

RS INTEGRATED SUPPLY UK LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2025

Strategic Report

The Directors present their strategic report for the year ended 31 March 2025.

Principal activity, business review and key performance indicators

RS Integrated Supply (RSIS), part of RS Group, plc, is a global Business Process Outsourcing (BPO) provider that uses advanced data and technology to turn non-value-adding processes into value-generating practices across the Maintenance, Repair and Operations (MRO) supply chain. The Company supports nearly 100 clients across the UK, North America Europe and APAC, managing c. £600,000,000 in client inventory.

The organisation was formed following RS Group's acquisition of IESA in 2019 and Synovos in 2021, bringing together two leading businesses under a single global BPO brand – RS Integrated Supply – in 2023.

Building on decades of expertise in business process outsourcing and deep insight into manufacturers' needs, the Company has developed a proprietary technology platform designed to manage the end-to-end supply of MRO goods with maximum efficiency.

The Company acts as an agent in relation to the products sourced for its clients and so does not recognise the value of these pass through items in turnover or cost of sales. Turnover represents the fees it earns from both clients and suppliers for providing these services. It pays the suppliers' invoices and raises invoices to clients in relation to these pass through items and so debtors and creditors include balances related to these transactions and as a result are much larger than turnover, cost of sales and expenses.

The Company's turnover increased by 10% to £22,593,000 (2024 restated: £20,584,000) as the Company continues to win new contracts and has a strong retention rate for existing strategic customers. The Company's administrative expenses increased by 8% year on year to £16,045,000 (2024: £14,913,000) as a result of the Company's £1,583,000 (2024: £307,000) investment in global technology as part of the overall RSIS group of companies. The Company continues to support the RS Integrated Supply companies set up in other European markets until they become profit making. In the current year, certain supported entities generated profit, therefore not requiring the level of support in prior year, which resulted in other operating income of £2,530,000 (2024: other operating expense £571,000). These investments and support led to a loss before taxation of £2,316,000 (2024 restated: £5,418,000).

At 31 March 2025, the Company's net liabilities were £16,285,000 (2024 restated: £14,547,000) and net current assets were £3,347,000 (2024 restated: net current liabilities £15,407,000). The 31 March 2024 balance sheet has been restated to the correction of an error in revenue recognition. Please refer to note 3 for further information.

The Directors are satisfied that the Company is a going concern as RS Group plc (the ultimate parent company) has undertaken to continue to fund the Company for the foreseeable future. Additionally, to strengthen the liquidity of the Company, on 26 November 2025, the Company's immediate parent IESA Holdings Limited made a £21,100,000 equity contribution. The proceeds of this contribution were utilized to repay the £20,000,000 long-term loan as well as current payables due to the Group.

Employee numbers were 398 (2024: 399).

Future developments

The Company continues to work closely with RSIS in the Americas to deliver the Group's strategy for RS Integrated Supply. The Company will continue to concentrate on the quality of client service and cost efficiency that it can bring to the various manufacturing and production market sectors in the UK while also looking to develop its services in strategic markets in the UK, Europe and in the Americas markets. This development will be through both existing and new services, with a continued focus on scalability and the use of, and continued investment and development in, strong technology, data solutions and IT platforms to provide innovative proposals to clients. RS Integrated Supply is continuing to migrate its clients as well as its internal operations to a common set of platforms to allow for further automation, sharing best practices and unlocking efficiencies. Growth is planned to be closely controlled to ensure that the quality of service to all clients is maintained and enhanced.

Section 172(1) statement

Under section 172(1) of the Companies Act 2006, the Directors are required to act in a way that they consider, in all good faith, would most likely promote the success of the Company and all its stakeholders. Throughout the year the Company has strived to continue to demonstrate how, as a considerate, sustainable, responsible and solutions-driven business, the Directors and senior management have achieved this.

The Company continues to prioritise the health, safety and wellbeing of its employees, building a high performance, purpose-led culture and investing in its people to attract and retain the best talent. It invests in skills, education and formal training programmes through the Group's My Academy platform. Also, detailed information of how the Directors have supported the Company's employees is included in people and health and safety below and in employee engagement on page 3 as well as in the 2025 RS Group plc Annual Report and Accounts on pages 12, 17, 56 to 60.

The Company continues to endeavour to keep its customers running and also supporting those critical businesses that rely on it, such as pharmaceutical/life sciences, food & beverage, and discrete manufacturing industries. The Directors regularly meet and talk to the Company's prospective, new and existing clients to ensure the Company continues to provide innovative solutions and scalability for them in the long term. This is considered carefully when deciding how the Company will develop in the future as described in future developments above.

Strategic Report (continued)

The Directors and executive management team also regularly meet with suppliers, including senior managers in other Group companies, to ensure the Company works closely with them to provide its clients with the best service and price.

