SCC EMEA Limited & Subsidiary Undertakings

Annual Report and Financial Statements
For the Year ended 31 March 2016

SCC
We make IT work

SCC EMEA Limited (SCC)

SCC Business Overview

We enable people to do business by planning, supplying, integrating and managing their IT.

About SCC

SCC is part of the SCC Technology division of Rigby Group (RG) plc, a family owned and operated business with interests in technology, aviation, airports, hotels, property development and financial services.

SCC enables people to do business by planning, supplying, integrating and managing IT for leading public and private sector businesses in the UK.

Our continued success comes from our ability to develop lasting partnerships with our customers and partners – as well as being able to think ahead and invest in the right areas. These areas include hardware, software, networking, IT security, IT Support and Service Desk, Cloud, Data Centre services, Managed Print Services and mobile devices.

We help companies and government organisations optimise their IT infrastructure to reduce cost and increase organisational agility. We work with our people, customers and partners to help champion sustainable IT and deliver competitive advantage through reduced costs, improved efficiency and enhanced brand value and reputation. Our portfolio of services spans from supply through to fully managed services, infrastructure optimisation, unified communications and data centre services. We deliver Managed Service, Professional Services and Data Centre Services.

Our strategy for increasing profitability and reducing cost for our customers focuses on seven key areas: Enterprise Infrastructure; Datacentre Hosting and Cloud Infrastructure; IT Outsourcing; Desktop & Workplace; Software and Software Asset Management; Network and Security and Flexible Resourcing.

We make IT work through partnership, knowledge and passion: trusted to run IT infrastructure services for leading business across Europe for 40 years.

SCC at a Glance

2,500+ customers across Europe

50+ leading vendors

Multi-award winning IT Services

5M+ users supported globally

75+ offices worldwide

SCC UK

- Head Office: Birmingham
- 11 locations
- 2,000+ staff
- Top 3 Cloud & DCS provider
- Multi award-winning services

SCC France

- Head Office: Nanterre
- 23 locations
- 2,000+ staff
- Strong government business
- Customer longevity

SCC Spain

- Head Office: Madrid
- 6 locations
- 250+ staff
- 180 Technical Engineers
- ISO Accredited
- Leading Customers

Support - Romania

- 24/7/365 1,000+ multi-lingual staff
- 75% of calls resolved by service desk, 78% of those first contact
- 97% of customers report ‘very satisfied’
- 93% annual staff retention
- 9 second average answer time
- Multi award-winning

Our Mission, Visions & Values

Mission

We are SCC – great things happen when we work together:

- To make IT work for our customers to improve the way they do business;
- To deliver quality IT solutions and services that change the way businesses do business;
- To deliver long-term profit to invest back into the business;
- To nurture a winning network of partners to create enduring value to our customers.

Vision

Stimulate progress, change and improvement through IT and be the first choice for customers, partners and employees.

We will be:

- Trusted by our customers and partners;
- Dedicated to delivery;
- Committed to our people;
- Drivers of innovation;
- A highly effective, lean and fast-moving business;
- Passionate about our business and its growth.

Values

Independent

Our solutions and services are built on impartiality, honesty and, above all, trust; we keep our word and deliver what we promise.

Passionate

We believe in providing quality and value in all we do. A total dedication and customer focus to deliver profitable, innovative and robust solutions.

Caring

Our attention to clients is reinforced by the way we support each other. We ensure that sustainable values are woven into all that we do. We keep things simple but effective.

Excellence

We put excellence into action everyday. We ensure that our people have the opportunity to excel and that our customers always benefit from the value of what we deliver, and the service we provide. Our quality and commitment to service excellence is independently measured and accredited to the highest global standards.

Partnership

People depend on our customers and our customers depend on us. Being 'part of the team' is key to success. Being a trusted partner ensures we deliver greater value.

Corporate Social Responsibility

Our aim is to harness the power of technology to transform lives with the objective of enabling our people to positively contribute in a way that is personal, valuable and meaningful to them and the business.

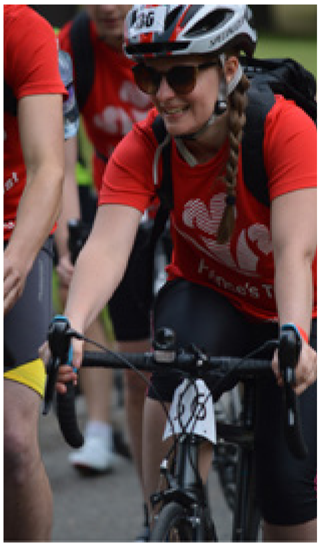
Our approach is simple and supported by our family values. We are determined to fulfil our responsibilities to our customers, employees, suppliers, communities, charities and the global environment. We are committed to ensuring that our business is ethical, safe, professional, environmentally responsible and active in the community.

Charities supported:

Leading the fight against dementia
Alzheimer's Society

Proud to be a Patron of The Prince's Trust

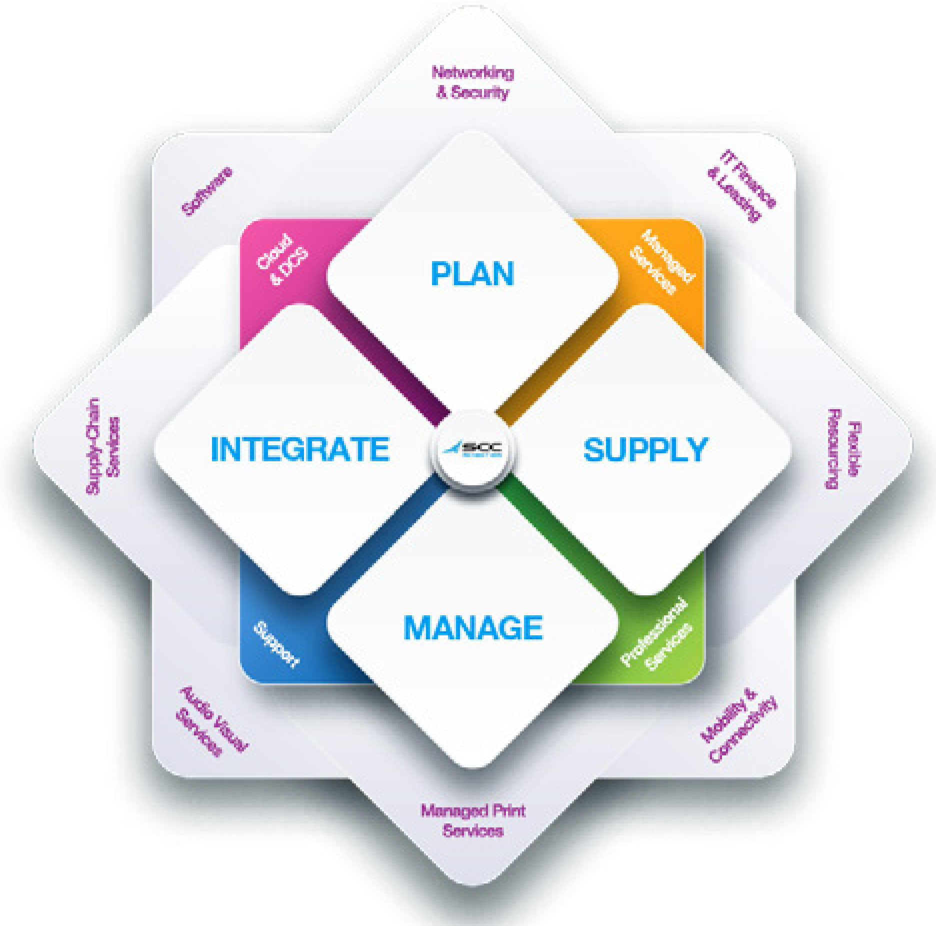
Marie Curie
Care and support through terminal illness



IT Services across EMEA

SCC provides IT services across EMEA that enable businesses to plan, supply, integrate and manage their IT.

SCC's comprehensive portfolio has everything businesses need, from flexible and dynamic on premise and cloud services, through to supplying IT hardware and software. Underpinned by multi-award winning professional and managed services, SCC keeps customers secure, mobile, agile, connected and supported.



