro rates in particular. No foreign currency contracts were used during the year.

Interest rate risk

The company does not have any external debt. The loan from the parent undertaking has a fixed interest rate. Fixed interest is received on amounts due from fellow group companies.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. This risk is somewhat mitigated as the company has a low concentration of sales with any one customer. In agreeing annual budgets, the company sets targets for debtors' days and doubtful debts expense against which performance is monitored.

Liquidity risk

The company mitigates liquidity risk by managing cash generation by its operations. The company funding strategy is not to rely on external financing, but to rely on group funding as necessary.

Price risk

The company did not enter into swap or option contracts during the year. No trading in derivative financial instruments has been undertaken in the year.

Director's Report

Registered No. 4047194

Director's Report

The director presents his report and financial statements for the year ended 31 December 2013.

Principal risks and uncertainties have not been disclosed within the Director's Report as they are included in the strategic report.

Results and dividends

The profit for the year after taxation amounted to £3,534,610 (2012 – loss of £1,215,898). The director does not recommend a final dividend (2012 – £nil).

Directors

The directors who served the company during the year were as follows:

J Rudyk

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the company's profit sharing schemes and are encouraged to invest in the company through participation in share option schemes.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

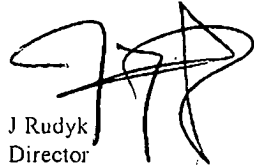
Going concern

The company is expected to generate positive cash flows for the foreseeable future. The parent undertaking has indicated it will not seek repayment of the amounts due to it for a period of at least 12 months from the date of approval of the financial statements. In addition, the parent undertaking will guarantee any amounts owed by fellow Group companies in the event they cannot pay themselves and has provided a letter of support for the company.

Director's Report

On the basis of his assessment of the company's financial position the director has a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the annual financial statements.

On behalf of the Board



J Rudyk
Director

October 31, 2014

Statement of director's responsibilities

The directors are responsible for preparing the strategic report, annual report and the financial statements in accordance with applicable law and regulations.

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

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

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

Independent auditors' report

To the members of Shred-it Limited

We have audited the financial statements of Shred-it Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and Director's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its gain for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Independent auditors' report (continued)

To the members of Shred-it Limited

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Barry Flynn (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester
November 4, 2014

Profit and loss account

for the year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover	2	36,341,886	29,604,818
Cost of sales		(19,805,274)	(17,598,036)
Gross profit		16,536,612	12,006,782
Administrative expenses		(13,759,785)	(12,078,282)
Operating profit/(loss)	3	2,776,827	(71,500)
Interest receivable and similar income		251,648	-
Interest payable to group undertakings	6	(1,846,216)	(1,502,789)
Dividend income		-	577,925
Profit/(loss) on foreign currency translation		3,400,464	(140,756)
Profit/(loss) on ordinary activities before taxation		4,582,723	(1,137,120)
Tax	7	(1,048,113)	(78,778)
Profit/(loss) for the financial year	16	3,534,610	(1,215,898)

All amounts relate to continuing activities.

Statement of total recognised gains and losses

for the year ended 31 December 2013

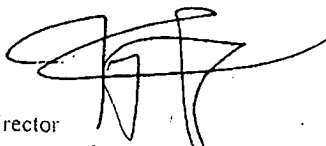
There are no recognised gains or losses other than the gain attributable to the shareholders of the company of £3,534,610 in the year ended 31 December 2013 (2012 – loss of £1,215,898).

Balance sheet

at 31 December 2013

	Notes	2013 £	2012 £
Fixed assets			
Intangible assets	8	20,583,306	10,977,426
Tangible assets	9	7,421,860	7,031,910
Investments	10	9,255,476	7,283,688
		<u>37,260,642</u>	<u>25,293,024</u>
Current assets			
Debtors	11	22,941,828	14,826,369
Cash at bank and in hand		<u>3,064,241</u>	<u>1,936,735</u>
		26,006,069	16,763,104
Creditors: amounts falling due within one year	12	<u>(5,169,495)</u>	<u>(2,756,973)</u>
Net current assets		20,836,574	14,006,131
Total assets less current liabilities		<u>58,097,216</u>	<u>39,299,155</u>
Creditors: amounts falling due after more than one year	13	<u>(68,388,401)</u>	<u>(58,214,036)</u>
Net liabilities		<u>(10,291,185)</u>	<u>(18,914,881)</u>
Capital and reserves			
Called up share capital	15	5,089,186	100
Profit and loss account	16	(15,380,371)	(18,914,981)
Shareholders' deficit	16	<u>(10,291,185)</u>	<u>(18,914,881)</u>

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


 Director
J RUDYK

Notes to the financial statements

at 31 December 2013

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. Under the provision of section 401 of the Companies Act 2006, the company is exempt from preparing group financial statements and has not done so; therefore, the financial statements show information about the company as an individual entity.

