

Rapid Holdings Limited

**Directors' report and consolidated
financial statements**

Registered number 06386840

For the 16 month period ended 22 February
2009

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Directors' report

The directors present their annual report and the audited financial statements for the 16 month period ended 22 February 2009.

Business review and principal activities

The company was incorporated on 1 October 2007 and on 24 October 2007 it acquired a majority shareholding in Rapid Fundings Limited. The principal activity of the company is that of a holding company.

The company has not traded during the period, but has incurred net interest charges of £116,000.

The balance sheet on page 7 of the financial statements shows that the company's financial position at the period-end.

There have been no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements.

Principal risks and uncertainties

The company acts as an intermediary holding company for M and M Holdings SARL (an entity incorporated in Luxembourg) and as such holds an investment in M and M Direct Limited. This was financed by external and intercompany loans and incurs annual interest charges as set out in note 6.

Environment

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its activities.

Proposed dividend

The directors do not recommend payment of a dividend.

Directors and directors' interests

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

AB Ally	(appointed 1 October 2007, resigned 11 October 2007)
C Parkin	(appointed 11 October 2007)
A Nedungadi	(appointed 11 October 2007)

Political and charitable contributions

The company made no political contributions during the period.

Donations to UK charities amounted to £Nil.

Employees

Details of the number of employees and related costs can be found in note 3 to the financial statements.

Applications for employment by disabled persons are considered fully, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The company actively keeps employees informed on matters relevant to them as employees through appropriate means, such as communication of the mission/high level business strategy, weekly communication bulletins and other updates as necessary.

Directors' report *(continued)*

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make them aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board



C Parkin
Secretary and Director

25 Knightsbridge
London
SW1X 7RI

17 April 2009

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law.

The financial statements are required by law to present fairly the financial position and the performance of the company; the Companies Act 1985 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.

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 they have been prepared in accordance with IFRSs as adopted by the EU; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

2 Cornwall Street
Birmingham
B3 2DL
United Kingdom

Independent auditors' report to the members of Rapid Holdings Limited

We have audited the financial statements of Rapid Holdings Limited for the 16 month period ended 22 February 2009 which comprise the Income Statement, Statement of Recognised Income and Expense, the Balance Sheet, Cashflow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Rapid Holdings Limited (*continued*)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the company's affairs as at 22 February 2009 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

17 April 2009

Income statement

for the 16 month period ended 22 February 2009

	<i>Note</i>	16 month period ended 22 February 2009 £000
Administrative expenses		-
Operating loss		-
Financial income	5	7,803
Financial expense	6	(7,919)
Loss before income tax	2	(116)
Taxation	7	8
Loss for the financial period	12	(108)

All amounts are derived from continuing operations.

There are no recognised gains and losses in the current period other than those shown in the profit and loss account.

Balance sheet
at 22 February 2009

	<i>Note</i>	22 February 2009 £000
Non-current assets		
Investments in subsidiaries	8	48,815
		<hr/> 48,815
Current assets		
Trade and other receivables	9	7,803
Corporate tax receivable		8
		<hr/> 7,811
Total assets		<hr/> 56,626 <hr/>
Non-current liabilities		
Interest bearing loans and borrowings	10	(53,202)
		<hr/> (53,202)
Total liabilities		<hr/> (53,202)
Net assets		<hr/> 3,424 <hr/>
Equity attributable to equity holder of company		
Share capital	11	3,532
Retained earnings	12	(108)
		<hr/> 3,424 <hr/>
Shareholders' funds		<hr/> 3,424 <hr/>

These financial statements were approved by the board of directors on 17 April 2009 and were signed on its behalf by:



C Parkin
Director

Statement of Recognised Income and Expense
for the 16 month period ended 22 February 2009

	Period ended 22 February 2009 £000
Loss for the financial period	(108)
Issue of new share capital	3,532
	<hr/>
Net addition to shareholders' funds	3,424
Opening shareholders' funds at incorporation	-
	<hr/>
Closing shareholders' funds	3,424
	<hr/> <hr/>