IT Services Credentials - UK

3,000

High capacity tier 3+ racks

15 years +

Track record

18 Data Centres

4 tier-3 dedicated DCs networked to 18 Data Centres across the UK

>600TB

Cloud based storage

40 MVA

Power

>1,200

Cloud based virtual servers

International Support

Our next generation multilingual 24/7 service centre, located in Romania, provides both first and second level service desk capability to our customers at a cost-effective price, delivering end-to-end management of incidents and requests for change. With a dedicated team trained to meet customer specific needs, each caller gets through to a staff member who has expertise and knowledge of that particular customer environment.

24/7/365
dedicated support

1st & 2nd Line remote
support & resolution

ISO 20000
(ITIL) accredited

Next-generation
communications

Multi-lingual
customer service

One SLA
One contract
One point of contact

Secure service
desk location

Agility through peak
periods & business change

End-to-end service
capabilities

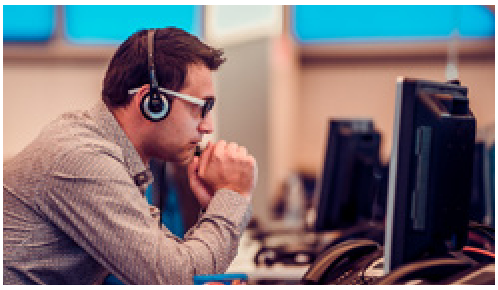
In brief

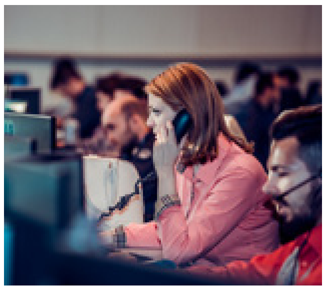
2.8m
Contacts per year

97%
Customers
'very satisfied'

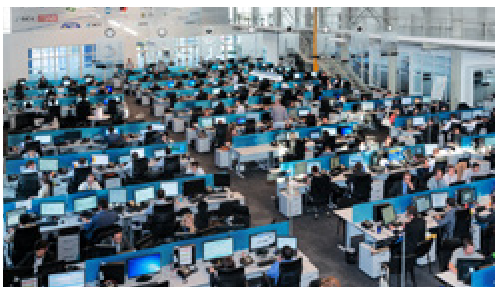
200+
Different vendor
solutions per day

9 seconds
Average answer
time



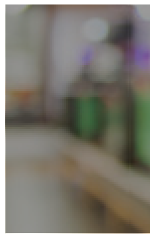


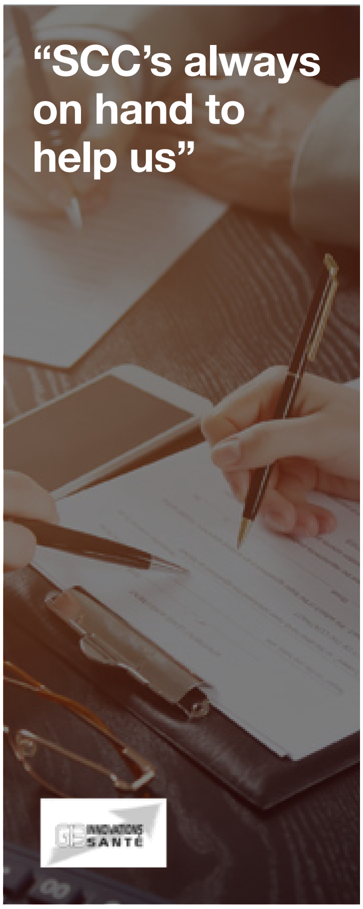




Testimonials

SCC delivers a wide range of innovative IT solutions to improve business efficiencies across all industries, including both the Public and Private Sectors.






"SCC work in partnership"
United Utilities


"SCC helps us innovate"
UGAP


"SCC go above and beyond"
ao.com


"SCC frees us from the daily management of our IT infrastructure"
Equatorial Coca-Cola Bottling Company


"SCC enables us to meet the demands of all our customers"
KIER


"SCC is quick to respond"
AstraZeneca

Awards & Accreditations

SCC is a multi-award winning business underpinned by best practice IT accreditations and processes to deliver market-leading solutions for its global customers.

Awards - Include:

Managed Services Provider of the Year

Best Managed Service Desk

IT Supplier of the Year

The Public Services Digital Delivery Award

Public Sector and Utilities Solution of the Year

International CSR Gold - Science & Technology

New Style of IT - Global Partner of the year

Partner of the year

No. 1 Partner across Europe

Partner of the year - Europe

Platinum Partner

Platinum Partner

Platinum Partner

Accreditations - Include:

Information Assurance

Environmental Protection

IT Service Management

Quality Assurance

Business Continuity

CAESER

Health & Safety: CHAS

SCC EMEA Limited and Subsidiary Undertakings

Annual Report and Financial Statements
For the Year ended 31 March 2016

Contents

Company Information

Directors	Sir Peter Rigby Ms P Rigby Mr J Rigby Mr S Rigby Mr HW Campion Mr P Whitfield
Company Secretary	Mr O G Williams
Registered office	James House Warwick Road Birmingham West Midlands B11 2LE United Kingdom
Auditor	Deloitte LLP Chartered Accountants and Statutory Auditor Four Brindleyplace Birmingham West Midlands B1 2HZ United Kingdom
Bankers	HSBC Bank plc 120 Edmund Street Birmingham, West Midlands B3 2QZ United Kingdom Societe Generale 33 Avenue de Wagram BP963-75829 Cedex 17 Paris, France Credit Industriel et Commercial SA 57 Rue de la Victorie 75452 Cedex 09 Paris, France
Solicitors	Gowling WLG (UK) LLP 2 Snowhill Birmingham West Midlands B4 6WR United Kingdom
Registration Number	0427985
Company Number	4279856

Foreword

By James Rigby – Chief Executive

People do business. We make it work.

The fiscal was another positive year for SCC – one that saw consolidated EBITDA up 4% to £32m.

SCC EMEA

SCC EMEA grew 8% in FY16, with turnover reaching €2.1billion, and consolidated EBITDA up 4% to £32m.

The UK and France business generated over 96% of total turnover – with France marginally larger at 54% as is consistent with results in recent years and projected trends for the future.

SCC UK*

As results have proved in recent years, the investments SCC has made in its services capabilities are continuing to position us well in the market and attract the level of business that we aspire to.

FY16 was another successful year in terms of our strategic plan, and our strong financial performance is a direct result of our clear business vision, all geared towards helping our customers make the transition to the new world of IT.

While overall turnover showed a marginal decline of 2% in the year ending March 31st 2016, services turnover grew 12% to £177m as we continue to focus on improved margin and developing long-term relationships with customers, based on annuity revenue.

The mix of the UK business continued to change throughout FY16. While high-turnover/low-margin product revenue decreased by £35m, our total turnover now comprises 27% of services business, up from 17% in 2013, and 66% of gross profit is now generated from services, up 14% from 2013.

As expected, the standout performer in terms of growth last year was our Cloud Delivered Managed Services (CDMS) business. As our total investment in CDMS surpassed £60m, combined services revenues totalled £203m.

SCC France

SCC France enjoyed another year of growth across its 23 locations and 2,000 customer focused employees.

Our business delivers solutions in Enterprise Infrastructure, Outsourcing and Maintenance, Desktop & Workplace, Software and Software Asset Management, Network and Security, and Datacentre Services. In addition, we operate dedicated businesses, providing customer Financing Solutions and Recycling Services.

We deliver technology solutions and services to leading organisations in both the commercial and public sectors and have many high profile customers in France including Safran, CEGID, CSC, Orange, La Poste, Peugeot, UGAP and the Ministeries de la Defence, Interieur and Finance.

During the last year we have extended our support to many new customers including BNP Paribas, AXA, Societe Generale, Air France, SNCF, Thales and EADS.

SCC Spain

Our Spanish business once again saw growth in both turnover and profit in FY16.

Working with leading public and commercial sector organisations, we specialise in the delivery of advanced managed services and the implementation of new technology for business benefit, to help customers reduce costs and improve performance.

Our Spanish operations employ 150 people across six locations: Madrid, Barcelona, Bilbao, Pamplona, Valencia, and Seville. SCC Spain has established itself as a top three Corporate IT Services Provider & Reseller, operating as Specialist Computer Centres S.L and Specialist Computer Centres Services S.L.