Going concern

The company is expected to generate positive cash flows for the foreseeable future. The parent undertaking has indicated it will not seek repayment of the amounts due to it for a period of at least 12 months from the date of approval of the financial statements. In addition, the parent undertaking will guarantee any amounts owed by fellow Group companies in the event they cannot pay themselves.

On the basis of his assessment of the company's financial position the director has a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement of cash flows

The director has taken advantage of the exemption in FRS 1 (revised 1996) from including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its parent publishes a group statement of cash flows.

Goodwill

Goodwill is the difference between the cost of an acquired entity and the aggregate fair value of that entity's identifiable assets and liabilities.

Positive goodwill arising on acquisition is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or circumstances indicate that the carrying value may not be recoverable.

Turnover

Turnover is recognised consistently with the right to receive consideration in exchange for the performance of supplying services.

Franchise fees are recognised on the commencement of the franchisee's operations and the company's completion of all material conditions under the franchise agreement attributable to the fees. In the case of a franchise sale, which includes a number of individual territories and requires the franchise fees to be paid over an extended period of time, the franchise fees are recognised on the basis of reasonable assurance of collection.

Intangible fixed assets

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Customer contracts	–	amortised straight-line over ten years
Non-competition agreements	–	amortised straight-line over the length of the agreement
Franchise right	–	amortised straight-line over ten years

Notes to the financial statements

at 31 December 2013

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Plant and machinery	–	Straight line – 3 to 10 years
Leasehold improvements	–	Straight line over lease term
Fixtures and fittings	–	Reducing balance – 20 – 30%
Commercial vehicles	–	25% reducing balance

Amortisation of property, plant and equipment begins when assets are ready for their intended use.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Investments are accounted at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Notes to the financial statements

at 31 December 2013

1. Accounting policies (continued)

Leasing and hire purchase commitments

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight-line basis, and the capital element which reduces the outstanding obligation for future instalments.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit on a straight-line basis over the period of the lease.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is attributable to two continuing principal activities, as stated in the director's report. All turnover arose in the United Kingdom.

An analysis of turnover by the two principal activities, the secure destruction of confidential documents and franchising is given below:

	2013 £	2012 £
Data destruction	35,230,583	27,742,295
Franchise fees	<u>1,111,303</u>	<u>1,862,523</u>
	<u>36,341,886</u>	<u>29,604,818</u>

3. Operating Profit

This is stated after charging:

	2013 £	2012 £
Auditors' remuneration – audit of financial statements	69,230	25,000
Depreciation of owned fixed assets	2,040,565	2,107,736
Depreciation of assets held under finance lease agreements	36,028	36,028
Profit on disposal of fixed assets	2,830	-
Amortisation of other intangible assets	243,814	530,510
Amortisation of goodwill	841,538	205,193
Operating lease charges	<u>953,236</u>	<u>734,603</u>

4. Director's remuneration

The remuneration of the company's director is paid by the parent undertaking. However, a management charge in respect of administration costs has been made by the company's parent undertaking. This charge includes approximately £10,000 (2012 – £10,000) representing the cost of the director's time.

Notes to the financial statements

at 31 December 2013

5. Staff costs

	2013 £	2012 £
Wages and salaries	13,506,910	12,502,633
Social security costs	2,456,841	1,906,270
	<u>15,963,751</u>	<u>14,408,903</u>

The average monthly number of employees during the year was made up as follows:

	No.	No.
Operations	305	226
Administrative	153	153
	<u>458</u>	<u>379</u>

6. Interest payable and similar charges

	2013 £	2012 £
Other similar charges payable	<u>1,846,216</u>	<u>1,502,789</u>

7. Tax

(a) Tax on profit/(loss) on ordinary activities

The tax expense is made up as follows:

	2013 £	2012 £
Current tax:		
UK corporation tax on the profit for the year (note 7(b))	1,014,554	52,513
Adjustments in respect of prior years	33,559	26,565
Total current tax (note 7(b))	<u>1,048,113</u>	<u>78,778</u>
Deferred tax:		
Adjustments in respect of prior years (note 7(c))	-	-
Tax expense for the year	<u>1,048,113</u>	<u>78,778</u>

Notes to the financial statements

at 31 December 2013

7. Tax (continued)

(b) Factors affecting the current tax expense for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 23.24% (2012 – 24.49%). The differences are explained below:

	2013 £	2012 £
Profit/(loss) on ordinary activities before tax	4,582,723	(1,137,120)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.24% (2012 – 24.49%)	1,065,326	(278,516)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(75,267)	210,270
Depreciation in excess of capital allowances	60,813	120,459
Release of valuation allowance	(36,317)	–
Adjustments in respect of prior years	33,559	26,565
Current tax for the year (note 7(a))	1,048,113	78,778

(c) Deferred tax

Unprovided deferred tax is as follows:

	2013 £	2012 £
Excess of depreciation over taxation allowances on fixed assets	60,884	87,268
Other	2,444	–
Current tax for the year (note 7(a))	63,328	87,268

Deferred tax is not provided for on account of management's assessment that it is not more likely than not that future taxable profits will exist against which a deferred tax asset would reverse.

