

Company Registration No. 01992143 (England and Wales)

**Rapid Racking Limited**

**Annual report and financial statements  
for the year ended 30 September 2020**



**Rapid Racking Limited**

**Company information**

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|                            |   |
|----------------------------|---|
| <b>Directors</b>           | P Brial<br>X Guichard<br>J Metcalfe<br>B Auffrett                                     |
| <b>Secretary</b>           | P Brial   |
| <b>Company number</b>      | 01992143  |
| <b>Registered office</b>   | Unit M3 Kemble Industrial Park<br>Kemble<br>Cirencester<br>GL7 6BQ                    |
| <b>Independent auditor</b> | Mazars LLP<br>5th Floor<br>Merck House<br>Seldown Lane<br>Poole<br>Dorset<br>BH15 1TW |
| <b>Bankers</b>             | HSBC Bank plc<br>62 George White Street<br>Cabot Circus<br>Bristol<br>BS1 3BA         |
| <b>Solicitors</b>          | Moore Blatch LLP<br>11 Avenue<br>Southampton<br>SO17 1XF                              |

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## **Rapid Racking Limited**

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## **Rapid Racking Limited**

### **Strategic report**

**For the year ended 30 September 2020**

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The directors present the strategic report for the year ended 30 September 2020.

#### **Business review and principal activities**

Rapid Racking Limited's principal activity during the period was the sale of racking, shelving and associated storage products to the UK market through direct marketing to business customers and consumers.

The distance selling market for the types of products in which the company operates continues to present a challenging environment. Firstly the UK economy continues to present challenges, the evolution of the Covid-19 pandemic is hampering the slow recovery of the UK economy and this continues to influence customer investment decisions, on products and projects involving racking and shelving and these are potentially being delayed. Secondly, within the UK market for shelving and racking supplies there are a small number of directly comparable companies but also an increasing number of web based companies offering similar product ranges as well as manufacturers focusing on larger design led racking projects.

The Covid-19 pandemic has required Rapid Racking to adapt to the very fast moving health crisis and to mitigate potential economic uncertainty. Since March and April 2020 the agility of Rapid Racking personnel has been demonstrated as the business has introduced new product ranges, including Return to Work kits and new shelving ranges for home office as well as business environments. These new product ranges, combined with the existing market leading range of products are available on the innovative Rapid Racking website, and can be delivered in only 48-72 hours from the Rapid Racking warehouse on the Gloucestershire / Wiltshire border.

Since the start of the pandemic in the UK (mid March 2020) the reactivity to customer changing demands (increased number of consumers vs business customers) and product types has mitigated the decline in ordered sales versus the same period in the prior year.

Measures continue to be reviewed and put in place to attempt to safeguard, in as much as is possible, the performance and position of the Company, and these include:

- Reviewing staffing levels including furloughing of staff and a freeze on recruitments
- Renegotiation of maintenance contracts, especially related to the office premises
- Early termination of leased equipment, eg, company leased vehicles
- Participation in Government Schemes to improve short term cashflow (VAT deferment, CJRS)

The directors continue to focus on a strategy of providing customers with the largest range of shelving and racking in the UK, stocked in our UK warehouse, ready for immediate delivery to customers. The business continues to invest in developing world class customer relationships, recognising that sincere and longstanding customer relationships are a vital strategy in driving longer term turnover growth. We also recognise that customers expect a high level of commitment to quality and environmental management and in this respect the company is certified with ISO9001, ISO14001 ISO 45001 qualifications.

Being a family member of the Manutan Group, the company is able to benefit from Group IT infrastructure investment and in the year further enhancements have been made to the website and ERP platforms to ensure that this performs at an optimum level for customers ordering through this channel.

## **Rapid Racking Limited**

### **Strategic report (continued)**

**For the year ended 30 September 2020**

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#### **Principal risks and uncertainties**

Rapid Racking's business has minimal turnover risk through concentration of business through a small selection of customers, and this is emphasised by the current active customer file that runs into thousands of customers.