SCC Romania

In Romania we now employ 1,000 multi-lingual staff based in three locations, providing high quality cost effective support solutions for our operating companies and for their customers in other territories.

Established in 2006 with less than 50 staff, the business has grown significantly over the past 10 years and was named Outsourcing Company of the Year at the Prestigious Regional IT and Outsourcing Awards (PIN 2016). PIN 2016 recognises IT and Outsourcing companies, universities, student associations and related services including training recruitment and foreign language courses.

The 2016 Romanian Outsourcing Awards for Excellence also recognised our success naming SCC Romania "SSC Company of the Year", the highest level of award for shared services operations in Romania.

FY17 Outlook

In FY17, we expect some growth from stable product revenues and continued strong growth in services, with the company's Cloud Delivered Managed Services set to continue its growth next year.

The group has strong operations in France and the UK, both of which continue to generate cash and profit. We have a clear strategy in each territory, focused on achievable growth in their services businesses. Our annuity business continues to grow and with the significant progress of our data centre operations we look forward to 2017 with an expectation of continued growth in profitability.

Strategic Report

The Directors present their Strategic Report for SCC EMEA Limited and its Subsidiary Undertakings ("SCC") for the year ended 31 March 2016.

In this report we will present an overview of the group's operations and the performance of the business during the year.

About us

SCC is the technology division of Rigby Group (RG) plc, a family owned and operated business with interests in technology, aviation, airports, hotels, real estate and financial services.

SCC enables people to do business by planning, supplying, integrating and managing IT for leading public and private sector businesses across Europe. We serve over 2,500 customers in more than 50 countries and operate out of 75 locations in the UK, France, Romania and Spain.

Our continued success comes from our ability to develop lasting partnerships with our customers and partners – as well as being able to think ahead and invest in the right areas. These areas include hardware, software, networking, IT security, Cloud, Data Centre services, print management and mobile devices.

Our Operations and Group Structure

Our EMEA Headquarters is located in Birmingham, UK, at the same site as the UK head office. We operate SCC branded operations in France, Spain and Romania and also under the M2 brand via M2 Digital Ltd in the UK. In each of these territories we operate in separate country specific and legal entities.

We have country head offices in Paris and Madrid with local offices in each of the territories in which we trade. We operate in 23 cities in France, 11 in the UK, 6 in Spain and 2 in Romania.

In the UK we have Data Centre Operations based in our own Birmingham Technology Campus where investment in recent years has created data centres for private and public sector customers. Additional Data Centre facilities are located on other sites in Birmingham and in Hampshire. In France, our Data Centre Services were enhanced following the acquisition in April 2016 of Flowline Technologies, a business with data centre operations in Paris and Lyon.

Our Recycling Services are delivered from the Recyclea operation in Domerat, near to Montluçon dans l'Allier, France and from the UK's National Recycling Centre in Birmingham.

During the coming financial year we plan to establish a business in Vietnam to complement our existing customer support services in Romania. This new initiative will add breadth to our 24x7 operational support and language capabilities whilst ensuring that cost effective solutions are available to our customers.

We operate SCC Capital – our IT Finance Services business, designed to help unlock value for our customers and support their long term IT strategies via a range of finance operations. The three core services provided are finance lease, operating lease and software lease solutions. SCC Capital is operated by Rigby Capital Ltd, a wholly owned business within the Rigby Group. SCC Capital will complement our existing Finance company in France, Rigby Capital S.A., which has been trading successfully as a provider of finance for many years.

The SCC EMEA group employs 5000 staff of which about 35% are in France, 42% in the UK, 20% in Romania and the remainder in Spain.

SCC is part of the Rigby Group's Technology Services business which through SCC EMEA and associated Rigby Group companies delivers a complementary range of technology solutions to our customers.

In the UK we trade as SCC (SCC UK) and M2 and, together with the Technology interests of the Rigby Group, we have a combined services turnover of over £200m making the group one of the UK's largest independent providers of IT services.

2016 SCC EMEA Performance Summary

€2.1bn
Turnover

€43.7m
EBITDA

€164m
Net Assests

5600
Staff

Turnover

Turnover for the year was 8% higher at €2.1billion, though the sterling equivalent remained stable at £1.5bn. Whilst growth on a constant currency basis was 4%, the sterling: euro exchange rate reduced turnover by £64m.

Our operations in France and the UK generated over 96% of total turnover – with France the marginally larger operation at 54%. This share is consistent with the geographical analysis for the business over the last few years and the expected trend for the future.

EBITDA growth

Consolidated EBITDA for the year grew 4% to £32m from £31m, primarily driven by growth in the UK.

With over 58% of our turnover denominated in Euros, our results are very influenced by exchange rates. After excluding the effects of currency variances, this represents an 8% growth. Of total EBITDA, 99% was generated in France and the UK with the UK operating businesses delivering 79% at £25.6m.

Adverse currency movements impacted our results in the year, with EBITDA adversely impacted by £0.5m, as over 30% of EBITDA originated in Euros declined in sterling value during the year. The Euro has declined against sterling impacting results by 7% for the last two years. In the prior year the decline reduced sterling EBITDA by £1.0m whilst in the current year by only £0.5m reflecting a smaller percentage of euro denominated EBITDA.

EBITDA Reconciliation

	2016 £'000	2015 £'000
Operating Profit (EBIT)	18,115	16,520
Amortisation	5,063	4,429
EBITA	23,178	20,949
Depreciation	9,087	10,013
EBITDA	32,265	30,962

Cash Generation

Following improvements in working capital management in our French business we improved cash flow and were able to declare a dividend of €10m euros in the year, of which €0.5m was paid to the shareholders of the French group during the year. Cash generated from our operating companies has largely been retained within the SCC EMEA group, with only a dividend of £5m paid to the Rigby group.

Continuing Operations

During the year we ceased our operation in Morocco where the business had made operating losses of £0.4m in the year. SCC EMEA will operate profitably in each of our four territories in the coming year.

Net Assets

Following the declaration of £13.5m of dividends during the year the group's net assets was stable at £129m. The decline in the euro equivalent only a result of unfavourable exchange rate movements Cash generated during the year was invested in datacentre assets or returned to the Rigby Group as dividends.

Our French Business and Performance

Our business in France saw another year of top line growth and a significant step forward in EBITDA.

Highlights

€1.1bn Turnover

+10% Turnover

€13.3m EBITDA

- Turnover growth through new government and private sector contracts;
- A clear strategy to drive the services business revenues and profitability.

With 23 locations across France and with over 2000 customer focused employees, we work with customers to use technology as an enabler to remove costs and ultimately improve business performance.

Our business delivers solutions in Enterprise Infrastructure, Outsourcing and Maintenance, Desktop & Workplace, Software and Software Asset Management, Network and Security, and Datacentre Services. In addition, we operate dedicated businesses, providing customer Financing Solutions and Recycling Services.

We deliver technology solutions and services to leading organisations in both the commercial and public sectors and have many high profile customers in France including Safran, CEGID, CSC, Orange, La Poste, Peugeot, UGAP and the Ministeries de la Defence, Interieur and Finance.

During the last year we have extended our support to many new customers including BNP Paribas, AXA, Societe Generale, Air France, SNCF, Thales and EADS.

We traded during the year as SCC S.A., Rigby Capital S.A., Recyclea SAS and Large Network Administration S.A. During the year, our leasing business which previously traded as SCH Leasing Services S.A rebranded and was renamed as Rigby Capital S.A.

In April 2016, we acquired Flowline Technologies, a Data Centre Infrastructure and Services business with presence in Paris and Lyon, as part of the group’s strategy to develop its service business in France.

SCC in France is one of the 5 largest British businesses in the country and one of the top 10 Infrastructure providers in France.

Outlook

In the coming financial year, we will focus on the development of our services business, investing in our capabilities to bring enhanced solutions to our customers. We will strengthen our operating model and maintain our successful product business. We anticipate further growth and improved performance in the next fiscal year.

Our Business and Performance in the UK*

Significant progress has been made in transitioning the business to a managed service and solutions led business with dramatic changes made in the balance of revenues and exceptional growth in Cloud Delivered Managed Services.