(d) Factors that may affect future tax

In his Budget of 20 March 2013 the Chancellor of the Exchequer announced certain changes which have an effect on the company's future tax position. The proposals included phased reductions in the corporation tax rate to 20% from 1 April 2015. The enactment of the 2012 Finance Bill confirmed a reduction to the corporation tax rate to 23% from 1 April 2013. In July 2013 the 2013 Finance Bill was enacted which confirmed further reductions to 21% and 20% on 1 April 2014 and 2015 respectively.

At the balance sheet date, only the reduction in the rate to 21% had been substantively enacted and therefore deferred tax has been calculated at this rate on the potential asset.

The effect on the Company of these proposed changes to the UK tax system will be reflected in the Company's financial statements in future years as appropriate.

Notes to the financial statements

at 31 December 2013

8. Intangible fixed assets

	<i>Goodwill</i>	<i>Other intangibles</i>	<i>Total</i>
	£	£	£
Cost:			
At 1 January 2013	10,655,493	2,841,676	13,497,169
Additions	10,486,318	204,914	10,691,232
At 31 December 2013	<u>21,141,811</u>	<u>3,046,590</u>	<u>24,188,401</u>
Amortisation:			
At 1 January 2013	968,074	1,551,669	2,519,743
Charge for the year	841,538	243,814	1,085,352
At 31 December 2013	<u>1,809,612</u>	<u>1,795,483</u>	<u>3,605,095</u>
Net book value:			
At 31 December 2013	<u>19,332,199</u>	<u>1,251,107</u>	<u>20,583,306</u>
At 1 January 2013	<u>9,687,419</u>	<u>1,290,007</u>	<u>10,977,426</u>

On January 23, 2013, the Company acquired 100% of the assets of DMG 2010 Limited based in Belfast, Northern Ireland.

On June 6, 2013, the Company acquired 100% of the shares of Shred-it (East of Scotland) Ltd located in Edinburgh, Scotland.

On July 22, 2013, the Company acquired 100% of the shares of CELB Limited located in Bristol, United Kingdom.

The acquired businesses provide similar document destruction services as Shred-it Limited. Upon acquisition the assumed assets and liabilities were transferred to the company.

During the year ended 31 December 2013 the following acquired net assets were hived-up into the company. At the point of hive up, goodwill held within the investment balance was transferred to intangible assets.

	<i>2013</i>	<i>2012</i>
	£	£
Cash at bank and in hand	1,055,776	524,485
Debtors and prepaid expenses	1,133,854	654,927
Tangible assets	1,172,507	940,363
Goodwill (note 10)	9,653,551	7,710,140
Accrued liabilities	(1,390,349)	(593,333)
Total consideration	<u>11,625,339</u>	<u>9,236,582</u>

Notes to the financial statements

at 31 December 2013

9. Tangible fixed assets

	<i>Plant and machinery</i>	<i>Fixtures and fittings</i>	<i>Leasehold improvements</i>	<i>Commercial vehicles</i>	<i>Total</i>
	£	£	£	£	£
Cost:					
At 1 January 2013	4,735,714	2,701,863	954,284	14,266,385	22,658,246
Additions	346,503	583,396	427,942	1,002,162	2,360,003
At 31 December 2013	<u>5,082,217</u>	<u>3,285,259</u>	<u>1,382,226</u>	<u>15,268,547</u>	<u>25,018,249</u>
Depreciation:					
At 1 January 2013	3,880,832	1,294,337	556,590	9,894,577	15,626,336
Charge for the year	473,011	334,746	84,703	1,077,593	1,970,053
At 31 December 2013	<u>4,353,843</u>	<u>1,629,083</u>	<u>641,293</u>	<u>10,972,170</u>	<u>17,596,389</u>
Net book value:					
At 31 December 2013	<u>728,374</u>	<u>1,656,176</u>	<u>740,933</u>	<u>4,296,377</u>	<u>7,421,860</u>
At 1 January 2013	<u>854,882</u>	<u>1,407,526</u>	<u>397,694</u>	<u>4,371,808</u>	<u>7,031,910</u>

Finance lease agreements

Included within the net book value of £7,421,860 is £ 24,829 (2012 – £60,857) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £36,028 (2012 – £36,028)