#### ***Covid-19***

As we move towards a situation where the UK economy is cautiously re-opening after a third national lockdown at the start of 2021, Rapid Racking continues to work to mitigate any potential risks. As described above, the business has been able to adapt quickly the product range to mitigate the reduction in sales. The directors continue to identify which products could be sold to B2C customers, in order to expand the customer database, mitigating the potential reduction in the B2B customer database. Throughout the pandemic the customer file has continued to grow and runs into thousands and thousands of customers each month.

The directors continue to review in greater detail the impact of customers potentially delaying payments or not paying at all (going bust) and are reviewing the resource to focus on the recoverability of customer debt. Customer credit limits continue to be reviewed and adjusted down where applicable, based on their most recent credit score drawn from an external credit reference agency.

#### ***Competition***

The company operates in a competitive market particularly around price and service. This results in downward pressure on margins. In order to mitigate this risk we have made significant investment in the marketing and product procurement areas of the business. We have also focused on the service given to customers and improved delivery and aftersales services to improve customer retention.

#### ***Price***

The company is exposed to commodity price risk as a result of its operations. The directors continue to implement strategies to mitigate this by investing in alternative product and service ranges.

#### ***Exchange rates***

The company sources some product and components from overseas and is therefore exposed to exchange rate movements. The company continues to mitigate this risk by entering into a number of forward exchange contracts.

#### ***Interest rates***

The company has significantly reduced its borrowings and therefore the directors do not consider there to be a significant interest rate exposure.

#### ***Maintaining Quality***

The directors have regular operational and strategic reviews with existing and potential new suppliers to ensure the business is able to offer innovative products and achieve a high service level supply-chain to maintain stock levels in the UK warehouse, necessary to achieve the high customer service commitment and achieve the next day delivery promise to customers. Stock levels have been increased during the year to ensure that any risk to supplychain delays, whether due to potential Covid-19 or Brexit factors, are mitigated as much as possible.

Rapid Racking is an accredited distributor member of SEMA (Storage Equipment Manufacturers Association), supplying quality storage equipment and promoting high safety standards required as a member of SEMA.

#### ***Employees***

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## Rapid Racking Limited

### Strategic report (continued)

For the year ended 30 September 2020

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The directors recognise the principal asset within the business is the people working at Rapid Racking. Their dedication and skill is vital in improving the experience for every single customer. Investment continues to be made in improving the working conditions not only in the office, but also by ensuring that all office based employees have the necessary tools and IT infrastructure to work from home. This was initially driven by the requirements of the government lockdown rules but has evolved in being aligned to the Manutan company vision "Enterprising for a better world".

### Financial performance

The challenges that the global pandemic and those faced by the whole UK economy has resulted in a 12% decline in turnover compared to prior year. Despite this overall turnover decline, the core Racking and Shelving range performed well in the year with increased sales to B2C customers, resulting in a decline of less than 5% in this sales channel.

Maintaining prior year Gross Margin levels was one of the main challenges for the year. Pressures from competitor pricing and a continuation of Sterling devaluation vs Euro into 2020 added to this pressure given that a proportion of products are purchased from suppliers in Europe. Despite these pressures the business realised a Gross Profit level of 36.6% compared to 36.1% in the prior year.

Forward contracts are also in place to minimise the impact of exchange rate fluctuations.

Administrative costs were 6.4% higher than prior year, mainly due to an increase in SGA expenses during the year.

Profit for the financial year after taxation is £351k compared to £1,491k in 2019.

### Key performance indicators

The board monitors progress on overall strategy by reference to three key performance indicators

|                          | 2020   | 2019  | Definition, method of calculation                        |
|--------------------------|--------|-------|--|
| Sales growth (%)         | -12.0% | -0.4% | Year on year sales growth expressed as a percentage      |
| Gross Margin (%)         | 36.6%  | 36.1% | Gross profit expressed as a percentage of sales          |
| Return on Investment (%) | 1.5%   | 5.5%  | Operating profit expressed as a percentage of net assets |

## Rapid Racking Limited

### Strategic report (continued)

For the year ended 30 September 2020

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#### Future developments

##### Covid-19

The business has remained resilient during the challenging times since the pandemic and the first UK lockdown policy implemented by UK Government on 23 March 2020. Almost all members of Rapid Racking office team remain working from home using the latest cloud based software and virtual desktops to enable a seamless transition from the office environment. The warehouse operations continue to operate with stringent hygiene procedures based on government and PHE guidance. Contingencies are in place to maintain warehouse operations with minimal impact should any warehouse team member test positive for Covid-19.

