

Registered number 6481322

Right Document Solutions Holdings Limited

Annual report and financial statements
for the year ended 30 June 2010

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Right Document Solutions Holdings Limited

Annual report and financial statements for the year ended 30 June 2010

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Right Document Holdings Solutions Limited

Directors and advisors

Directors

Paul Gillett
Nicholas Jones
Alpesh Unalkat
Colin Rutherford

Secretary

Nicholas Jones

Independent Auditors

Grant Thornton UK LLP
Chartered Accountants and Registered Auditors
Grant Thornton House
Melton Street
London
NW1 2EP

Bankers

Clydesdale Bank PLC
30 St Vincent Place
Glasgow
G1 2HL

Solicitors

Cumberland Ellis LLP
Atrium Court
15 Jockey's Fields
London
WC1R 4RQ

Registered Office

Napier House
2 Cranwood Street
London
EC1V 9PE

Registered Number

6481322

Website

www.right-group.com

Right Document Solutions Holdings Limited

Directors' report for the year ended 30 June 2010

The directors present their report and the audited financial statements of the group and company for the year ended 30 June 2010

Principal activities

The principal activity of the group is the supply, support and management of total document solutions with a specialism in Managed Print Services (MPS) and associated DocuCheck[®] consultancy, incorporating the sale, implementation and servicing of mono and colour digital multifunctional devices, printers, scanners, facsimile, associated print, scan and archiving software and other office equipment to our customers on a nationwide basis

Business review

We continue to increase our focus on Managed Print Services this year, which is primarily targeted at assisting new and existing customers to reduce costs, lower environmental impact and increase the return on investment of their own resources around print related activities, and this has delivered significant new business wins and increased forward contracted income. Given the need for all organizations to constantly pursue savings and improve efficiencies, our MPS will continue to grow with excellent demand forecasted for several years to come. Additionally, we have rebranded our MPS offering to Managed Document Services (MDS) to reflect the wider document solutions space in which we deliver customer solutions, rather than just print.

The company operates in a market which is constantly changing in terms of the technology available and places a strong emphasis on its manufacturer independence and on providing the "best of breed" solutions in order to meet and exceed the needs of its customers through manufacturers such as Canon, HP, Kyocera, Ricoh, Sharp and Xerox, this, coupled with our DocuCheck[®] consultancy, is a unique for us and core to the development of our MDS offering.

Our belief in "old fashioned" service values has continued to reap reward in terms of key client retention and a consistent growth in service revenues.

Despite the continued challenging UK economy, customer finance availability has improved and we are pleased to report that turnover was £12,236,000 for the year to 30 June 2010.

Key Performance Indicators

The directors consider the key performance indicators (KPIs) of the business to be turnover, operating profit and operating cashflow, which are shown in the financial statements. Other KPIs that the company uses to manage the business are shown below.

	2010	2009
Solvency ratios		
Current ratio	1.29	1.24
Trade debtor days	29	23
Trade creditor days	41	33
Trading ratio		
Stock days	26	22

The directors have a policy of aiming to provide the best possible service to customers and we are constantly monitoring our achievements in terms of customer response times for service calls, first time fix rates and equipment fleet uptimes to maximise customer satisfaction.

Future developments and going concern

The directors are continually looking to expand the business and its market share. We currently have a strong marketing and sales team which we believe will be able to deliver excellent organic growth whilst we are also pursuing acquisition opportunities in our market more vigorously.

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in this report. In addition this report includes the group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk.

Right Document Solutions Holdings Limited

Directors' report for the year ended 30 June 2010 (continued)

Future developments and going concern (continued)

The group considers that its cost saving offering to customers via its MDS and DocuCheck® consultancy, positions it well in the current economic conditions. The group's forecasts and projections, 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.

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from both national and independent companies in the sector and employee retention.

Results and dividends

The profit for the financial year is £2,313,000 (2009: £1,571,000). The aggregate dividends on ordinary shares recognised as an appropriation during the year amounts to £nil (2009: £nil).

The directors do not recommend payment of a dividend for the year ended 30 June 2010 (for the year ended 2009: £nil).