Highlights

- **£653m** Turnover
- **11%** Services Turnover
- **+67%** Data Centre Turnover
- **£24.9m** EBITDA
- **+29%** EBITDA

*The results in this UK performance report refer to the combined results of Specialist Computer Centres plc and M2 Digital Limited.

Turnover

In the last financial year, turnover showed a marginal decline of 1% as we focused on improving product margins and on developing our services business. We switched our focus away from business which had been driving high turnover but delivering low margins - which fell by £35m in the year and focused on higher margin turnover and on growing turnover in our services operation.

Our Services operation delivered a growth in turnover of 11% to £177m. The combined Technology Services operations of SCC EMEA and the Rigby Group delivered turnover of over £200m in the year making the combined group one of the UK's largest independent providers of IT services.

Our growth trend is positive with emphasis on stronger margin business and growth in Print Services and Data Centre Services, key operations identified for growth, in our strategic plan.

Over the last 3 years we have changed the mix of our UK business, 27% of our turnover now comes from services (17% 3 years ago) and 63% of our gross profit is services generated compared to 51% 3 years ago.

Customers

In the UK the customers we support include British Airways, HMRC, The National Trust, Department of Work and Pensions, Atradius, GIST, many NHS Trusts, Jaguar Land Rover, and IBM. Over the last year we have been able to provide more services to a large number of new customers including WH Smith, Kier Group, Thames Water, MAN Group, AT&T and United Utilities.

Annuity Business

Growing our Services business has improved the share of our turnover arising from annuity business which at £147m per year now stands at 23%. As a result we are able to plan and invest in our business with greater certainty.

Data Centre Services

Our Data Centre and Cloud Delivered Managed Services (CDMS) revenues continued to grow as we combine our datacentre service capabilities with managed services, our professional services and round the clock support from our UK and Romanian bases.

Over the last year our turnover from Datacentre Services has grown by 67% supported by a large number of new customer wins in the public and private sectors.

Attaining an annualised revenue by the end of the financial year of £52m a 51% increase from the start of the year. Of this £52m, over 80% is repeatable run rate revenues (ARR), which will underpin continued profitability in the next financial year.

Our government accredited secure multi-tenanted cloud service - “Sentinel by SCC”, achieved significant new business wins and growth in revenue of over 120% with repeating annual revenues of 88%. Our current annualised run rate of over £11m will drive material growth in the next financial year.

Returns on capital spend are running at over 30% and we are continuing to invest in key locations in the current financial year. We continue to invest in our existing Birmingham and Hampshire locations with investment during the year of £7m bringing the total lifetime investment to over £47m and we are continuing to invest in key locations in the coming financial year.

Data Centre Summary and Prospects

£43m Turnover

£42m Closing ARR

+67% Turnover

£47m Investment

- Current Rack capacity of over 1800, rising to 3000 post expansion in 2017
- 2 Tier 3+ Data Centres in the UK
- 77% occupancy, 23 MV Power, 18 connected Data Centres

Growth in overall demand for Datacentre Services has required further investment at our Birmingham Data Centres, where capacity will grow by 60% when this is complete in 2016, bringing total growth in capacity over the last three years to 300%.

Managed Print Services

In 2014 we acquired UK based print services specialist M2 Digital Ltd which now acts as specialised provider supporting both M2 and SCC customers in the UK with over 24,000 devices under management.

Since acquisition our print business has had two successful years achieving its turnover and profit goals in both years and starts its third year with a strong pipeline which is expected to support another successful year of profit and turnover growth.

UK turnover for the combined M2 Digital and SCC UK print services operation reached £46m for the year in line with our projections at the time of acquisition and 21% ahead of the prior year position. Combined EBITDA of £4.5m shows growth of 46% and we are confident that the business will continue to grow successfully over the coming years.

Combined EBITDA of £4.5m for the year also met our pre acquisition projection and we are confident that the business will continue to grow successfully over the coming year.

Outlook for the UK business

We expect growth in stable product revenues and continuing growth in services revenues led by our Cloud Delivered Managed Services.

Both EBITDA and profit before tax are expected to continue to grow in the coming year.

Our Business and Performance in Spain

Our Spanish business had another year of turnover improvement and another profitable year.

Highlights

€64m
Turnover

+5%
Turnover

+7%
Services Turnover

€0.3m
Underlying EBITDA

- An established Top 3 Corporate IT Services Provider;
- Strong Public Sector market position and 8% growth in Private Sector;
- Focused on improving Managed and Cloud Services revenues.

Working with leading public and commercial sector organisations, we specialise in the delivery of advanced managed services and the implementation of new technology for business benefit, to help customers reduce costs and improve performance.

Our Spanish operations employ 150 people across six locations: Madrid, Barcelona, Bilbao, Pamplona, Valencia, and Seville. SCC Spain has established itself as a top three Corporate IT Services Provider & Reseller, operating as Specialist Computer Centres S.L and Specialist Computer Centres Services S.L.

Our Customers

We have built an extensive customer base within the private sector with significant customers, including La Caixa Group; Carrefour Group; Mango Group; Mondragon Group; Iberdrola Group and within the public sector supporting a number of local regional and central government customers. We anticipate growth in mid-market customers as we expand our managed services and professional services offerings.

Our Partners

We hold significant Vendor Accreditations with all of our partners including: Microsoft; CISCO; Symantec; Dell; HP; IBM; Intel; Lenovo; EMC and VMWare. New partnerships with CITRIX and security vendors are expected in the coming year.

Outlook

We anticipate a strong performance in the coming fiscal year with focus on developing our managed Cloud Services revenues with new customers anticipated supported by a three year growth plan.

Our Business and Performance in Romania

In Romania we operate as S.C. SCC Services Romania SRL and now employ 1000 multi-lingual staff based in three locations. Our Romanian business provides high quality cost effective support solutions for our operating companies and for their customers in other territories. Over the last few years, the business has grown significantly and this will continue as headcount rises beyond 1000.

Highlights

€15m Turnover

€0.6m EBITDA

+28% Turnover

1000 Staff

- Further growth expected in the coming fiscal period.
- 10 years of successful operations.
- Outsourcing company of the year at the Regional IT and Outsourcing Industry Awards.

Our Romanian business is a Global Delivery Centre leveraging our International capabilities to provide local service and expertise to create a single coherent service offering across multiple European locations.

Established in 2006 with less than 50 staff, the business has grown significantly over the past 10 years and was named Outsourcing Company of the Year at the Prestigious Regional IT and Outsourcing Awards (PIN 2016). PIN 2016 recognises IT and Outsourcing companies, universities, student associations and related services including training recruitment and foreign language courses. The 2016 Romanian Outsourcing Awards for Excellence also recognised our success naming SCC Romania "SSC Company of the Year", the highest level of award for shared services operations in Romania.

Our centralised "Best Value" services, support SCC's country operations in France, the UK and Spain, allowing these local companies to blend services provided from Romania into specific customer requirements.

The Services Centre provides Incident and Service Request Management:

- 1st, 2nd and 3rd line service desk solutions;
- Operations Management – finance, sales order processing, purchasing and customer data management;
- Application packaging, compatibility testing and remote software distribution services;
- Infrastructure support solutions – IT estate monitoring, administration and management.

Our 24x7x365 service is a multi-lingual operation servicing over 2 million tickets per year and boasting exceptional service levels with over 97% customer satisfaction rates.

During the last financial year the SCC group has invested in service operational support and telephony systems, which have been made available to our Services Centre in Romania to enhance our service levels and customer experience.

Outlook

The outlook for the coming fiscal year is for further growth in response to continuing demand for the high quality services available. Headcount has grown by 30% from 700 during the year to meet the growing needs of our customers and is planned to increase further at the existing facilities in Iasi and Bacau.

We expect our investments in key support systems will improve productively and EBIT performance in the coming year.

EMEA Investments

Historically profitable, SCC EMEA and its subsidiaries have always sought to re-invest profits back into the business, maintaining a prudent dividend policy to ensure that funds are available for working capital and for investment both organically and where appropriate by acquisition.

Over the last year we have continued with this approach making further organic investments. Whilst SCC did not make any direct investments in new businesses during the year, our datacentre capabilities were extended immediately after the close of the year when we acquired Flowline Technologies in France.