The Directors continue to review the potential impact of any decline in sales turnover with a focus on the current and future cash positions. Based on current assessments the business has sufficient cash resources, including any requirement to draw down cash from Manutan Group.

Impact of the pandemic on the business Supply Chain operations remain under constant review. Based on current and forecast stock levels, we do not anticipate a material impact on the product available to our customers. The directors and procurement team increased stock levels in late 2020 to account for potential supply chain interruptions related to Brexit and these stock levels, across all product ranges, are forecast at adequate levels to satisfy customer demand.

##### Brexit

The directors recognise that the economic recovery will be slow for a number of years, especially with the backdrop of the end of the Brexit transition period in December 2020. Business customers especially will be mindful of potential capital expenditure on the types of racking and shelving products offered by Rapid Racking. We will continue to develop an exceptional product and service offering that attracts new customers as well as developing the relationships already held with existing customers so that as much as possible we mitigate the risk of the sluggish economy by increasing our market share.

##### General

We anticipate that with increased investment in the sales and marketing plans, especially investment in online activity, the business will continue increasing sales growth ahead of the current year results. We anticipate that gross margins will continue to remain under pressure although we continue to work to improve the gross margin year on year. Efficiencies are forecast to continue through the development of innovative IT solutions including the use of AI on both front and back office applications, therefore despite increased investment in sales and marketing plans, the business is planning to increase operating profit percentage.

On behalf of the board

  
J Metcalfe (Jun 29, 2021 16:21 +01)

J Metcalfe  
Director

Jun 29, 2021  
Date:.....

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## **Rapid Racking Limited**

### **Directors' report**

**For the year ended 30 September 2020**

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The directors present their annual report and financial statements for the year ended 30 September 2020.

#### **Principal activities**

The principal activity of the company continued to be that of the sale of racking, shelving and associated storage products to the UK market through direct marketing to business customers and consumers.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £351k (2019 - £1,491k).

A dividend of £1,124 per share totaling £763k (2019: £763k) was paid in the year.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P Brial  
X Guichard  
J Metcalfe  
B Auffrett

#### **Post reporting date events**

There have been no post balance sheet events which effect the company's financial statements.

#### **Auditor**

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

## **Rapid Racking Limited**

### **Directors' report (continued)**

**For the year ended 30 September 2020**

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#### **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). 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

#### **Statement of disclosure to auditor**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Matters covered in the strategic report**

The mandatory disclosures in relation to the principal risks and uncertainties and the future developments of the company are considered by the directors to be of strategic importance. These have therefore been included in the Strategic Report.

**Rapid Racking Limited**

**Directors' report (continued)  
For the year ended 30 September 2020**

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**Going concern**

In determining whether the company's financial statements can be prepared on a going concern basis, the directors considered the business activities, together with the factors likely to affect its future development, performance and position; these are set out in the Strategic Report.

The company meets its day to day working capital requirements through existing cash resources, including access to Manutan Group cash pooling funds. The business forecasts and projections, taking account of reasonably possible changes in trading performance and the ongoing potential impact of the Covid-19 pandemic, show that the company should be able to operate within the level of its current cash resources, without requirement for external cash funding

As at the date of this report, the directors have a reasonable expectation that the company have adequate resources to continue in business for at least 12 months from the date this report is signed. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

On behalf of the board

  
J Metcalfe (Jun 29, 2021 16:21 (M+1))

**J Metcalfe  
Director**

Date: Jun 29, 2021 .....