Cashflow statement

for the 16 month period ended 28 February 2009

	<i>Note</i>	2009
		£000
Cashflows from operating activities		
Loss for the period		(108)
Adjustments for:		
Financial income		(7,803)
Financial expense		7,919
Taxation		(8)
		<hr/>
Cash generated from operations		-
		<hr/>
Net cash from operating activities		-
		<hr/>
Cashflows from investing activities		
Acquisition of subsidiary, net of cash acquired		(48,815)
		<hr/>
Net cash from investing activities		(48,815)
		<hr/>
Cashflows from financing activities		
Proceeds from issue of new ordinary share capital		3,532
Loans from subsidiary		45,283
		<hr/>
Net cash from financing activities		48,815
		<hr/>
Cash and cash equivalents at 22 February 2009		-
		<hr/> <hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Rapid Holdings Limited (the "Company") is a company incorporated and domiciled in the UK.

Basis of preparation

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified as fair value through the profit or loss.

Classification of financial instruments issued by the Group

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company (or group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company (or group); and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Investments in equity and debt securities

Investments in equity and debt securities are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost less any impairment losses.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes (continued)

1 Accounting policies (continued)

Derivative financial instruments

Derivative financial instruments are deemed to be trading assets/liabilities and therefore recorded at their fair value. Changes in their fair value are recorded through the profit and loss account.

Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities, unwinding of deferred debt arrangement fees. Financing income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains.

Financing income and expenses included movement on financial assets/liabilities recovered through the profit and loss account to fix the Group's interest charge.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Investments in subsidiaries

The company accounts for its investment in subsidiaries at original cost less subsequent impairment loss.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Forthcoming standards

The following Adopted IFRSs were available for early application but have not been applied by the Group in these financial statements. Their adoption is not expected to have a material affect on the financial statements unless otherwise indicated:

- IFRS 8 'Operating Segments' (mandatory for the year commencing on or after 1 January 2009). As the Group it is not within the scope of IFRS 8 it is not required to adopt IFRS 8 and so there will be no impact on the financial statements.

Notes (continued)

2 Notes to the profit and loss account

**Period ended
22 February
2009
£000**

Auditors' remuneration:

Audit of these financial statements

-

Amounts receivable by the auditors and their associates in respect of:

Other services relating to taxation

-

Services relating to corporate finance transactions entered into or proposed to be entered into by or on behalf of the company

-

3 Staff numbers and costs

The company did not have any employees in the period.

4 Directors remuneration

The remuneration of the directors are borne by a fellow subsidiary undertaking.

5 Financial income

**Period ended
22 February
2009
£000**

Interest on intra-group lendings

7,803

6 Financial expense

**Period ended
22 February
2009
£000**

Interest on intra-group borrowings

7,919

Notes (continued)

7 Taxation

Recognised in income statement

	Period ended 22 February 2009 £000
<i>Current tax</i>	
Current tax on profit for the period	8
	<hr/>
Total current tax	8
<i>Deferred tax</i>	
Origination/reversal of timing differences	-
	<hr/>
Total tax credit in income statement	8
	<hr/> <hr/>

Reconciliation of effective tax rate

The rate of corporation tax in the UK was reduced from 30% to 28% with effect from 1 April 2008. UK corporation tax has therefore been calculated at a hybrid rate of 28.4%, reflecting the timing of profit generation.

	Period ended 22 February 2009 £000
Loss for the year	(116)
	<hr/>
Total current tax charge at 28.4%	33
Group relief given to subsidiary without payment	(636)
Disallowed expenses	611
	<hr/>
Total tax credit	8
	<hr/> <hr/>

8 Investments in subsidiaries

	Shares in group undertakings £000
<i>Cost and net book value</i>	
At incorporation	-
Additions	48,815
	<hr/>
At 22 February 2009	48,815
	<hr/> <hr/>

Notes (continued)

8 Investments in subsidiaries (continued)

The investment in subsidiaries relates to the following entity:

	Carrying value £'000	Class of shares held	Proportion of nominal value represented %	Proportion of voting rights held %	Nature of business
Held directly by the company					
Rapid Fundings Limited	3,440	Ordinary	78.1%	78.1%	Intermediate Holding Company
Rapid Fundings Limited	45,375	12.5% cumulative preference shares	100%	100%	Intermediate Holding Company

Rapid Fundings Limited is incorporated in England and Wales.