Directors

The directors who held office during the year, or up to the date of signing the financial statements are given below:

Paul Gillett

Nicholas Jones

Alpesh Unalkat

Colin Rutherford

Financial risk management

The group's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs.

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

Credit risk

The group has procedures in place to ensure that the appropriate credit checks are carried out on potential customers before sales are made.

Liquidity risk

The group actively maintains short-term financing (bank overdraft) and long-term financing that is designed to ensure the group has sufficient available funds for operations and planned expansions.

Product risk

The group operates in a market which is constantly changing in terms of the increased technology available to customers. The group places a strong emphasis on keeping up to date with the latest technologies and innovations in order to service the needs of its customers.

Interest rate cash flow risk

The group has interest bearing liabilities and assets. Interest bearing liabilities include bank loans and loan stock, which bear interest at variable and fixed rates respectively. Interest bearing assets include only cash balances, which earn interest at a variable rate. The finance department reviews and manages interest rate risk, credit risk, and where appropriate it uses financial instruments to manage these risks. The group does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature.

Right Document Solutions Holdings Limited

Directors' report for the year ended 30 June 2010 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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
- 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, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and to 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.

Auditors and disclosure of information to auditors

In the case of each of the persons who are directors, the following applies

- a) so far as the directors are aware, there is no relevant audit information (that is, information needed by the group and company's auditors in connection with preparing their report) of which the auditors are unaware, and
- b) the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

Liability Limitation Agreement with the auditors

The directors propose that the company enter into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 30 June 2010. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and will be proposed for approval at the forthcoming Annual General Meeting.

Independent auditors

The auditors, Grant Thornton UK LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board



Colin Rutherford

Director

Right Document Solutions Holdings Limited

Company Number 6481322

22 September 2010

Right Document Solutions Holdings Limited

Independent auditors report to the members of Right Document Solutions Holdings Limited

We have audited the financial statements of Right Document Solutions Holdings Limited for the year ended 30 June 2010 which comprise the group profit and loss account, the group and parent company balance sheets, the group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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 APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

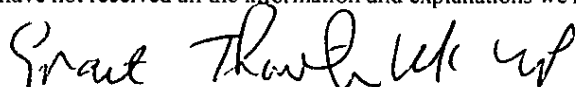
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Harold Wilson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
22 September 2010

Right Document Solutions Holdings Limited

Consolidated profit and loss account for year ended 30 June 2010

	Note	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Turnover	2	12,236	12,671
Cost of sales		(5,062)	(5,447)
Gross profit		7,174	7,224
Administrative expenses		(3,876)	(4,238)
Operating profit		3,298	2,986
Interest receivable and similar income	7	15	105
Interest payable and similar charges	6	(1,000)	(1,520)
Profit on ordinary activities before taxation		2,313	1,571
Tax on profit on ordinary activities	8	(1,027)	(1,004)
Profit for the financial year		1,286	567

All the above results are derived from continuing operations

There are no recognised gains or losses in either the current year or preceding period other than those disclosed above and therefore, no statement of total recognised gains and losses has been presented

There are no differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

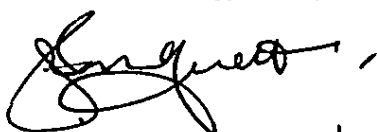
Right Document Solutions Holdings Limited

Consolidated balance sheet as at 30 June 2010

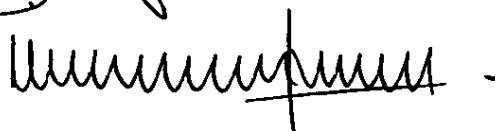
		30 June 2010	30 June 2009
	Note	£'000	£'000
Fixed assets			
Intangible assets	9	18,406	19,443
Tangible assets	10	25	44
		18,431	19,487
Current assets			
Stocks	12	360	334
Debtors	13	1,583	1,337
Cash at bank and in hand		3,192	2,544
		5,135	4,215
Creditors – amounts falling due within one year	14	(3,988)	(3,401)
Net current assets		1,147	814
Total assets less current liabilities		19,578	20,301
Creditors – amounts falling due after more than one year	15	(14,949)	(16,978)
Net assets		4,629	3,323
Capital and reserves			
Called up share capital	17	74	74
Share premium account	21	1,159	1,159
Profit and loss account	21	3,396	2,090
Total shareholders' funds	21	4,629	3,323