## **Rapid Racking Limited**

### **Independent auditor's report**

#### **To the members of Rapid Racking Limited**

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#### **Opinion**

We have audited the financial statements of Rapid Racking Limited (the 'company') for the year ended 30 September 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Rapid Racking Limited**

### **Independent auditor's report (continued) To the members of Rapid Racking Limited**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Rapid Racking Limited**

**Independent auditor's report (continued)  
To the members of Rapid Racking Limited**

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
**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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.

  
Lesley Fox (Jun 29, 2021 17:50 GMT+1)

**Lesley Fox (Senior Statutory Auditor)  
for and on behalf of Mazars LLP**

Jun 29, 2021  
.....

**Chartered Accountants  
Statutory Auditors**

5th Floor  
Merck House  
Seldown Lane  
Poole  
Dorset  
BH15 1TW

**Rapid Racking Limited**

**Statement of comprehensive income  
For the year ended 30 September 2020**

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|  | Notes | 2020<br>£000      | 2019<br>£           |
|--|-------|-------------------|---------------------|
| Turnover                               | 3     | 19,334            | 21,973              |
| Cost of sales                          |       | (12,259)          | (14,041)            |
| <b>Gross profit</b>                    |       | <u>7,075</u>      | <u>7,932</u>        |
| Administrative expenses                |       | (7,085)           | (6,658)             |
| <b>Operating (loss)/profit</b>         | 4     | <u>(10)</u>       | <u>1,274</u>        |
| Interest receivable and similar income | 8     | 429               | 481                 |
| Interest payable and similar expenses  | 9     | (67)              | (38)                |
| <b>Profit before taxation</b>          |       | <u>352</u>        | <u>1,717</u>        |
| Tax on profit                          | 10    | (1)               | (226)               |
| <b>Profit for the financial year</b>   |       | <u><u>351</u></u> | <u><u>1,491</u></u> |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 or 2019.


**Rapid Racking Limited**

**Balance sheet**

**As at 30 September 2020**

|  | Notes | £000    | 2020<br>£000 | £       | 2019<br>£ |
|--|-------|---------|--------------|---------|-----------|
| <b>Fixed assets</b>  |       |         |              |         |           |
| Tangible assets  | 12    |         | 6,196        |         | 285       |
| <b>Current assets</b>  |       |         |              |         |           |
| Stocks   | 13    | 1,978   |              | 2,402   |           |
| Debtors  | 14    | 19,090  |              | 22,401  |           |
| Cash at bank and in hand                                       |       | 4,571   |              | 3,958   |           |
|  |       |         | 25,639       | 28,761  |           |
| <b>Creditors: amounts falling due within one year</b>          | 15    | (3,884) |              | (5,713) |           |
| <b>Net current assets</b>                                      |       |         | 21,755       |         | 23,048    |
| <b>Total assets less current liabilities</b>                   |       |         | 27,951       |         | 23,333    |
| <b>Creditors: amounts falling due after more than one year</b> | 16    |         | (5,030)      |         | -         |
| <b>Net assets</b>  |       |         | 22,921       |         | 23,333    |
| <b>Capital and reserves</b>                                    |       |         |              |         |           |
| Called up share capital  | 20    |         | 1            |         | 1         |
| Share premium account  | 21    |         | 23           |         | 23        |
| Profit and loss reserves                                       | 21    |         | 22,897       |         | 23,309    |
| <b>Total equity</b>  |       |         | 22,921       |         | 23,333    |

The financial statements were approved by the board of directors and authorised for issue on Jun 29, 2021 and are signed on its behalf by:

  
J. P. Metcalfe (Jun 29, 2021 16:21 GMT+1)

J Metcalfe  
**Director**

**Company Registration No. 01992143**

**Rapid Racking Limited**

**Statement of changes in equity  
For the year ended 30 September 2020**

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|  |       | Share<br>capital | Share<br>premium<br>account | Profit and<br>loss<br>reserves | Total  |
|--|-------|------------------|-----------------------------|--------------------------------|--------|
|  | Notes | £000             | £000                        | £000                           | £000   |
| <b>Balance at 1 October 2018</b>                   |       | 1                | 23                          | 22,581                         | 22,605 |
| <b>Year ended 30 September 2019:</b>               |       |                  |                             |                                |        |
| Profit and total comprehensive income for the year |       | -                | -                           | 1,491                          | 1,491  |
| Dividends  | 11    | -                | -                           | (763)                          | (763)  |
| <b>Balance at 30 September 2019</b>                |       | 1                | 23                          | 23,309                         | 23,333 |
| <b>Year ended 30 September 2020:</b>               |       |                  |                             |                                |        |
| Profit and total comprehensive income for the year |       | -                | -                           | 351                            | 351    |
| Dividends  | 11    | -                | -                           | (763)                          | (763)  |
| <b>Balance at 30 September 2020</b>                |       | 1                | 23                          | 22,897                         | 22,921 |

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## Rapid Racking Limited

### Notes to the financial statements

For the year ended 30 September 2020

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#### 1 Accounting policies

##### Company information

Rapid Racking Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit M3 Kemble Industrial Park, Kemble, Cirencester, GL7 6BQ.

##### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, *hedging fair value changes recognised in profit or loss and in other comprehensive income*;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

This information is included in the consolidated financial statements of Manutan International SA as at 30 September 2019 and these financial statements may be obtained from Manutan International S.A., ZAC du Parc des Tulipes, Avenue de 21eme Siècle, 95500 Gonesse, France.

##### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the signing of this report. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**1 Accounting policies (continued)**

**1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

**1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                              |  |
|------------------------------|--|
| Leasehold land and buildings | Life of the lease                        |
| Plant and equipment          | 5 years                                  |
| Fixtures and fittings        | 5 years                                  |
| Office equipment             | Shorter of 3 years and life of the lease |
| Computer equipment           | 3 years                                  |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**1 Accounting policies (continued)**

**1.5 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.6 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**1.7 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1 Accounting policies (continued)**

**1.8 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**1 Accounting policies (continued)**

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1 Accounting policies (continued)**

**1.9 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**1.10 Taxation**

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

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## Rapid Racking Limited

### Notes to the financial statements (continued) For the year ended 30 September 2020

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#### 1 Accounting policies (continued)

##### 1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

##### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### 2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### **Stock provision**

Monthly monitoring of stock lines is carried out in order to manage slow-moving and obsolete stock. Stock provision is based on the stocked quantity of products held compared to sales volumes of products over the previous 36 months.

**Rapid Racking Limited****Notes to the financial statements (continued)  
For the year ended 30 September 2020****3 Turnover and other revenue**

|   | <b>2020</b>       | <b>2019</b>       |
|---|-------------------|-------------------|
|   | <b>£000</b>       | <b>£000</b>       |
| <b>Turnover analysed by class of business</b>   |                   |                   |
| Sale of goods                                   | 19,334            | 21,973            |
|   | <u>          </u> | <u>          </u> |
|   | <b>2020</b>       | <b>2019</b>       |
|   | <b>£000</b>       | <b>£000</b>       |
| <b>Other significant revenue</b>                |                   |                   |
| Interest income                                 | 429               | 481               |
|   | <u>          </u> | <u>          </u> |
|   | <b>2020</b>       | <b>2019</b>       |
|   | <b>£000</b>       | <b>£000</b>       |
| <b>Turnover analysed by geographical market</b> |                   |                   |
| United Kingdom                                  | 18,235            | 21,678            |
| Rest of Europe                                  | 1,089             | 270               |
| Rest of the World                               | 10                | 25                |
|   | <u>          </u> | <u>          </u> |
|   | 19,334            | 21,973            |
|   | <u>          </u> | <u>          </u> |

**4 Operating (loss)/profit**

|  | <b>2020</b>       | <b>2019</b>       |
|--|-------------------|-------------------|
|  | <b>£000</b>       | <b>£000</b>       |
| Operating (loss)/profit for the year is stated after charging/(crediting): |                   |                   |
| Exchange losses/(gains)  | 344               | (23)              |
| Depreciation of owned tangible fixed assets                                | 285               | 91                |
| Depreciation of tangible fixed assets held under finance leases            | 177               | 395               |
| Operating lease charges  | 175               | 82                |
|  | <u>          </u> | <u>          </u> |