Our investment and growth strategy has been strongly supported by our parent group, Rigby Group, which invested in UK based technology businesses during the year. Access to specialist technology businesses will support SCC's services business and capabilities to provide our customers with complex technology solutions through SCC.

UK Data Centre Investments

Expansion of our own Data Centre over the last few years has continued with an additional expenditure in the last financial year of £7m bringing the total investment in the facility up to £47m.

With expansion underway at our UK sites we expect total investment to date to exceed £50m over the coming year as we expand capacity on both sites to reach a maximum 3000 rack capacity. With much of this space pre sold prior to completion later in 2016 we are confident that these investments will deliver strong returns.

France Data Centre Investment

In April 2016, SCC acquired Flowline Technologies, a Data Centre Infrastructure and Services business with presence in Paris and Lyon as part of the group's strategy to develop its service business in France.

UK Data Connectivity, Cloud Services, Mobile Voice and Data Investments

Over the last twelve months, SCC's group parent Rigby Group has completed investments in strategic technologies to complete a portfolio of solutions unmatched by competitors. Offering services direct and through SCC, these technologies offer important growth potential in Data Telecoms, Hosted Voice and Data/Voice Mobility.

Fluidata

In April 2015, the Rigby Group entered the UK Data Telecoms market via its investment in Fluidata, positioning SCC at the forefront of Data Centre Services provision. Fluidata is a multi-award winning business which delivers innovative high speed data connectivity solutions, specialising in Layer-2 and Layer-3 delivery using technologies including DSL, EFM, Fibre, VPLS/MPLS, wireless and unique failover/aggregation technology.

One Point Communications

In December, a further investment was made by the Rigby Group in One Point Communications Ltd, taking a controlling stake in the business which brings mobile voice and data capability to SCC's Cloud Delivered Managed Services proposition.

One Point simplifies the delivery of mobile voice and data services by unifying best in class technologies to improve performance. The group has a controlling investment in One Point which operates under its own brand and leadership team.

Future Investments

Our investments in One Point Communications and Sip Communications reflect the growing importance of Mobile Communications and Hosted PBX and Unified Communications in the future suite of services required to meet technology change and customer needs.

These investments complete SCC's Cloud Delivered Managed Services portfolio, creating a formidable proposition which will be developed organically adding additional breadth and capacity when required.

The group recognises the importance of an ongoing programme of focused investment to ensure the sustainable future of the group and is committed to investing in the future of SCC. We continue to generate cash from our operations to support further investment and as part of the financially secure Rigby Group; the group is assured of further group funds being available to make strategically important investments. We remain committed to the long term development of the business through organic investment and acquisition consistent with our long term integrated managed services strategy.

Our Customers

We operate a balanced business with our customers coming from the public and private sectors. In the public sector we support health and emergency services, as well as national and local government, whilst in the private sector, our customers operate in a broad range of sectors including Financial, Logistics, Utilities, Communications, Manufacturing, Service and Retail. We have an impressive list of clients in all of our key territories.

Our Partners

We value our Strategic Vendor partnerships, which underpin our business strategy in each territory. Partnerships have been established with many vendors of which HP, EMC, Cisco, IBM, VMWare, Microsoft, NetApp, Symantec, Citrix, Lenovo and Oracle are pre-eminent. We hold significant Vendor Accreditations with all of our partners and in each of our territories.

Vendor Awards

SCC actively pursues a strategy underpinned by technologies like cloud, mobility, big data and security. Recognition by global leaders in these areas confirms the credibility of our approach.

Over the last few years, SCC have been awarded a number of global awards from several vendor partners, including HP, Oracle and IBM.

SCC have been recognised as Oracle's UK and European Server and Storage Partner of the Year Award, as well as Oracle's Global Specialised Partner of the Year in Service and Storage.

Following recognition with the HP Partner One Worldwide New Style of IT Partner of the Year Award, which honoured the company for its sustained innovation in cloud, mobility, big data and security areas of IT, SCC became one of a select few HP Inc Platinum Partners in the UK.

In 2016, SCC were named IBM's top business partner in Europe after being awarded the IBM Choice Award for Top Business Partner, Europe in recognition of commitment to IBM values and client satisfaction.

Our position as leading IT Managed Services provider in the UK has been reinforced by winning IT Europa's prestigious award for Managed Service Solution of the year. IT Europa's European IT and Software Excellence Awards recognise best practice in customer solutions and was given in recognition of our complex Data Centre migration project delivered for WH Smith.

This award follows our recent naming as Managed Services provider of the year at the UK CRN Awards further enhancing our reputation as a leading IT Managed Services provider.

Financial Review

Principal Risks and Uncertainties

Competitive pressures in all of the markets where the group operates represent a continuing risk. The group manages this risk by providing high standards of service provision and through fast customer response times in the supply of products and in the handling of queries. Our operating companies benefit from a number of long standing relationships with many substantial suppliers and customers. All these relationships are the focus of significant management attention at all levels in the organisation to minimise any adverse impact on financial performance.

Key Performance Indicators

The group produces detailed management reports and financial statements on a monthly or more frequent basis. Tracking Key Performance Indicators ("KPIs") are an integral part of this reporting. Monthly management reporting focuses on the actual performance of the business compared to the budget set for the current financial year and the comparable period of the previous financial year.

The financial KPIs that are a part of this review process include turnover growth, gross profit percentage, overhead costs as a percentage of sales, pre-tax return on sales and working capital management via the reporting of the company’s cash conversion cycle. Non-financial measures tracked include employee turnover, employee numbers and sales revenue per employee. A significant number of other operational KPIs are monitored in relation to the company's performance in respect of contractual arrangements with both customers and suppliers.

Treasury

Cash remained strong, finishing the year at £86m compared to £82m in the prior year Banking facilities and long standing relationships exist with a number of major banks in France, Spain and the UK. Significant facilities are in place with HSBC Bank plc in France and in the UK, which meet our current and expected future operational needs.

Research and Development expenditure

SCC has a track record of finding innovative solutions to meet customer’s technical challenges and invests in research and development activity to support future solutions.

Outlook

The consolidated sterling equivalent turnover is expected to remain consistent with the last fiscal year despite underlying growth in Euro denominated revenues. In the UK, we expect some growth from stable product revenues and growth in services, with the company's Cloud Delivered Managed Services set to continue its growth next year.

The group has strong operations in France and the UK, both of which continue to generate cash and profit. We have a clear strategy in each territory, focused on achievable growth in their services businesses. Our annuity business continues to grow and with the significant progress of our data centre operations we look forward to 2017 with an expectation of continued profitability. Both EBITDA and profit before tax are expected to grow in the coming year.

It is too early to evaluate the impact on the group, of the UK referendum on EU membership. The group's trading companies operate within their own country with insignificant cross border sales which could be impacted by the UK's exit from the EU. A well-diversified customer and vendor set together with an agile management team will support the company and group through any market volatility.

Approved by the Board of Directors and signed on behalf of the Board.

James Rigby

James Rigby
Chief Executive
22 August 2016

The Directors present their annual report and audited financial statements of the company for the year to 31 March 2016.

Strategic Report

A separate Strategic Report has been prepared in compliance with the Companies Act 2006 and contains information about the company's business model, strategy, business performance over the last year and its prospects for the future, together with its research and development expenditure.

Summary Performance and Dividends declared

The group's activities during the year generated turnover of £1.5bn, which is comparable to the prior year. Profit before tax of £15.3m was generated in the year compared to £15.0m in the prior year.

A dividend of £5m was declared and paid in the year and an additional dividend of £8.5m was declared pre-year-end but not paid over until after the end of the financial year. There were no dividends in the prior year.

Financial Reporting Standard 102, applicable in the UK and the Republic of Ireland (FRS 102), has been adopted as the group's accounting standard for the year and the comparable results for the prior year restated from those previously reported to reflect this new standard, see note 27.

Financial Risks

The group is primarily a UK and France based business financed by equity and external debt maintained to meet operational liquidity requirements. The group's functional currency is sterling. However transactions may be denominated in alternative currencies and where appropriate forward currency contracts are entered into to eliminate any exposure to foreign currency fluctuations. External financing facilities are denominated in sterling and in euros and are at floating market rates with no interest rate derivatives in place.

The company's principal financial operating risks are Liquidity and Credit Risk.