The Directors take seriously the impact the Company has on its local communities and the environment, and continues to support local charities in donations and as well as active involvement of employees, through volunteer days. The Company reaffirmed its commitment to ethical trading and seeks to work with supply chain partners who are willing to commit to the highest ethical and legal standards in areas such as human rights, labour, environment, sustainability and anti-corruption. Suppliers are asked to commit to the Group's improved ethical trading declaration.

The Directors also manage the Company's reputation for having high standards of business and ethical conduct by ensuring the Company follows the Group's codes of conduct for its employees (Speak Up) and for its suppliers, and in ensuring its employees are properly trained and follow the Group's information security policies and procedures and the General Data Protection Regulation (GDPR).

Principal risks and uncertainties

Principal risks and uncertainties affecting the Company are summarised below.

Market disruption: Unexpected changes in market buying behaviours could result in lower than forecast financial results. As part of the Group, the Company is continually assessing customer needs, improving the online user experience and seeking ways to mitigate cyclicality.

Geopolitical environment: Future global destabilisation could impact on international business activities such as increasing operating costs, global tariffs, additional trade sanctions and supply chain delays, which the Company monitors continually.

Cybersecurity disruption: The Company, supported by the Group, performs regular assessment and continuous development of security controls, including investing in employee education and awareness. However these controls may not be sufficient in an evolving cybersecurity threat landscape.

Climate change: The Company may not adequately manage the potential impacts on the business due to climate change effects. This could be either: the physical risks of more extreme weather conditions impacting employee health and wellbeing, supply chain channels and customer service; or the transition risks associated with the consequences of the migration to a low-carbon industrial sector. The Company, as part of the Group, has undertaken detailed climate scenario analysis and has strategies and controls in place to mitigate physical climate-related risks on operations and wider supply chain, further details of which are available in the 2025 RS Group plc Annual Report and Accounts.

Talent and people resources: The retention and recruitment of high-performing employees is a key priority for the Company. Defined recruitment and retention policies exist and are managed to ensure the Company is competitive and attracts the best candidates.

Health and safety: The Company continues to focus on the wellbeing and mental health of its employees and enhance the attention it gives to health and safety, investing to ensure performance remains excellent in this critical area, building on its Target Zero Behavioural Safety training campaign.

Operational performance: The Company is continually reviewing procedures and systems to ensure that the work performed is of the highest quality in order to retain existing clients and attract new clients. This is underlined by the Company's commitment to retaining ISO accreditation in relevant areas.

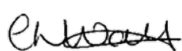
Financial risk management

Liquidity and interest rate risk: The Company has arrangements with the Group that enable it to access funds when needed to meet its liquidity requirements. Interest receivable and payable on balances with the ultimate parent company and other Group companies are calculated based on market rates of interest. The Group liquidity requirements and interest rate risks are managed at a Group level.

Credit risk: The Company is exposed to credit risk on financial assets such as cash balances (including deposits and cash & cash equivalents) and on trade and other debtors.

Foreign currency transaction risk: The Company is exposed to foreign currency transaction risk on purchases made in currencies other than sterling and also foreign currency loans from RS Group plc. This risk is managed through the Group.

Approved for issue by the Board and signed on its behalf:



Director

18 March 2026

Directors' Report

The Directors present their report and the audited accounts for the year ended 31 March 2025.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the accounts were:

J Abraham (appointed 10 June 2025)
D C A Bowring (resigned 31 December 2024)
A James
A Lucas (resigned 31 May 2024)
A B Perry (resigned 10 June 2025)
C Watt (appointed 10 June 2025)

Directors' and Officers' liability insurance

In accordance with the Company's Articles of Association, the ultimate parent company (Note 23) entered into a new deed in 2024 to indemnify the Directors (from time to time) of the Company to the extent permitted by law. A copy of this indemnity (which remains in force as of the date on which this report was approved) is available at the registered office of the Company. The ultimate parent company purchased and maintained Directors' and Officers' liability insurance throughout 2024, which was renewed for 2025, for each of its Directors and each of the Directors of its subsidiary companies. It remains in force at the date of approval of this Directors' Report. Neither the indemnity nor insurance provides cover in the event that a Director or Officer is proved to have acted fraudulently.

Dividends

No dividends were paid during the year (2024: £nil). The Directors do not propose a final dividend for the year ended 31 March 2025 (2024: £nil).

Research and development

Work is continuing in the further development and expansion of the technology platform and service offering to meet client requirements and to take advantage of new technology as it becomes available. The Company's focus continues to be on the use of data and technology to improve efficiency and the quality of information available to clients to make informed decisions.