These financial statements were approved by the board of directors on 22 September 2010 and were signed on its behalf by

Paul Gillett



Nicholas Jones



Right Document Solutions Holdings Limited

Company balance sheet as at 30 June 2010

		30 June 2010	30 June 2009
	Note	£'000	£'000
Fixed assets			
Investments	11	21,418	21,418
		21,418	21,418
Current assets			
Debtors	13	2	15
Cash at bank and in hand		1,218	120
		1,220	135
Creditors – amounts falling due within one year	14	(1,591)	(1,459)
Net current liabilities		(371)	(1,324)
Total assets less current liabilities		21,047	20,094
Creditors – amounts falling due after more than one year	15	(19,775)	(18,858)
Net assets		1,272	1,236
Capital and reserves			
Called up share capital	17	74	74
Share premium account	21	1,159	1,159
Profit and loss account	21	39	3
Equity shareholders' funds	21	1,272	1,236

The financial statements were approved by the board of directors on 22 September 2010 and were signed on its behalf by

Paul Gillett

Nicholas Jones

Right Document Solutions Holdings Limited

Consolidated cash flow statement for year ended 30 June 2010

	Note	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		3,298	2,986
Amortisation		1,037	1,037
Depreciation		32	41
Profit on disposal of fixed assets		(6)	-
Share based payments charge		20	138
Increase in stocks		(27)	102
Increase in debtors		(246)	350
Increase in creditors		399	(359)
Net cash inflow from operating activities		4,507	4,295
Returns on investments and servicing of finance	22	(2,885)	(3,045)
Taxation paid		(967)	(1,818)
Capital Expenditure	22	(7)	(4)
Increase in cash in the period	23	648	(572)

Right Document Solutions Holdings Limited

Notes to the financial for the year ended 30 June 2010

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements

Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 30 June 2010. The results of the subsidiary undertakings acquired or disposed of in the year are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

In accordance with FRS 8 "Related party disclosures", transactions or balances between group entities that have been eliminated on consolidation have not been reported.

Under Section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill arising on acquisitions has been capitalised and is being amortised over a period not exceeding 20 years, being the period expected to benefit. The group evaluates the carrying value of goodwill in each financial year to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

Amortisation

Amortisation is calculated so as to write off the cost of goodwill over its useful economic life as follows:

Goodwill	-	20 years
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Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation and any necessary provisions for impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by instalments over their estimated useful economic lives as follows:

Motor vehicles	-	25% straight line
Office equipment	-	25% straight line and reducing balance

Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Stocks

Stock is valued on a first in first out basis at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses. Provision is made where necessary for obsolete, slow moving and defective stocks.

Right Document Solutions Holdings Limited

Notes to the financial for the year ended 30 June 2010 (continued)

1 Accounting policies (continued)

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Taxation

The charge for taxation is based on the profit/loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 "Deferred tax"

Deferred tax assets are regarded as recoverable and recognised in the financial statements only when on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the timing differences can be deducted

Deferred tax is measured at tax rates that are expected to apply in periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Debtors

Debtors are carried at anticipated realisable value. Bad debts are written off in the financial period in which they are identified. An estimate is made for doubtful debtors based on a review of all outstanding amounts at the financial year end

Turnover

Turnover represents the sale of goods and service, excluding value added tax. Turnover from the sale of goods is recognised when the risks and rewards of ownership are transferred to the customer. Turnover from services is recognised when the services have been performed

Cash

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand

Share based payments

The group issues equity-settled share-based payments, in the form of share options to certain employees. In accordance with FRS 20, such payments are measured at fair value at the date of grant. Fair value is measured using the Black-Scholes pricing model and is expensed on a straight line basis in the income statement over the vesting period, based on an estimate of the number of shares that will eventually vest