9 Trade and other receivables

	22 February 2009 £000
Intra-group receivables	7,803

10 Interest – bearing loans and borrowings

	Currency	Notional interest rate	Year of maturity	Fair value £000	Carrying value £000
Parent company loan	£Sterling	12.7% per annum	2037	55,915	53,202

11 Financial instruments

11 (a) Fair values of financial instruments

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Interest-bearing borrowings

Fair value, which after initial recognition is determined for disclosure purposes only, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

Fair values

The fair values for each class of financial assets and financial liabilities together with their carrying amounts shown in the balance sheet are as follows:

Notes (continued)

11 Financial instruments (continued)

IAS 39 categories of financial instruments

	Carrying amount 2009 £000	Fair value 2009 £000
Trade and other receivables (Note 9)	7,803	7,803
Total loans and receivables	7,803	7,803
Total financial assets	7,803	7,803
	Carrying amount 2009 £000	Fair value 2009 £000
Interest-bearing loans and borrowings (note 10)	(53,202)	(55,915)
Total financial liabilities measured at amortised cost	(53,202)	(55,915)
Total financial liabilities	(53,202)	(55,915)
Total financial instruments	(45,399)	(48,112)

11 (b) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date was £7,803,000 being the total of the carrying amount of financial assets, shown in the table above. All amounts are current.

11 (c) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group of which the company is a part prepares monthly and annual cashflow and working capital forecasts which are then "stress tested" to ensure existing bank facilities and covenant compliance requirements are adhered to. On a weekly and monthly basis performance against these forecasts is monitored to ensure no issues arise.

11 Financial instruments (continued)

11 (c) Liquidity risk (continued)

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

	2009				
Carrying amount £000	Contractual cash flows £000	1 year or less £000	1 to <2years £000	2 to <5years £000	5years and over £000
Non-derivative financial liabilities					
Parent company loan	53,202	-	-	-	55,915
	<u>53,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,915</u>

Notes (continued)

11 Financial instruments (continued)

11 (d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Company

The Company's debts carry fixed interest rates and it is not therefore materially exposed to direct interest rate risk.

Market risk – Interest rate risk

Profile

The interest rate profile of the Company's interest-bearing financial instruments are disclosed in note 16:

	2009 £000
Fixed rate instruments	
Financial assets	7,803
Financial liabilities	(53,202)
	<hr/>
	(45,399)
	<hr/>
Variable rate instruments	
Financial liabilities	-
	<hr/>
	-
	<hr/>

11 (e) Capital management

The Company operates as an intermediate holding company whose principal investment is in M and M Direct Limited which is an indirect wholly owned subsidiary. The Company is ultimately majority controlled by funds managed by TA Associates, a Boston based Venture Capitalist. In due course, TA Associates will ultimately sell the Company although no timescales have been set for this divestment. As a result TA Associates does not have any immediate plans to change the capital structure of the company.

12 Capital and reserves

Reconciliation of movement in capital and reserves

	Share capital £000	Retained earnings £000	Total equity £000
Balance at incorporation	-	-	-
Total recognised income and expense	-	(108)	(108)
Issue of shares	3,532	-	3,532
	<hr/>	<hr/>	<hr/>
Balance at 22 February 2009	3,532	(108)	3,424
	<hr/>	<hr/>	<hr/>

13 Related parties

During the 16 month period ended 22 February 2009 the company received £7,803,000 in interest from its 12.5% preference share capital in its subsidiary undertaking and paid £7,919,000 on its loan due to its parent undertaking.

Notes *(continued)*

14 Parent undertaking

The Company is a wholly owned subsidiary of M and M Holdings SARL, an entity incorporated in Luxembourg.

15 Ultimate parent company

In the directors' opinion the company's ultimate controlling party is TA Associates, incorporated in the United States of America.

The largest group in which the results are consolidated is that headed by M and M Holdings SARL, which is registered in England and Wales.

The consolidated financial statements of Rapid Fundings Limited are available to the public and may be obtained from M and M Holdings SARL, 291 Route d'Arlon, L-1150, Luxembourg.