**5 Auditor's remuneration**

|   | <b>2020</b>       | <b>2019</b>       |
|---|-------------------|-------------------|
|   | <b>£000</b>       | <b>£000</b>       |
| Fees payable to the company's auditor and associates: |                   |                   |
| <b>For audit services</b>                             |                   |                   |
| Audit of the financial statements of the company      | 38                | 37                |
|   | <u>          </u> | <u>          </u> |

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

**Rapid Racking Limited**

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

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**6 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

|                            | <b>2020</b>   | <b>2019</b>   |
|----------------------------|---------------|---------------|
|                            | <b>Number</b> | <b>Number</b> |
| Sales                      | 22            | 24            |
| Finance and administration | 14            | 16            |
| Warehousing                | 26            | 30            |
| Total                      | <u>62</u>     | <u>70</u>     |

Their aggregate remuneration comprised:

|                       | <b>2020</b>  | <b>2019</b>  |
|-----------------------|--------------|--------------|
|                       | <b>£000</b>  | <b>£000</b>  |
| Wages and salaries    | 2,297        | 2,699        |
| Social security costs | 227          | 250          |
| Pension costs         | 63           | 73           |
|                       | <u>2,587</u> | <u>3,022</u> |

**7 Directors' remuneration**

The Directors and key management split their time between Rapid Racking and Manutan UK Limited. As a result £113k (2019 - £92k) of remuneration for Directors was recharged from Manutan UK Limited for services provided.

All Directors and certain senior employees who have authority and responsibility for planning, directing and controlling activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals is £430k (2019 - £457k),

**8 Interest receivable and similar income**

|                       | <b>2020</b> | <b>2019</b> |
|-----------------------|-------------|-------------|
|                       | <b>£000</b> | <b>£000</b> |
| Interest income       |             |             |
| Other interest income | 429         | 481         |
|                       | <u>429</u>  | <u>481</u>  |

**Rapid Racking Limited****Notes to the financial statements (continued)  
For the year ended 30 September 2020****9 Interest payable and similar expenses**

|   | <b>2020</b> | <b>2019</b> |
|---|-------------|-------------|
|   | <b>£000</b> | <b>£000</b> |
| Other interest on financial liabilities | 67          | 38          |

**10 Taxation**

|  | <b>2020</b> | <b>2019</b> |
|--|-------------|-------------|
|  | <b>£000</b> | <b>£000</b> |
| <b>Current tax</b>                                   |             |             |
| UK corporation tax on profits for the current period | -           | 146         |
| <b>Deferred tax</b>                                  |             |             |
| Origination and reversal of timing differences       | 1           | 80          |
| <b>Total tax charge</b>                              | <b>1</b>    | <b>226</b>  |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

|  | <b>2020</b> | <b>2019</b> |
|--|-------------|-------------|
|  | <b>£000</b> | <b>£000</b> |
| Profit before taxation   | 352         | 1,717       |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%) | 67          | 326         |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 1           | 4           |
| Adjustments in respect of prior years  | -           | (10)        |
| Group relief   | (65)        | (88)        |
| Permanent capital allowances in excess of depreciation   | (1)         | 3           |
| Under/(over) provided in prior years   | -           | (89)        |
| Deferred tax   | 1           | 80          |
| Other adjustments  | (2)         | -           |
| <b>Taxation charge for the year</b>  | <b>1</b>    | <b>226</b>  |

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**Rapid Racking Limited**

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

**11 Dividends**

|            | <b>2020</b> | <b>2019</b> |
|------------|-------------|-------------|
|            | <b>£000</b> | <b>£000</b> |
| Final paid | 763         | 763         |