Employee engagement

The Company recognises the benefits of keeping employees informed of the progress of the business and of involving them in the Company's performance. Through the Company's intranet site and other tools such as Microsoft Viva Engage, staff newsletters and regular meetings, employees are provided with information relating to the performance of the Company and on other matters of concern to them as employees. Employee representatives are consulted regularly on a wide range of matters affecting their interests. Employees are encouraged to participate in the performance of the Group by the Group's Savings-Related Share Option Scheme, further details can be found in Note 10.

Building a purpose-led, high-performance culture needs insight and solid foundations. Listening to employees is critical to understand progress and areas to improve. Engagement is fostered through regular team talks, engagement surveys, senior leader interactions, training programs, and health and wellbeing resources.

Employment of disabled persons

The Company is committed to a policy of equal opportunities with regards to its employment practices and procedures. The Company remains supportive of the employment and advancement of disabled persons, and adopts the Group's practices of giving fair consideration to applications for employment from disabled people as well as their training, career development and promotion. Where appropriate, facilities are adapted and retraining offered to any employee developing a disability whilst employed.

Business relationships

How the Directors have had regard to the need to foster the Company's business relationships with its suppliers, clients and others and the effect of that regard, including on the principal decisions taken by the Company during the year, is considered in the Strategic Report.

Other information to report

The following information is set out on the pages below:

- Financial results – page 8
- Financial instruments and financial risk management – pages 2, 12, 16 and 17
- Likely future developments – page 1

Directors' Report (continued)

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report each confirm that, so far as they are aware, there is no relevant audit information of which the auditors are unaware and that each Director has taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Statement of Directors' responsibilities in respect of the accounts

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulation.

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have prepared the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law). Under company law the Directors must not approve the accounts 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 the accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the accounts;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the accounts 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 accounts comply with the Companies Act 2006.

The Directors 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.

Approved for issue by the Board and signed on its behalf:



Director

18 March 2026

Independent auditor's report to the members of RS Integrated Supply UK Limited

Report on the audit of the financial statements

Qualified opinion

In our opinion, except for the possible effects on the corresponding figures of the matter described in the basis for qualified opinion section of our report, the financial statements of RS Integrated Supply UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31st March 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland";
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 24.

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).

Basis for qualified opinion

The financial statements for RS Integrated Supply Limited for the year ended 31 March 2023 included mark-up management fees of £1,881,000 within Turnover; accrued income charged on receipt of product of £10,473,000 included within Debtors; and goods received not invoiced accruals of £8,099,000 included within Creditors: amounts falling due within one year.

The previous auditor concluded that for the year ended 31 March 2023 appropriate accounting records had not been maintained by the Company and as a result, they were unable to obtain sufficient audit evidence to satisfy themselves that these balances were free from material misstatements. Consequently we were unable to determine whether there was any consequential effect on the mark-up management fee within Turnover for the year ended 31 March 2024, and our opinion on the financial statements for the year ended 31 March 2024 was modified accordingly. Our opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

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 Financial Reporting Council's (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 qualified opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 themselves. 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.

As described in the basis for qualified opinion section of our report, our audit opinion is qualified in relation to the possible effect on the comparability of the current year's figures and the corresponding figures in relation to the mark-up management fee within Turnover. We have concluded that where the other information refers to Turnover it may be materially misstated for the same reason.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, 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.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of its policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- did not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

- Accrued income on receipt of products; and
- Mark-up management fee turnover.

We assessed a sample of accrued income on receipt of products, tracing to underlying support (purchase invoice, sales invoice, proof of delivery and bank statement). We have also agreed a sample of gross sales with a mark-up element to underlying support, and recalculated the net mark-up based on contractual agreements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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 has been prepared in accordance with applicable legal requirements.

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.



Jon Thomson (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
18 March 2026

**Statement of Comprehensive Income
for the year ended 31 March 2025**

	Note	2025 £000	2024 restated ¹ £000
Turnover	5	22,593	20,584
Cost of sales		(8,269)	(7,504)
Gross profit		14,324	13,080
Administrative expenses		(16,045)	(14,913)
Other operating income/(expense)		2,530	(571)
Operating profit/(loss)	6	809	(2,404)
Interest receivable and similar income		66	-
Interest payable and similar charges	11	(3,191)	(3,014)
Loss before taxation		(2,316)	(5,418)
Tax benefit (expense) on loss	12	110	(451)
Loss and total comprehensive expense for the year		(2,206)	(5,869)

1. Please refer to Note 3 for further details of the restatement.

The notes on pages 11 to 20 are an integral part of these accounts.