Liquidity Risk

Liquidity is managed through efficient operational cash management processes combined with forward looking treasury policies designed to ensure that funding will always be available to meet projected peak requirements. At the 31 March 2016, the group had a Cash position of £85.9m, compared to £81.9m in the prior period. Cash pooling arrangements are in place for the sterling facilities of the group's principal operating companies and efficient treasury operations across the group minimise net interest costs. Long standing banking relations are in place, notably with HSBC Bank plc. Counterparty risk is considered when selecting all funding partners and counterparty risk profiles are closely monitored.

As a wholly owned subsidiary of Rigby Group (RG) plc, the group has access to considerable funds for strategic use though these are not in use at 31 March 2016, nor have they been required during the year or the prior year.

Credit Risk

Close management of customer credit risk is achieved through the setting of and monitoring of limits for each customer. Limits are set in line with the customer's profile of credit worthiness, the business needs and nature of engagement. Credit Insurance is maintained with leading global insurance partners for a significant proportion of our customer base. Credit limits and profiles are regularly monitored by dedicated credit functions working closely with operational teams. Current levels of customer concentration and risk are considered by the directors to be acceptable.

Environment

The group recognises the importance of its environmental responsibilities in all the markets in which it operates. In all activities, working practices, and business relationships, the group continuously works towards protecting, conserving and enhancing all aspects of the environment.

In order to achieve these objectives, the group seeks to always meet the necessary regulatory requirements and will always seek to minimise any impact on the environment through appropriate schemes, such as recycling, and manage all sites in an environmentally sensitive manner. The group has put in place the necessary systems to manage, control and monitor performance in respect of environmental matters.

Corporate Social Responsibility

Corporate Social Responsibility issues are important to our stakeholders and we are determined to fulfil our responsibilities to our customers, employees, suppliers, communities and the global environment.
Our approach is supported by our family values.

We ensure that our business is conducted to rigorous ethical, professional and legal standards. We operate the business in an environmentally responsible manner, providing high quality sustainable products and services to our customers with integrity and care; provide our people with a safe and rewarding workplace and act as good neighbours, making positive contributions to the communities in which we operate.

Business Ethics

SCC EMEA and subsidiaries are committed to ensuring full compliance with the Bribery Act 2010. Our corporate conduct is based on our commitment to acting professionally, fairly and with integrity. We do not tolerate any form of bribery or corruption.

SCC EMEA has a number of fundamental principles and values which it believes are the foundation of sound and fair business practice and as such are important to uphold. We have a zero tolerance position in relation to bribery, wherever and in whatever form that may be encountered. It is our policy to comply with all laws, rules and regulations governing bribery and corruption, in all the countries in which we operate.

Our comprehensive policy is applicable to all staff and covers all areas of our operations including gifts and hospitality, events and sponsorships, the making of all types of payments to businesses, charities or of a political nature and in the operation of credit policies within our business.

Employees

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

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them and on the various factors affecting the performance of the group.
This is achieved through formal and informal meetings and communications on the group's internal and external websites. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Taxation

We pay tax in all of the territories in which we operate and have legal entities only in territories where we trade currently or have recently. We do not operate legal entities in territories with the purpose of reducing our tax exposure.

Charitable Support

SCC EMEA has a long history of supporting the communities directly touched by our business and believes that building and maintaining relationships of trust in the community is vital to the sustainable future of our business. We choose local charity partners through which we are able to support diverse organisations supporting a range of people and their families.

Overall the RG group has donated £1m to The Rigby Foundation, a registered charity, which operates independently of the business and makes donations to various charitable organisations that have the following charitable purposes: the advancement of health or the saving of lives; the advancement of education; the advancement of the arts, culture and heritage; the advancement of amateur sport; and the relief of those in need, by reason of ill health and/or disability, financial hardship or other disadvantage.

There were no political contributions made by the group during the year (2015 - £Nil).

Going Concern

In light of the financial and commercial positions set out in the Directors Report and the Strategic Report and the considerable opportunities for future profitable growth, the directors consider that the group is in a strong position to manage its risks even in prolonged circumstances of weaker economic activity.

Accordingly the directors have given consideration to the basis for which the financial statements should be prepared and have concluded that they have reasonable expectation that the group has access to the resources necessary to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in the preparation of the annual financial statements.

Directors and Directors' Indemnities

The following directors have held office since 1 April 2015:

Sir Peter Rigby, Ms P Rigby, Mr J Rigby, Mr S Rigby, Mr HW Campion, Mr P Whitfield.

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Directors' Responsibilities Statement

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), including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland", (FRS102). 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 group and of the profit or loss of the group 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;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approval of Reduced Disclosures

As a qualifying entity, the group has taken advantage of the disclosure exemptions in FRS102, paragraph 1.12, in respect of preparing related party and financial instrument disclosures. The group's shareholders have been notified in writing about this intention to take advantage of the exemptions and no objections have been raised.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor of the company and group. A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Statement of Disclosure to the Auditor

Each of the directors at the date of approval of this report confirms that:

- So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- The directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board

James Rigby
Chief Executive
22 August 2016

Independent Auditor’s Report to the Members of SCC EMEA Limited

We have audited the financial statements of SCC EMEA Limited and subsidiary undertakings for the year ended 31 March 2016 which comprise the Consolidated Profit and Loss account, the Consolidated Statement of Other Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Balance Sheet, the Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes 1 to 27 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 “The Financial Reporting Standard applicable in the UK and Ireland”, (FRS 102).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 March 2016 and of the group’s profit for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- Adequate accounting records have not been kept, 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.

Andrew Halls FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
Birmingham,
United Kingdom

22 August 2016

SCC EMEA Limited and Subsidiary Undertakings

Consolidated Profit and Loss Account for the Year Ended 31 March 2016

	Notes	Continuing Operations 2016 £'000	Discontinued Operations 2016 £'000	Total 2016 £'000	Continuing Operations 2015 £'000	Discontinued Operations 2015 £'000	Total 2015 £'000
Turnover	3	1,547,423	1,965	1,549,388	1,536,120	6,729	1,542,849
Cost of sales		(1,351,237)	(1,865)	(1,353,102)	(1,339,865)	(6,640)	(1,346,505)
		196,186	100	196,286	196,255	89	196,344
Administrative expenses		(177,908)	(523)	(178,431)	(176,902)	(3,172)	(180,074)
Other operating income		260	-	260	250	-	250
Operating profit/(loss)		18,538	(423)	18,115	19,603	(3,083)	16,520
Finance (costs)/ income	4	(2,819)	(13)	(2,832)	(1,646)	194	(1,452)
Profit/ (loss) on ordinary activities before taxation	5	15,719	(436)	15,283	17,957	(2,889)	15,068
Tax on profit/(loss) on ordinary activities	8	(3,523)	(10)	(3,533)	(6,518)	(34)	(6,552)
Profit/ (loss) for the financial year		12,196	(446)	11,750	11,439	(2,923)	8,516

	2016	2015
Profit for the year attributable to		
Controlling interest	11,283	7,980
Non-controlling interest	467	536
	11,750	8,516

The notes on pages 48 to 75 form part of these financial statements.

Profit and loss for the year ended 31 March 2015 has been restated following the transition to FRS 102: see note 27.