**12 Tangible fixed assets**

|  | <b>Leasehold<br/>land and<br/>buildings</b> | <b>Plant and<br/>equipment</b> | <b>Fixtures and<br/>fittings</b> | <b>Office<br/>equipment</b> | <b>Computer<br/>equipment</b> | <b>Total</b> |
|--|---|--------------------------------|----------------------------------|-----------------------------|-------------------------------|--------------|
|  | <b>£000</b>                                 | <b>£000</b>                    | <b>£000</b>                      | <b>£000</b>                 | <b>£000</b>                   | <b>£000</b>  |
| <b>Cost</b>                            |   |                                |                                  |                             |                               |              |
| At 1 October 2019                      | 1,548                                       | 518                            | 646                              | 602                         | 10                            | 3,324        |
| Additions                              | 5,927                                       | 302                            | 129                              | 16                          | -                             | 6,374        |
| Disposals                              | (1,394)                                     | (149)                          | (37)                             | (66)                        | (10)                          | (1,656)      |
| At 30 September 2020                   | 6,081                                       | 671                            | 738                              | 552                         | -                             | 8,042        |
| <b>Depreciation and<br/>impairment</b> |   |                                |                                  |                             |                               |              |
| At 1 October 2019                      | 1,367                                       | 509                            | 632                              | 522                         | 9                             | 3,039        |
| Depreciation charged in<br>the year    | 373   | 25                             | 15                               | 49                          | -                             | 462          |
| Eliminated in respect of<br>disposals  | (1,394)                                     | (149)                          | (37)                             | (66)                        | (9)                           | (1,655)      |
| At 30 September 2020                   | 346   | 385                            | 610                              | 505                         | -                             | 1,846        |
| <b>Carrying amount</b>                 |   |                                |                                  |                             |                               |              |
| At 30 September 2020                   | 5,735                                       | 286                            | 128                              | 47                          | -                             | 6,196        |
| At 30 September 2019                   | 181   | 9                              | 14                               | 80                          | 1                             | 285          |

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

|                    | <b>2020</b> | <b>2019</b> |
|--------------------|-------------|-------------|
|                    | <b>£000</b> | <b>£000</b> |
| Land and buildings | 5,499       | 157         |

**Rapid Racking Limited**

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

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|           |  |                   |                   |
|-----------|--|-------------------|-------------------|
| <b>13</b> | <b>Stocks</b>  | <b>2020</b>       | <b>2019</b>       |
|           |  | <b>£000</b>       | <b>£000</b>       |
|           | Finished goods and goods for resale                  | 1,978             | 2,402             |
|           |  | <u>          </u> | <u>          </u> |
| <b>14</b> | <b>Debtors</b>                                       | <b>2020</b>       | <b>2019</b>       |
|           |  | <b>£000</b>       | <b>£000</b>       |
|           | <b>Amounts falling due within one year:</b>          |                   |                   |
|           | Trade debtors  | 2,376             | 3,786             |
|           | Corporation tax recoverable                          | 130               | -                 |
|           | Amounts owed by group undertakings                   | 15,926            | 18,098            |
|           | Other debtors  | 5                 | 82                |
|           | Prepayments and accrued income                       | 639               | 420               |
|           |  | <u>          </u> | <u>          </u> |
|           |  | 19,076            | 22,386            |
|           |  | <u>          </u> | <u>          </u> |
|           | <b>Amounts falling due after more than one year:</b> | <b>2020</b>       | <b>2019</b>       |
|           |  | <b>£000</b>       | <b>£000</b>       |
|           | Deferred tax asset (note 18)                         | 14                | 15                |
|           |  | <u>          </u> | <u>          </u> |
|           | <b>Total debtors</b>                                 | <b>19,090</b>     | <b>22,401</b>     |
|           |  | <u>          </u> | <u>          </u> |

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**Rapid Racking Limited****Notes to the financial statements (continued)  
For the year ended 30 September 2020****15 Creditors: amounts falling due within one year**

|                                    | Notes | 2020<br>£000 | 2019<br>£000 |
|------------------------------------|-------|--------------|--------------|
| Obligations under finance leases   | 17    | 550          | 122          |
| Trade creditors                    |       | 1,289        | 1,464        |
| Amounts owed to group undertakings |       | 231          | 3,025        |
| Taxation and social security       |       | 854          | 619          |
| Other creditors                    |       | 59           | 58           |
| Accruals and deferred income       |       | 901          | 425          |
|                                    |       | <u>3,884</u> | <u>5,713</u> |

The Company is party to a cross guarantee in respect of bank borrowings for itself and fellow group companies. This is by way of a debenture dated 23 December 2010 in favour of Barclays PLC which has security against all monies, mortgaging existing and future freehold and leasehold property, all book debts and all assets.