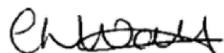
Balance Sheet
as at 31 March 2025

	Note	2025 £000	2024 restated ¹ £000
Fixed assets			
Intangible assets	13	-	520
Tangible assets	14	368	439
Total fixed assets		368	959
Current assets			
Debtors: amounts falling due after more than one year	15	-	79
Debtors: amounts falling due within one year	15	74,007	64,754
Cash at bank and in hand		692	148
Total current assets		74,699	64,981
Creditors: amounts falling due within one year	16	(71,352)	(80,388)
Net current assets/(liabilities)		3,347	(15,407)
Total assets less current liabilities		3,715	(14,448)
Creditors: amounts falling due after more than one year	17	(20,000)	(99)
Net liabilities		(16,285)	(14,547)
Capital and reserves			
Called up share capital	20	909	909
Profit and loss account		(17,194)	(15,456)
Total equity		(16,285)	(14,547)

1. Please refer to Note 3 for further details of the restatement.

The notes on pages 11 to 20 are an integral part of these accounts.

These accounts on pages 8 to 20 were approved by the Board of Directors on 18 March 2026 and were signed on its behalf by:



Director

Company number: 04188491

**Statement of Changes in Equity
for the year ended 31 March 2025**

	Share capital £000	Profit and loss account £000	Total equity £000
At 1 April 2023 (as previously reported)	909	(9,214)	(8,305)
Restatement ¹	-	(799)	(799)
At 1 April 2023 (restated¹)	909	(10,013)	(9,104)
Loss and total comprehensive expense for the year	-	(5,869)	(5,869)
Equity-settled share-based payments	-	426	426
At 31 March 2024 (restated¹)	909	(15,456)	(14,547)
Loss and total comprehensive expense for the year	-	(2,206)	(2,206)
Equity-settled share-based payments	-	468	468
At 31 March 2025	909	(17,194)	(16,285)

1. Please refer to Note 3 for further details of the restatement.

The notes on pages 11 to 20 are an integral part of these accounts.

Notes to the accounts

1. General information

The Company is a wholly-owned subsidiary of RS Group plc. The Company is a private company limited by shares and is incorporated, registered and domiciled in England and Wales. The address of its registered office is IESA Works, Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK.

2. Statement of compliance

These accounts have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and the Companies Act 2006. They are presented in sterling and rounded to the nearest £1,000.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these accounts are set out below and have been consistently applied.

(a) Basis of preparation

These accounts are prepared on a going concern basis, under the historical cost convention.

RS Group plc has confirmed it will continue to make funds available to enable the Company to meet all its financial obligations as they fall due for at least 12 months from the date of approval of these accounts. RS Group plc's viability statement can be found on pages 43 and 44 of its Annual Report and Accounts for the year ended 31 March 2025 which are publicly available (Note 23). Consequently the directors have determined that the preparation of these accounts on a going concern basis is appropriate.

Exemptions for qualifying entities under FRS 102

The Company is included in the ultimate parent company's consolidated accounts which are publicly available (Note 23) and has therefore taken advantage of the following disclosure exemptions available under FRS 102:

- preparation of a cash flow statement
- financial instrument disclosures
- share-based payment disclosures
- key management personnel compensation disclosure

Prior period adjustment and restatement of previously issued financial statements

During the year, the Company identified variances in its transactional processing of charge on issue stock for one specific client, which led to the identification of an error in revenue recognition for these transactions. The issue has been resolved with the client post year-end. This impacts the opening position as at 1 April 2023 and the year ended 31 March 2024.

The impact of the prior period adjustment and the restatement on the primary statements are presented in the tables below:

	Prior year adjustment £000
Turnover	(151)
Loss and total comprehensive expense for the year	(151)
Debtors: amounts falling due within one year	(399)
Creditors: amounts falling due within one year	(551)
Net liabilities	(950)
Total equity	(950)

Notes to the accounts (continued)

3. Summary of significant accounting policies (continued)

Prior period adjustment and restatement of previously issued financial statements (continued)

As at 31 March 2024	Reported	Prior year	Restated
Statement of Comprehensive Income	£000	adjustment	£000
Turnover	20,735	(151)	20,584
Cost of sales	(7,504)	-	(7,504)
Gross profit	13,231	(151)	13,080
Administrative expenses	(14,913)	-	(14,913)
Other operating expense	(571)	-	(571)
Operating loss	(2,253)	(151)	(2,404)
Interest payable and similar charges	(3,014)	-	(3,014)
Loss before taxation	(5,267)	(151)	(5,418)
Tax expense on loss	(451)	-	(451)
Loss and total comprehensive expense for the year	(5,718)	(151)	(5,869)