Financial instruments

Interest rate swaps are purchased where the instrument is related to an asset or liability, and where the instrument changes the character of the interest rate by converting a variable rate to a fixed rate, or vice versa. Interest differentials are recognised by accruing with net interest payable. Interest rate swaps are not revalued to fair value or shown on the company's balance sheet at the year end

Right Document Solutions Holdings Limited

Notes to the financial for the year ended 30 June 2010 (continued)

2 Turnover

The turnover and profit on ordinary activities before taxation are all attributable to the group's principal activity

An analysis of turnover by geographical market is given below

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
United Kingdom	12,236	12,671

3 Profit on ordinary activities before taxation

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration		
- Audit	27	26
- Non audit services	4	18
Amortisation of intangible assets	1,037	1,037
Depreciation of owned tangible fixed assets	32	41
Profit on disposal of fixed assets	(6)	-

During the year the company incurred fees for audit services, included within the amounts shown above of £6,500 (2009 £6,500) in respect of the company audit

4 Directors' emoluments

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Directors' emoluments	573	604

The aggregate emoluments of the highest paid director were £208,263 (2009 £211,360) No pension contributions have been paid on his behalf (2009 £Nil)

Right Document Solutions Holdings Limited

Notes to the financial for the year ended 30 June 2010 (continued)

5 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows

	Year ended 30 June 2010 No.	Year ended 30 June 2009 No
Operations	50	50

The company does not have any employees other than the directors

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Wages and salaries	1,896	1,956
Social security costs	208	217
Share based payments	20	138
	2,124	2,311

6 Interest payable and similar charges

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Interest payable on bank loans	574	799
Loan note interest	314	612
Amortisation of issue costs of bank loans	112	109
	1,000	1,520

7 Interest receivable and similar income

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Bank interest	15	105

Right Document Solutions Holdings Limited

Notes to the financial for the year ended 30 June 2010 (continued)

8 Taxation

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
UK corporation tax		
Current tax on income for the period	1,030	950
Adjustments in respect of prior periods	(3)	-
Total current tax	1,027	950
Deferred tax (note 16)	-	54
Tax on profit on ordinary activities	1,027	1,004

The current tax charge for the period is higher (2009 higher) than the standard rate of corporation tax in the UK (28%)
The differences are explained below

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Profit on ordinary activities before taxation	2,313	1,571
Profit on ordinary activities before taxation multiplied by the standard rate of tax in the UK of 28% (2009 28%)	647	440
Effects of		
Adjustments in respect of prior periods	(3)	3
Expenses not deductible for tax purposes	377	464
Capital allowances for period in excess of depreciation	-	4
Share based payments not deductible for tax purposes	6	39
Total current tax charge	1,027	950

Right Document Solutions Holdings Limited

Notes to the financial for the year ended 30 June 2010 (continued)

9 Intangible assets

Group	Goodwill £'000
Cost	
At 1 July 2009	20,739
At 30 June 2010	20,739
Amortisation	
At 1 July 2009	1,296
Charge for the year	1,037
At 30 June 2010	2,333
Net book value	
At 30 June 2010	18,406
At 30 June 2009	19,443

The Goodwill arose on the acquisition of Right Document Solutions Limited on 28 March 2008

10 Tangible assets

Group	Motor Vehicles £'000	Office Equipment £'000	Total £'000
Cost			
1 July 2009	53	260	313
Additions	-	13	13
Disposals	(38)	(56)	(94)
At 30 June 2010	15	217	232
Accumulated depreciation			
1 July 2009	46	223	269
Charge for year	7	25	32
Disposals	(38)	(56)	(94)
At 30 June 2010	15	192	207
Net book value			
At 30 June 2010	-	25	25
At 30 June 2009	7	37	44

Right Document Solutions Holdings Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

11 Investments

Company	Shares in subsidiary undertaking £'000
Cost	
At 1 July 2009	21,418
At 30 June 2010	21,418

The principal undertakings in which the company's interest at the period end is more than 20% are as follows,

Subsidiary undertaking	Activity	Country of incorporation	Class of shares held	Percentage of shares held at period end
Right Document Solutions Limited	Total Document Solutions	England and Wales	Ordinary	100%