**16 Creditors: amounts falling due after more than one year**

|                                  | Notes | 2020<br>£000 | 2019<br>£000 |
|----------------------------------|-------|--------------|--------------|
| Obligations under finance leases | 17    | 5,030        | -            |
|                                  |       | <u>5,030</u> | <u>-</u>     |

**17 Finance lease obligations**

|   | 2020<br>£000 | 2019<br>£000 |
|---|--------------|--------------|
| Future minimum lease payments due under finance leases: |              |              |
| Within one year   | 550          | 122          |
| In two to five years                                    | 5,030        | -            |
|   | <u>5,580</u> | <u>122</u>   |

**Rapid Racking Limited**

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2020**

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**18 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

|                                | <b>Assets<br/>2020<br/>£000</b> | <b>Assets<br/>2019<br/>£000</b> |
|--------------------------------|---------------------------------|---------------------------------|
| <b>Balances:</b>               |                                 |                                 |
| Accelerated capital allowances | 14                              | 15                              |
|                                | <u>          </u>               | <u>          </u>               |
| <b>Movements in the year:</b>  |                                 | <b>2020<br/>£000</b>            |
| Asset at 1 October 2019        |                                 | (15)                            |
| Charge to profit or loss       |                                 | 1                               |
|                                |                                 | <u>          </u>               |
| Asset at 30 September 2020     |                                 | (14)                            |
|                                |                                 | <u>          </u>               |

**19 Retirement benefit schemes**

|   | <b>2020<br/>£000</b> | <b>2019<br/>£000</b> |
|---|----------------------|----------------------|
| <b>Defined contribution schemes</b>                                 |                      |                      |
| Charge to profit or loss in respect of defined contribution schemes | 63                   | 73                   |
|   | <u>          </u>    | <u>          </u>    |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

**20 Share capital**

|   | <b>2020<br/>Number</b> | <b>2019<br/>Number</b> | <b>2020<br/>£000</b> | <b>2019<br/>£000</b> |
|---|------------------------|------------------------|----------------------|----------------------|
| <b>Ordinary share capital<br/>Issued and fully paid</b> |                        |                        |                      |                      |
| Ordinary shares of £1.00 each                           | 679                    | 679                    | 1                    | 1                    |
|   | <u>          </u>      | <u>          </u>      | <u>          </u>    | <u>          </u>    |

## Rapid Racking Limited

### Notes to the financial statements (continued) For the year ended 30 September 2020

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#### 21 Reserves

##### Share premium

The share premium reserve represents the consideration that has been received in excess of the nominal value of shares on issue of new ordinary share capital.

##### Capital redemption reserve

The capital redemption reserve represents the amount required to maintain the nominal share capital on redemption of shares.

##### Profit and loss reserves

The retained earnings reserves represents profits retained in previous and the current periods.

#### 22 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | 2020       | 2019       |
|----------------------------|------------|------------|
|                            | £000       | £000       |
| Within one year            | 71         | 98         |
| Between two and five years | 44         | 55         |
|                            | <u>115</u> | <u>153</u> |

#### 23 Related party transactions

As a wholly owned subsidiary undertaking, the Company has taken advantage of the exemption available under section 33 of FRS 102, and has not disclosed transactions with members of, or investees in the Manutan International Group.

#### 24 Ultimate controlling party

Eurostore Holdings Limited is the Company's immediate parent company by virtue of its ownership of the entire share capital of Rapid Racking Limited.

The Directors consider the ultimate parent undertaking of the Company is Manutan International SA, a company incorporated in France.

The smallest and largest group in which the results of the Company are consolidated is that headed by Manutan International SA, incorporated in France. The consolidated financial statements of this group are available to the public and may be obtained from Manutan International SA, ZAC du Parc des Tulipes, Avenue du 21eme Siecle. 95500 Gonesse, France.