As at 31 March 2024	Reported	Prior year	Restated
Balance Sheet	£000	adjustment	£000
Intangible assets	520	-	520
Tangible assets	439	-	439
Total fixed assets	959	-	959
Current assets			
Debtors: amounts falling due after more than one year	79	-	79
Debtors: amounts falling due within one year	65,153	(399)	64,754
Cash at bank and in hand	148	-	148
Total current assets	65,380	(399)	64,981
Creditors: amounts falling due within one year	(79,837)	(551)	(80,388)
Net current assets/(liabilities)	(14,457)	(950)	(15,407)
Total assets less current liabilities	(13,398)	(950)	(14,448)
Creditors: amounts falling due after more than one year	(99)	-	(99)
Net liabilities	(13,597)	(950)	(14,547)
Capital and reserves			
Called up share capital	909	-	909
Profit and loss account	(14,506)	(950)	(15,456)
Total equity	(13,597)	(950)	(14,547)

Statement of Changes in Equity	Reported	Prior year	Restated
	£000	adjustment	£000
Profit and loss account			
At 1 April 2023	(9,214)	(799)	(10,013)
Loss and total comprehensive expense for the year	(5,718)	(151)	(5,869)
Equity-settled share-based payments	426	-	426
At 31 March 2024	(14,506)	(950)	(15,456)

Notes to the accounts (continued)

3. Summary of significant accounting policies (continued)

Prior period adjustment and restatement of previously issued financial statements (continued)

As at 31 March 2024	Reported	Prior year adjustment	Restated
Debtors: amounts falling due within one year	£000	£000	£000
Trade debtors	42,453	-	42,543
Amounts owed by other Group companies	5,384	-	5,384
Other debtors	59	-	59
Corporation tax	635	-	635
Prepayments	458	-	458
Accrued income recognised on receipt of product	10,454	-	10,454
Other accrued income	5,620	(399)	5,221
	65,153	(399)	64,754

As at 31 March 2024	Reported	Prior year adjustment	Restated
Creditors: amounts falling due within one year	£000	£000	£000
Trade creditors	30,280	-	30,280
Amounts owed to the ultimate parent company	24,297	-	24,297
Amounts owed to other Group companies	11,896	-	11,896
Other taxation and social security	1,872	-	1,872
Other creditors	396	551	947
Goods received not invoiced (GRNI) accrual	8,870	-	8,870
Other accruals and deferred income	2,226	-	2,226
	79,837	551	80,388

(b) Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes for services supplied to third parties.

The Company recognises turnover for management charges, which are fees charged to clients in relation to the provision of the outsourced services, either as a monthly management fee or as a mark-up management fee when products are delivered each month. Licence fee income and subscription fee income are earned from suppliers in relation to the fees they pay to access the client base via the online procurement portal. This income is recognised in the month the licence fee or subscription fee is earned.

The Company acts as an agent in relation to the products sourced for its clients and so does not recognise the value of these pass through items in turnover or cost of sales. Pass through assets and liabilities are recognised gross in prepayments and accrued income and in accruals and deferred income respectively as the Company does not have a right of offset.

(c) Foreign currency transactions

Transactions in foreign currencies are recorded using the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rate ruling at that date and the gains and losses on translation are recognised in operating profit.

Foreign exchange gains and losses that relate to pass through items are recognised in administrative expenses.

(d) Post-employment benefits

The Company operates a defined contribution plan for its employees. Contributions are expensed as they fall due.

(e) Other operating expense

Other operating expense represents amounts recharged / credited to companies in the Group for the costs of central processes incurred by the Company calculated to generate an agreed operating profit margin in those companies.

(f) Share-based payments

Equity-settled share-based payments are measured at fair value at the grant date, calculated using an appropriate option pricing model. The fair value is expensed with a corresponding increase in equity on a straight-line basis over the period that employees become unconditionally entitled to the awards. The charge to profit or loss is adjusted to reflect expected and actual levels of vesting associated with non-market performance related criteria.

Cash-settled share-based payments are measured at fair value at the balance sheet date, taking into account the estimated number of awards that will actually vest and the relative completion of the vesting period. This fair value is included in liabilities and changes in the value of these liabilities are recognised in profit or loss.

Notes to the accounts (continued)

3. Summary of significant accounting policies (continued)**(g) Termination benefits**

Termination benefits include payments in lieu of notice and redundancy and termination payments and are recognised in profit or loss as incurred.

(h) Interest payable and similar charges

Interest is calculated using the effective interest method and recognised in profit or loss as incurred.

(i) Taxation

Current and deferred tax are recognised in profit or loss, except when they relate to items recognised directly in equity when the related tax is also recognised in equity.

Current tax is the amount of income tax payable in respect of the taxable profit for the period, using tax rates that have been enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of prior years.

Deferred tax is recognised on all timing differences at the balance sheet date except for certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the accounts that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the accounts. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted at the balance sheet date that are expected to apply to the reversal of the timing difference.