The directors believe that the carrying value of the investment is supported by its underlying net assets

12 Stocks

Group	30 June 2010 £'000	30 June 2009 £'000
Goods for resale	360	334

13 Debtors

	Group		Company	
	30 June 2010 £'000	30 June 2009 £'000	30 June 2010 £'000	30 June 2009 £'000
Amounts falling due within one year				
Trade debtors	1,136	914	-	-
Other debtors	132	101	2	15
Prepayments and accrued income	315	322	-	-
	1,583	1,337	2	15

Right Document Solutions Holdings Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

14 Creditors – amounts falling due within one year

	Group		Company	
	30 June 2010 £'000	30 June 2009 £'000	30 June 2010 £'000	30 June 2009 £'000
Bank loans	1,582	1,452	1,582	1,452
Trade creditors	571	490	-	-
Amounts due to subsidiary	-	-	-	-
Other creditors	812	621	9	7
Taxation and social security	464	338	-	-
Corporation tax	559	500	-	-
Accruals and deferred income	-	-	-	-
	3,988	3,401	1,591	1,459

15 Creditors – amounts falling due after more than one year

	Group		Company	
	30 June 2010 £'000	30 June 2009 £'000	30 June 2010 £'000	30 June 2009 £'000
Bank loans	5,081	7,424	5,081	7,424
Loan stock	9,868	9,554	9,868	9,554
Amounts due to subsidiary	-	-	4,826	1,880
	14,949	16,978	19,775	18,858

Maturity profile of the carrying amount of financial liabilities at 30 June 2010 was as follows

	Bank loans £'000	Loan Stock (*) £'000
Less than one year	1,582	-
Between one and two years	1,797	-
Between two and five years	3,284	-
In more than five years	-	9,868

Right Document Solutions Holdings Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

15 Creditors – amounts falling due after more than one year (continued)

Maturity profile of the carrying amount of financial liabilities at 30 June 2009 was as following

	Bank loans £'000	Loan stock(*) £'000
Less than one year	1,452	-
Between one and two years	1,582	-
Between two and five years	5,723	-
In more than five years	119	9,554

(*) Maturity of loan stock comprises the par value £8,750,000 plus accrued interest

Bank loans

The bank loans are secured by a fixed and floating charge on the assets of the group. The bank loans carry interest of LIBOR plus 2.25% to 2.50% and are repayable in quarterly installments up to 30 September 2014.

Loan stock

The loan stock is unsecured. The loan stock accrues interest on principal plus accrued interest at LIBOR plus 2.50% and is repayable at par plus accrued interest, once the bank loans have been repaid in full. Interest accrued at 30 June 2010 amounted to £1,117,615 (2009: £803,704).

Derivatives

The company purchased interest rate swaps to manage interest rate risk volatility. The fair value of the derivatives held at the balance sheet date, determined by reference to their market value was a liability of £302,000 (2009: £446,000). The notional principal amount of the outstanding interest rate swap contracts at 30 June 2010 was £6,000,000 (2009: £6,000,000).

16 Deferred taxation

Group and Company	Deferred taxation: Other timing differences 2010 £'000	Deferred taxation: Other timing differences 2009 £'000
At 1 July 2009	-	54
Credited to income statement	-	(54)
At 30 June 2010	-	-

There was an unprovided deferred tax asset at the end of the financial year of £313,000 (2009: £225,000).

Right Document Solutions Holdings Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

17 Called up share capital

Group and Company	30 June 2010 £'000	30 June 2009 £'000
Authorised		
54,000 ordinary A shares of £1 each	54	54
46,000 ordinary B shares of £1 each	46	46
	100	100
Allotted and fully paid		
54,000 ordinary A shares of £1 each	54	54
20,000 ordinary B shares of £1 each	20	20
	74	74

The ordinary share capital of the company is split into ordinary A shares and ordinary B shares which carry the same rights to income and capital in all respects, except that the ordinary B shares carry no voting rights