SCC EMEA Limited and Subsidiary Undertakings

Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2016

	2016 £'000	2015 £'000
Profit for the financial year	11,750	8,516
Currency translation differences on foreign currency net investments	2,909	(6,557)
Total Comprehensive Income	14,659	1,959
Total Comprehensive Income attributable to:		
Non-controlling interest	478	522
Equity Shareholders of the company	14,181	1,437
	14,659	1,959

SCC EMEA Limited and Subsidiary Undertakings

Consolidated Balance Sheet as at 31 March 2016

	Notes	2016 £'000	2015 £'000
Fixed Assets			
Intangible assets	12	23,954	24,236
Tangible assets	13	73,100	73,700
Investments	14	2	88
		97,056	98,024
Current assets			
Stocks	15	23,897	26,113
Debtors			
- Due within one year	16	419,332	400,723
- Due after more than one year	16	3,608	1,331
Derivative financial assets	21	-	105
Cash at bank and in hand		85,938	81,971
		532,775	510,243
Creditors: amounts falling due within one year	17	(479,107)	(455,317)
Derivative financial liabilities	21	(784)	-
Net current assets		52,884	54,926
Total assets less current liabilities		149,940	152,950
Creditors: amounts falling due after more than one year	18	(20,088)	(23,802)
Provisions for liabilities and charges	19	(364)	(379)
Net assets		129,488	128,769
Capital and reserves			
Called-up share capital	22	6,178	6,178
Share premium account	22	149	149
Other reserves	22	3,117	3,117
Profit and loss account	22	119,901	119,220
Shareholders' funds		129,345	128,664
Non-Controlling interests		143	105
Total Capital Employed		129,488	128,769

Approved by the Board of Directors and authorised for issue on 22 August 2016 and signed on its behalf by:

James Rigby
Chief Executive
Company Registration Number 04279856

SCC EMEA Limited and Subsidiary Undertakings

Company Balance Sheet as at 31 March 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Tangible assets	13	-	1,113
Investments	14	79,343	79,343
		79,343	80,456
Current assets			
Debtors - Due within one year	16	54,773	62,088
Cash at bank and in hand		356	331
		55,129	62,419
Creditors: amounts falling due within one year	17	(53,573)	(62,524)
Net current assets / (liabilities)		1,556	(105)
Net assets		80,899	80,351
Capital and reserves			
Called-up share capital	22	6,178	6,178
Profit and loss account		74,721	74,173
Shareholders' funds		80,899	80,351

Approved by the Board and authorised for issue on 22 August 2016

James Rigby

Chief Executive
Company Registration Number 04279856

SCC EMEA Limited and Subsidiary Undertakings

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2016

	Called up share capital £'000	Share Premium Account £'000	Profit & Loss account £'000	Other reserves £'000	Total £'000	Non-controlling interest £'000	Total £'000
At 31 March 2014 (as previously reported)	6,178	149	118,970	3,117	128,414	96	128,510
Changes on transition to FRS 102 (note 27)	-	-	(1,187)	-	(1,187)	-	(1,187)
At 1 April 2014 (restated)	6,178	149	117,783	3,117	127,227	96	127,323
Profit for the financial year	-	-	7,980	-	7,980	536	8,516
Currency translation differences on foreign currency net investments	-	-	(6,543)	-	(6,543)	(14)	(6,557)
Total Comprehensive Income	-	-	1,437	-	1,437	522	1,959
Dividends to non-controlling shareholders	-	-	-	-	-	(513)	(513)
At 31 March 2015	6,178	149	119,220	3,117	128,664	105	128,769
At 1 April 2015	6,178	149	119,220	3,117	128,664	105	128,769
Profit for the financial year	-	-	11,283	-	11,283	467	11,750
Currency translation differences on foreign current net investments	-	-	2,898	-	2,898	11	2,909
Total Comprehensive Income	-	-	14,181	-	14,181	478	14,659
Dividends paid/ declared to equity shareholders (note 10)	-	-	(13,500)	-	(13,500)	-	(13,500)
Dividends to non-controlling shareholders	-	-	-	-	-	(440)	(440)
At 31 March 2016	6,178	149	119,901	3,117	129,345	143	129,488

SCC EMEA Limited and Subsidiary Undertakings

Company Statement of Changes in Equity for the Year Ended 31 March 2016

	Called up share capital	Profit and loss account	Total
	£'000	£'000	£'000
At 31 March 2014 (as previously reported)	6,178	7,628	13,806
Changes on transition to FRS 102	-	-	-
At 1 April 2014 (as restated)	6,178	7,628	13,806
Profit for the financial year	-	66,545	66,545
At 31 March 2015	6,178	74,173	80,351
Profit for the financial year	-	14,048	14,048
Dividends paid/declared	-	(13,500)	(13,500)
At 31 March 2016	6,178	74,721	80,899

There is no difference between the profit for the year and total comprehensive income.

SCC EMEA Limited and Subsidiary Undertakings

Consolidated Cash Flow Statement for the Year Ended 31 March 2016

	Notes	2016 £'000	2015 £'000
Net cash flows from operating activities	23	22,398	31,973
Cash flows from investing activities			
Proceeds from sale of equipment		1,188	6,246
Purchase of equipment		(12,904)	(39,141)
Interest received		167	630
Loan to related parties		(202)	-
Net cash flow used in investing activities		(11,751)	(32,265)
Cash flows from financing activity			
Dividends paid		(5,440)	(513)
Repayment of borrowings		(1,033)	(1,054)
Repayment of obligations under finance lease		(515)	(944)
Interest paid		(2,061)	(2,406)
Net cash flow used in financing activities		(9,049)	(4,917)
Net increase/ (decrease) in cash and cash equivalents		1,598	(5,209)
Cash and cash equivalents at beginning of year		81,971	93,931
Net increase/(decrease) in cash and cash equivalents		1,598	(5,209)
Effects of foreign exchange rates		2,369	(6,908)
Cash and cash equivalents at end of year		85,938	81,814
Reconciliation of cash at bank and in hand			
Cash at bank and in hand at end of year		85,938	81,971
Bank Overdrafts		-	(157)
Cash equivalents		-	-
Cash and cash equivalents at end of year		85,938	81,814

1 Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

1.1 General information and basis of accounting

SCC EMEA Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 17. The nature of the group's operation and its principal activities are set out in the Strategic Report on pages 20 to 33.

The financial statements are prepared under the historical cost convention, modified to include derivative financial instruments at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

This is the first year that the group has presented its financial statements under FRS 102. The last financial statements under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 was therefore 1 April 2014. As a consequence of adopting FRS 102, there have been a number of additional disclosure requirements in these financial statements.

The prior year financial statements were restated on adoption of FRS 102 in the current year, see note 27.

The functional currency of SCC EMEA Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which it operates. The consolidated financial statements are also prepared in pounds sterling. Foreign operations are included in accordance with the policies set out below.

SCC EMEA Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of certain disclosure exemptions available to it in respect of its financial statements, which are presented alongside these consolidated financial statements. Exemptions have been taken in relation to related party, share based payments and financial instruments disclosures.

1.2 Basis of consolidation

The group financial statements consolidate the financial statements of SCC EMEA Limited and its subsidiary undertakings drawn up to 31 March 2016.

The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied to these financial statements in respect of business combinations effected prior to the date of transition.

1.3 Going concern

The group's business activities, together with factors likely to affect its future developments, performance and position are set out in the Strategic Report on pages 20 to 33 and the directors' report on pages 34 to 38.

The group's forecast and projections, taking account of reasonably possible changes in trading performance, show that the group would be able to operate within the level of its current banking facilities. The directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.4 Intangible assets – Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its expected useful economic life. In the opinion of the directors, the normal expected useful life will not exceed ten years. Provision is made for any impairment.

1.5 Intangible assets – Software costs

Software costs are capitalised as intangible assets and amortised over the expected useful economic life on a straight line basis. This period is over one to five years. Provision is made for any impairment.

1.6 Intangible assets – Research and development costs

Research expenditure is written off as incurred. Development expenditure is also written off as incurred except where the directors are satisfied as to the technical, commercial and financial viability of individual projects.
In such cases and provided they meet the criteria in accordance with Section 18 of the FRS 102, the identifiable expenditure would be capitalised as an intangible asset and amortised on a straight line basis over the period during which the group expects to benefit. This period is between one to five years. Provision is made for any impairment.

1.7 Investments

Fixed asset investments in the Company's balance sheet are shown at cost less any provision for impairment.

1.8 Associates and jointly controlled entities

In the group financial statements investments in associates and jointly controlled entities are accounted for using the equity method. Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit and loss and other comprehensive income of the associate and jointly controlled entity. Goodwill arising on the acquisition of associates and jointly controlled entity is accounted for in accordance with the policy set out above. Any unamortised balance of goodwill is included in the carrying value of the investment in associates and jointly controlled entity.

In the Company's financial statements investments in associates are accounted for at cost less impairment.

1.9 Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life on a straight line basis, as follows:

Freehold Buildings	50 years
Leasehold Land & Buildings	Up to 40 years
Fixtures and Equipment	3 to 20 years
Motor vehicles and aircraft	3 to 5 years
Short leasehold improvements	10 years

The cost and depreciation attributable to leasehold improvements is included within leasehold buildings.