(j) Intangible fixed assets

Software is stated at cost less accumulated amortisation and any provisions for impairment. Amortisation is calculated to write off the cost of software on a straight-line basis over its useful life.

(k) Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and any provisions for impairment. They are depreciated to residual value, on a straight-line basis over the following useful lives:

Leasehold improvements	over the lease term
Fixtures and fittings	4 years
Computer equipment	3 years

(l) Leases

Operating leases rentals are charged to operating profit on a straight-line basis over the lease term, net of rent-free periods and similar incentives which are credited to operating profit on the same basis and over the same period.

(m) Basic financial instruments

Basic financial assets, including debtors and cash at bank and in hand, are initially recognised at transaction price and then subsequently at amortised cost less any provision for impairment.

Basic financial liabilities, including creditors, are initially recognised at transaction price and then subsequently at amortised cost.

(n) Distributions

Dividends and other distributions are recognised in the statement of changes in equity and as a liability in the balance sheet in the period in which the dividends and other distributions are approved by the Company's shareholders.

4. Critical accounting judgements and estimation uncertainty

The preparation of accounts under FRS 102 requires the Company to make judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Except for judgements involved in estimations, no judgements have been made in the process of applying the Company's accounting policies that have had a significant effect on the amounts recognised in the accounts. The judgements involved in estimations take account of the longer-term impacts of climate change and environmental regulations and the current global economic and geopolitical uncertainties.

Significant estimates are those that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities in the next year. There are no significant estimates. While not significant estimates, the Company also focuses on estimates made in relation to assumptions made in the review of impairments of trade debtors and other debtors (including prepayments and accrued income) based on overdue status, country, industry and customer risk historical collection experience.

Notes to the accounts (continued)

5. Turnover

The Company has a single class of business and all turnover arose in the UK.

	2025	2024
	£000	restated £000
Monthly management fee	13,190	12,634
Mark-up management fee	3,029	1,936
Licence fee and subscription fee income	6,374	6,014
	<u>22,593</u>	<u>20,584</u>

6. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2025	2024
	£000	£000
Depreciation of tangible assets	208	206
Amortisation of intangible assets included in administrative expenses	170	180
Impairment of intangible assets included in administrative expenses (see note 13)	350	-
Gain on foreign exchange	(191)	(97)
Operating lease rentals payable	365	369
(Impairment reversal)/impairment of trade receivables	(784)	959

The fees payable to the Company's auditors for the audit of the accounts were £194,000 (2024: £194,000). In addition, £85,000 was accrued during the year in relation to overrun 2024 audit fees.

7. Directors' remuneration

The Directors of the Company who are employees of the ultimate parent company (Note 23) predominantly perform services for and are remunerated by the ultimate parent company. These Directors received no emoluments for their qualifying services to the Company.

The remuneration of other Directors of the Company for their qualifying services to the Company were as follows:

	2025	2025	2024	2024
	Highest paid director £000	Other directors £000	Highest paid director £000	Other directors £000
Aggregate remuneration	390	264	367	332
Compensation for loss of office	250	-	-	-
Company contributions to Directors' defined contribution pension scheme	18	18	25	21
	<u>658</u>	<u>282</u>	<u>392</u>	<u>353</u>

	Number of directors	
	2025	2024
Exercised share options in the ultimate parent company	5	1
Entitled to receive shares under ultimate parent company's Long Term Incentive Plan	<u>6</u>	<u>5</u>

The highest paid Director became entitled to receive shares under the ultimate parent company's Long Term Incentive Plan.

Notes to the accounts (continued)

8. Employees

The average number of persons employed by the Company during the year was as follows:

	2025	2024
Management and administration	192	185
Site operational staff	204	212
Directors	2	2
	398	399

Employee costs charged to profit and loss were as follows:

	2025	2024
	£000	£000
Wages and salaries	17,075	13,997
Social security costs	1,677	1,620
Share-based payments – equity-settled	462	514
Share-based payments – cash-settled	(89)	41
Defined contribution retirement benefit costs	1,110	1,087
	20,235	17,259
Termination benefits	374	117
	20,609	17,376

9. Pension commitments

The Company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered scheme. The pension charge represents contributions payable by the Company and amounted to £1,110,000 (2024: £1,087,000). Included in creditors is £89,000 (2024: £89,000) in relation to outstanding contributions.

10. Share-based payments

The Group operates a number of share-based payment schemes for employees in which some of the Company's employees participate. The Company recognises an equity-settled share-based payment expense and a cash-settled share-based payment expense based on a reasonable allocation of the respective total expense of the Group that is based on the number of the Company's employees participating and the number of awards made to them.