18 Commitments

Annual commitments under non-cancellable operating leases are as follows

Group	Land and buildings 30 June 2010 £'000	Other 30 June 2010 £'000	Land and buildings 30 June 2009 £'000	Other 30 June 2009 £'000
Operating leases which expire in:				
Within one year	40	20	105	-
Within two to five years	53	-	-	20
	93	20	105	20

19 Related party transactions

The directors consider that the company is controlled by Mr Paul Gillett, who is also the beneficial owner of the Loan stock which carries interest at LIBOR plus 2.5%

No additional related party transactions were undertaken during the year requiring disclosure under Financial Reporting Standard No. 8

Right Document Solutions Holdings Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

20 Share based payments

The RDS Share Incentive scheme was introduced in September 2008. Under the scheme the board can grant options over shares in the company to employees of the company. Options are granted with a fixed exercise price equal to the market price of the shares under option at the date of the grant. The contractual life of an option is 10 years. Awards under the scheme are generally reserved for employees at senior management level.

The company has made one grant of options under this scheme in September 2008.

Exercise of an option is subject to continued employment. Options were valued using the Black-Scholes option-pricing model. Performance conditions are included in the fair value calculations. The fair value per option granted and the assumptions used in the calculations are as follows:

Grant date	10/09/2008
Share price at grant date	£16.67
Exercise price	£16.67
Number of employees	2
Shares under option	2,408
Vesting period (years)	1-2
Expected volatility	40%
Option life (years)	10
Expected life (years)	3
Risk free rate	4.80%
Expected dividends expressed as a dividend yield	0%
Fair value per option	£90.90

The expected volatility is based on historical volatility over the last five years. The expected life is the average expected period to exercise. The risk free rate of return is the yield on zero-coupon UK government bonds of a term consistent with undated 4% consolidated UK government stock.

A reconciliation of option movements over the year to 30 June 2010 is shown below:

	Number	2010 Weighted average exercise price
Outstanding at 1 July 2009	4,000	£16.67
Granted	-	-
Forfeited	(1,592)	£16.67
Exercised	-	-
Outstanding at 30 June 2010	2,408	£16.67
Exercisable at 30 June 2010	1,075	£16.67

Right Document Solutions Holdings Limited

Notes to the financial statements for the year ended 30 June 2010 (continued)

20 Share based payments (continued)

Range of exercise prices	Weighted average exercise price	2010 Number of shares	2010 Weighted average remaining life: Contractual
£16.67	£16.67	1,075	8.2

The weighted average share price during the period for options exercised over the year was £nil. The total charge for the year relating to employee share based payment plans was £20,000 (2009: £138,000), all of which related to equity-settled share based payment transactions.

21 Reserves

Group	Share capital	Share premium	Profit and loss account	Total
	£'000	£'000	£'000	£'000
At 1 July 2009	74	1,159	2,090	3,323
Profit for the financial year	-	-	1,286	1,286
Adjustment in respect of employee share schemes	-	-	20	20
At 30 June 2010	74	1,159	3,396	4,629

Company	Share capital	Share premium	Profit and loss account	Total
	£'000	£'000	£'000	£'000
At 1 July 2009	74	1,159	3	1,236
Profit for the financial year	-	-	36	36
At 30 June 2010	74	1,159	39	1,272

Right Document Solutions Holdings Limited

Notes to the financial for the year ended 30 June 2010 (continued)

22 Analysis of cash flows

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Returns on investments and servicing of finance		
Interest received	15	105
Interest paid on bank loans	(575)	(800)
Bank loan repayments	(2,325)	(2,350)
Bank loan issue costs	-	-
	(2,885)	(3,045)
Capital expenditure		
Purchase of tangible fixed assets	13	(4)
Disposal of fixed assets	(6)	-
	7	(4)

23 Analysis on net debt

	At 1 July 2009 £'000	Cash Flow £'000	Non-cash Movements £'000	At 30 June 2010 £'000
Cash at bank and in hand	2,544	648	-	3,192
Bank loans due within one year	(1,452)	-	(130)	(1,582)
Bank loans due after one year	(7,424)	2,325	18	(5,081)
Loan stock due after one year	(9,554)	-	(314)	(9,868)
Total	(15,886)	2,973	(426)	(13,339)