10. Investments

	<i>Subsidiary undertakings</i>
	£
Cost:	
At 1 January 2013	7,283,688
Additions (note 8)	11,625,339
Transferred to intangible assets (note 8)	(9,653,551)
At 31 December 2013	<u>9,255,476</u>

Notes to the financial statements

at 31 December 2013

10. Investments (continued)

At 31 December 2013, the interests in subsidiary undertakings comprised:

	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Effective interest in issued share capital at 31 December 2013</i>
Subsidiary:			
Artech Reduction Technologies Limited	United Kingdom	Procurement	100%
Document Destruction Company Limited	United Kingdom	Document Destruction	100%
Secure Shredding Limited	United Kingdom	Document Destruction	100%
Shred-it Glasgow Limited	United Kingdom	Document Destruction	100%
Shred-it (East of Scotland) Limited	United Kingdom	Document Destruction	100%
Shred-it ROI Holdings Limited	Republic of Ireland	Holding Company	100%
Shred-it ROI Limited *	Republic of Ireland	Document Destruction	100%
Shred-it Belgium SA	Belgium	Document Destruction	99.62%

*denotes subsidiary undertaking held indirectly via Shred-it ROI Holdings Limited

On 16 January 2013, the Company acquired 100% of the shares of Vendman Limited (subsequently renamed Shred-it ROI Holdings Limited).

On 23 January 2013, Vendman Limited acquired 100% of the shares of Legap Limited (subsequently renamed Shred-it ROI Limited).

11. Debtors

	<i>2013</i>	<i>2012</i>
	<i>£</i>	<i>£</i>
Trade debtors	9,058,098	8,173,679
Amounts owed by group undertakings	12,196,845	5,486,048
Other debtors	396,991	15,337
Prepayments and accrued income	1,289,894	1,151,305
	<u>22,941,828</u>	<u>14,826,369</u>

Notes to the financial statements

at 31 December 2013

12. Creditors: amounts falling due within one year

	2013	2012
	£	£
Trade creditors	1,188,215	434,670
Corporation tax creditor	1,226,216	135,085
VAT	1,264,515	848,881
Finance lease agreements	13,472	12,665
Accruals and deferred income	1,477,077	1,325,672
	<u>5,169,495</u>	<u>2,756,973</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2013	2012
	£	£
Finance lease agreements	<u>13,473</u>	<u>12,665</u>

13. Creditors: amounts falling due after more than one year

	2013	2012
	£	£
Amount owed to group undertakings	68,004,003	57,958,099
Finance lease agreements	4,680	18,289
Accruals	379,718	237,648
	<u>68,388,401</u>	<u>58,214,036</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2013	2012
	£	£
Finance lease agreements	<u>4,680</u>	<u>18,289</u>

14. Obligations under finance leases and hire purchase contracts

The maturity of these amounts is as follows:

	2013	2012
	£	£
Amounts payable:		
Within one year (note 12)	13,472	12,665
In two to five years (note 13)	4,680	18,289
	<u>18,152</u>	<u>30,954</u>

Notes to the financial statements

at 31 December 2013

15. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>2013</i>	<i>No.</i>	<i>2012</i>
		<i>£</i>		<i>£</i>
Ordinary shares of £1 each	5,089,186	<u>5,089,186</u>	100	<u>100</u>

<i>Authorised share capital</i>	<i>2013</i>	<i>2012</i>
	<i>£</i>	<i>£</i>
ordinary shares of £1 each	<u>5,089,186</u>	<u>200,000</u>

On 22 January 2013, 5,089,086 ordinary shares with aggregate nominal value of £5,089,086 were issued at par.

16. Reconciliation of shareholders' deficit and movements on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share-holders' funds</i>
	<i>£</i>	<i>£</i>	<i>£</i>
At 1 January 2012	100	(17,699,083)	(17,698,983)
Loss for the year	-	(1,215,898)	(1,215,898)
At 1 January 2013	100	(18,914,981)	(18,914,881)
Share capital issued	5,089,086	-	5,089,086
Profit for the year	-	3,534,610	3,534,610
At 31 December 2013	<u>5,089,186</u>	<u>(15,380,371)</u>	<u>(10,291,185)</u>

17. Other financial commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>2013</i>	<i>2012</i>
	<i>£</i>	<i>£</i>
Operating leases which expire:		
Within one year	6,635	52,623
In two to five years	51,683	88,831
Over five years	<u>584,211</u>	<u>587,301</u>
	<u>642,529</u>	<u>728,755</u>

18. Related party transactions

The Company has taken advantage of the exemption contained within FRS 8 from disclosing transactions with entities where 100% of their voting rights are controlled within the Shred-it Group of Companies.

Notes to the financial statements

at 31 December 2013

19. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Shred-it International Inc., a company incorporated in Canada, which in the director's opinion is the company's ultimate parent undertaking.