Long Term Incentive Plan (LTIP)

The Group's active LTIPs are granted under the 2019 LTIP, the 2022 LTIP, the Journey to Greatness (J2G) LTIP Award and the all employee LTIP called the RS YAY! Award. Under these LTIPs, awards are made to plan participants normally subject to service conditions and performance conditions. At the vesting date the award will either vest, in full or in part, or expire depending on the outcome of normally the performance conditions. All awards have £nil exercise price and normally receive accrued dividends on settlement.

Those awards made under the 2019 LTIP in 2021/22 (vested in June 2024) were normally subject to a market performance condition based on total shareholder return (TSR) of the Group versus a defined comparator group and a non-market performance condition based on cumulative growth in Group adjusted earnings per share (EPS) over the vesting period with a Group return on capital employed (ROCE) underpin.

Awards under the 2022 LTIP are normally subject to a market performance condition based on TSR of the Group versus a defined comparator group and a non-market performance condition based on the Group adjusted EPS compound annual growth rate (CAGR) over the vesting period with a Group ROCE underpin, or subject to the continued employment of the participant within the Group.

Awards under the J2G LTIP Award to senior management are subject to non-market performance conditions based on the Group adjusted EPS CAGR over the vesting period and a Group scorecard of key performance indicators directly linked to The RS Way scorecard, with a Group ROCE underpin.

Awards under the RS YAY! Award to all other employees are subject to a non-market performance condition based on Group adjusted profit before tax CAGR over the vesting period.

Savings-Related Share Option Scheme (SAYE)

The SAYE scheme is available to the majority of employees of the Company employed at the time that the invitation period commences. The option price is based on the average market price of the Parent Company's shares over the three days prior to the offer, discounted by 20%. The option exercise conditions are the employee's continued employment for a three-year period and the maintenance of employee's regular monthly savings. Failure of either of these conditions is normally deemed a forfeiture of the option. Employees may subscribe to the three-year or, when offered, five-year savings period. At the end of the savings period, the employee has six months to either exercise their options to purchase the shares at the agreed price or withdraw their savings with accrued interest. There are no market conditions attached to the vesting of the options.

Notes to the accounts (continued)

10. Share-based payments (continued)

Deferred Share Bonus Plan (DSBP)

Under the DSBP, one-third of the total annual incentive earned by plan participants is awarded as shares in the ultimate parent company and vests after two years, normally subject to the continued employment of the participant within the Group. There are no other performance conditions. The participants receive accrued dividends on vesting.

11. Interest payable and similar charges

	2025 £000	2024 £000
Interest payable to the ultimate parent company	2,017	1,785
Invoice finance charges	1,174	1,229
	3,191	3,014

Invoice finance charges relate to costs incurred when the Company makes use of its clients' supplier invoice financing options where this is commercially and administratively attractive. These options are used where they give the Company access to the clients' invoice portals to simplify the invoice query reconciliation process and so speed up the receipt of payments.

12. Tax on loss

	2025 £000	2024 £000
Current tax		
Adjustments for prior years	(117)	(18)
Corporation tax	(117)	(18)
Deferred tax		
Origination and reversal of temporary differences	7	469
Deferred tax	7	469
Tax (benefit) expense on loss	(110)	451

The tax credit for the year can be reconciled to the Statement of Comprehensive Income as follows:

	2025 £000	2024 restated £000
Loss before taxation	(2,316)	(5,418)
Expected tax credit at 25% (2024: 25%)	(579)	(1,355)
Effects of:		
Fixed asset differences	6	-
Expenses not deductible for tax purposes	128	51
Other permanent differences	(28)	-
Adjustments for prior years	(117)	(18)
Adjustment in relation to share options	64	-
Movement in unrecognised deferred tax	(94)	(3,186)
Group relief	503	4,895
Deferred tax credited directly to equity	7	64
	(110)	451

Factors that may affect future tax

The Company is within the scope of the OECD Pillar Two model rules. The Group has done a review of the impact of these rules and it does not have a material impact on the reported results or financial position of the Company.

Notes to the accounts (continued)

13. Intangible assets

	Software £000
Cost	
At 1 April 2024 and 31 March 2025	5,132
Amortisation	
At 1 April 2024	4,612
Charged in the year	170
Impairment	350
At 31 March 2025	<u>5,132</u>
Net book value	
At 31 March 2025	<u>-</u>
At 31 March 2024	<u>520</u>

The Company has fully impaired its enterprise resource planning software during the year in relation to the latest forecasts for the Company. The Company will transition over the next two years to an enterprise resource planning software owned and licensed by an affiliate RS Integrated Supply entity and the asset was originally planned to be amortised over this period.

14. Tangible assets

	Leasehold improvements £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 April 2024	409	693	640	1,742
Additions	-	-	137	137
Disposals	-	-	(1)	(1)
At 31 March 2025	<u>409</u>	<u>693</u>	<u>776</u>	<u>1,878</u>
Depreciation				
At 1 April 2024	258	629	416	1,303
Charged in the year	45	20	143	208
Disposals	-	-	(1)	(1)
At 31 March 2025	<u>303</u>	<u>649</u>	<u>558</u>	<u>1,510</u>
Net book value				
At 31 March 2025	<u>106</u>	<u>44</u>	<u>218</u>	<u>368</u>
At 31 March 2024	<u>151</u>	<u>64</u>	<u>224</u>	<u>439</u>

15. Debtors

	2025 £000	2024 restated £000
Amounts falling due after more than one year:		
Prepayments and accrued income	-	79
	<u>-</u>	<u>79</u>
Amounts falling due within one year:		
Trade debtors	42,802	42,543
Amounts owed by other Group companies	9,353	5,384
Other debtors	47	59
Corporation tax	-	635
Prepayments	392	458
Accrued income recognised on receipt of product	14,588	10,454
Other accrued income	6,825	5,221
	<u>74,007</u>	<u>64,754</u>

Trade debtors, accrued income charged on receipt of product and other accrued income include amounts related to pass through items and so are much larger than turnover. Accrued income charged on receipt of product relates to products that have been delivered to clients and have not yet been invoiced.

Trade debtors are stated after provisions for impairment of £954,000 (2024: £1,738,000). With the continued global economic and geopolitical uncertainties, the Company remains cautious about its exposure and so has carefully reviewed, and maintained at a higher level, its provisions for those types of customers that are most affected.

Amounts owed by other Group companies are unsecured, interest free and repayable on demand.

Notes to the accounts (continued)

16. Creditors: amounts falling due within one year

	2025 £000	2024 restated £000
Trade creditors	27,846	30,280
Amounts owed to the ultimate parent company	10,707	24,297
Amounts owed to other Group companies	12,553	11,896
Other taxation and social security	2,298	1,872
Other creditors	1,275	947
Goods received not invoiced (GRNI) accrual	13,298	8,870
Other accruals and deferred income	3,375	2,226
	<u>71,352</u>	<u>80,388</u>

Trade creditors, amounts owed to other Group companies and GRNI accruals include amounts related to pass through items and so are much larger than cost of sales and expenses.

Amounts owed to the ultimate parent company are unsecured, repayable on demand and bear interest based on the Bank of England base rate plus a margin of 0.8%. Amounts owed to other Group companies are unsecured, interest free and repayable on demand.

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

	2025 £000	2024 £000
Amounts owed to the ultimate parent company	20,000	-
Other creditors	-	99
	<u>20,000</u>	<u>99</u>

Amounts owed to the ultimate parent company are unsecured, repayable on 24th March 2030 and bear interest based on the six-month SOFR rate plus a margin of 1.6%. On 26 November 2025, this loan was settled as part of an equity contribution from the Company's immediate parent company (see note 24). This is a non-adjusting event as at the balance sheet date the loan was due to be settled after more than one year and the equity contribution was only enacted post year-end.

18. Deferred tax

Deferred tax assets are attributable to the following:

	2025 £000	2024 £000
Fixed asset timing differences	-	-
Employee benefits	-	-
	<u>-</u>	<u>-</u>

Deferred tax assets have not been recognised as it is not probable that they will be recovered against future taxable profits before expiry.

19. Operating lease commitments

Future minimum amounts payable under non-cancellable operating leases are:

	2025 £000	2024 £000
Within one year	271	271
From one to five years	375	646
	<u>646</u>	<u>917</u>

20. Called up share capital

	Number	£000
Issued and fully paid ordinary shares of £1.00 each: At 1 April 2024 and 31 March 2025	<u>908,955</u>	<u>909</u>

21. Dividends

The Company paid no dividends during the year (2024: £nil). The Directors do not recommend a payment of a final ordinary dividend for the year (2024: £nil).

Notes to the accounts (continued)

22. Related party transactions

There were no related party transactions during the year other than between the Company and other wholly-owned Group companies.

23. Controlling parties

The immediate parent company is IESA Holdings Limited.

The ultimate parent company and the smallest and largest group to consolidate these accounts is RS Group plc. Copies of RS Group plc's Annual Report and Accounts are available to the public and may be obtained from Fifth Floor, Two Pancras Square, London N1C 4AG, UK.

24. Post balance sheet event

On 26 November 2025, the Company's immediate parent IESA Holdings Limited contributed a £21,100,000 equity contribution. The proceeds of this contribution were utilized to repay the £20,000,000 outstanding amounts due after one year to the ultimate parent company at 31 March 2025 (Note 17) as well as £1,100,000 amounts due within one year to the ultimate parent company (Note 16).