Depreciation is not provided on assets in the course of construction until the asset is complete and ready for its intended use. An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced.
The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Residual value represents the estimated amount which would currently be obtained from disposal of an asset after deducting estimated costs of disposal if the asset were already of the age and in the condition expected at the end of its useful life.

1.10 Impairment of assets

Assets, other than those held at fair value are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment then an impairment loss is recognised in the profit and loss accounts as described below.

Non–financial assets
An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable amount of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash generating unit (CGU) of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to the CGU and then to other assets within that CGU on a pro rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed only on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying value higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets, other than goodwill, on a pro-rata basis and then to any goodwill allocated to that CGU.

Financial assets
For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal.
An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

1.11 Stocks

Goods held for resale are stated at the lower of purchase cost and estimated selling price less cost to sell which is equivalent to the net realisable value. Cost comprises third party purchase cost net of attributable rebates and is calculated using the FIFO (first-in, first-out) method. No internal labour or overhead costs are included.

These stocks held are analysed by age and provision is made for obsolete and slow moving or defective items where appropriate taking into account customer orders and market conditions indicating recoverability rates.

Maintenance stocks are stated at purchase cost less a provision created to reflect age and the current levels of item usage within the business. Where items have not been used in the last three years then no value is attributed to these parts even though they may be retained for future use, whereupon, a value may be attributed to them based on the current replacement cost.

1.12 Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

1.13 Share based payments

The group has issued equity-settled and cash-settled share based payments to certain employees.

Equity-settled share-based payments are measure at fair value (excluding the effect of non-market based vesting conditions) at the date of the grant.

The fair value determined at the grant date of the equity-settled share based payment is expensed on a straight line basis over the vesting period, based on the group’s estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured by the use of a valuation model considered to be most appropriate by the management.

The cost of awards to employees that take the form of shares or rights to shares are recognised over the period to which the employee’s performance relates.

The cost is calculated as the difference between the fair value of the shares at the date of grant (or book value of the shares if already held by the company) and the amount of the consideration that the employees may be required to pay for the shares.

The period over which the charge is recognised is the shorter of the performance period of the options (if performance related) or the period from the date the option is granted to the date that the employee becomes unconditionally entitled to the shares.

1.14 Financial Instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

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 group after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at the transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. If an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset when and only when there is a legally enforceable right of offset.

Financial assets are derecognised when and only when the contractual rights to the cash flows from the asset expire or are settled, or the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or the company, despite having retained some significant risks and rewards of ownership has transferred control of the asset to another party which has the practical ability to sell the asset to an unrelated third party unilaterally and without imposing further restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Derivative Financial Instruments

The group holds a number of foreign currency forward contracts in order to reduce exposure to foreign exchange risk. The group does not hold or issue derivative financial instruments for speculative purposes.

Forward contracts are initially measured at fair value at the date the contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss arising being recognised in the profit and loss account.

(iii) Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal.
An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

1.15 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments for periods that are different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax as an asset (other than goodwill) that is recognised in a business combination is less/(more) than the value at which it is recognised, a deferred tax liability/(asset) is recognised for the additional tax that will be paid/(avoided) in respect of that difference. Similarly a deferred tax asset/(liability) is recognised for the additional tax that will paid/(avoided) because of a difference between the value at which the liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is measured using the tax rates that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property plant and equipment measured using the revaluation model and investment property is measured using the tax rate and allowances that apply to the sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of the other comprehensive income or equity as the transactions which gave rise to the resultant tax charge or credit.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

1.16 Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.
The results and cash flows of operations whose functional currency is not sterling are translated at the average rates of exchange during the year and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and on foreign currency borrowing to the extent that they hedge the group's investment in such operations, are reported in the statement of total other comprehensive income and accumulated equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the profit and loss in the period in which they arise except for:

- Exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income;
- In the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reported under equity.

Forward foreign currency transactions are valued at fair value at the year-end using commercially quoted forward exchange rates using yield curves derived from interest rates matching maturities of the contracts.

1.17 Lease Accounting

Leased assets

Assets held under finance leases, hire purchase contracts and other similar arrangements which confer rights and obligations similar to those attached to owned assets are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease), and are depreciated over the shorter of the lease terms and their useful lives. The capital element of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Benefits received or receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the life of the lease.

1.18 Borrowing costs

Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins where both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

1.19 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Revenue is recognised when persuasive evidence of an arrangement with a customer exists, delivery has occurred or all significant performance obligations have been completed, the price is fixed or determinable and the collection of the amount due is reasonably assured. Income from service contracts is recognised on a straight-line basis over the period of the contract, or on a percentage completion basis as appropriate.

Rebates due to customers are accrued for in accordance with relevant contracts. Rebates reduce turnover and are held as other creditors until settlement is made.

1.20 Rebates and marketing income

Vendor rebates, allowances and marketing income are recorded as a reduction to the cost of sales in the period in which the related goods and services are provided, or deducted from the cost of stock as appropriate in accordance with the underlying agreement with the vendor. Amounts received that require specific performance are recognised when the performance is satisfied, the amount is fixed and determinable and the collection is reasonably assured. Lump sum payments received in advance of performance are recognised over the period of the agreement.

1.21 Government grants

Government grants are recognised on the accruals basis and measured at the fair value of the asset received or receivable. Grants are classified as relating to either revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned.

1.22 Contractual Obligations under Preferred Vendor Schemes

Where the group enters into preferred supplier arrangements which include activity related obligations, the group tracks in detail such obligations and monitors achievement closely with the respective supplier. Provisions are made where additional obligations are payable or receivable under such schemes at the full value as determined by the contract unless alternative arrangements are put in place.

1.23 Provisions

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

2 Critical accounting judgements and key sources of estimation of uncertainty

In the application of the group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

2.1 Critical judgements in applying the Group's accounting policies.

There were no critical judgements made by the directors during the year in applying the group's accounting policies.

2.2 Key sources of estimation of uncertainty

The key assumptions concerning the future, and other sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing material adjustment to the carrying value of the assets and liabilities within the next financial year, are discussed below.

2.2.1 Impairment of goodwill

There have been no events during the year which have required the group to undertake an impairment review and future projected profit more than justifies the carrying value of goodwill at the year end.

2.2.2 Stocks of Spare Parts

Spare parts used by the company to support customers of the Managed Services division have significant value to the business, enabling customers to be quickly supported without delays associated with procurement of low availability products. Levels of stocks of spare parts are reviewed by operational teams frequently to ensure all items are still required to support current customer contracts. Valuation of these items takes into account past frequency of use, age and the latest cost price. The directors consider that the combination of frequent operational review and cautious valuation method results in a prudent valuation of stocks which despite elements of uncertainty concerning future used and estimation in valuation does not result in any over-statement of the value attributed to these items.

2.2.3 Vendor Rebates

At the year-end, where vendor rebates remain unpaid, the amounts receivable are valued with reference to vendor performance reports and key performance measures where available. Where external confirmation is not available receivables are only recognised where they can be measured accurately in line with achieved scheme objectives using confirmed earnings rates and available performance data. Vendor rebate schemes may apply to periods which extend beyond the end of the financial year and an estimation in relation to the post year end period may be required to accrue the correct sum in the financial year. In making the assessment of the correct receivable, the directors take a prudent approach assuming a normal level of trading in the period after the end of the financial year to ensure that in year performance is not overstated.

3 Turnover

Analysis of Group turnover by geographical destination:

	2016 £'000	2015 £'000
United Kingdom	653,501	651,767
Continental Europe	885,956	881,325
Rest of World	9,931	9,757
	1,549,388	1,542,849

Analysis of Group turnover by geographical origin:

	2016 £'000	2015 £'000
United Kingdom	656,284	666,369
Europe	884,562	860,667
Middle East & North Africa	8,542	15,813
	1,549,388	1,542,849

Analysis of Group's turnover by category:

	2016 £'000	2015 £'000
Sale of goods	1,279,909	1,288,428
Rendering of services	268,460	253,441
Government grants	1,019	980
	1,549,388	1,542,849

The group has two primary sources of grant income. In the UK the grant received represents amounts received in respect of our Data Centre operations and is being released to the profit and loss account over the useful economic life of those assets. In Romania, the grant is in respect of job roles created and investment made in our global delivery centre. The grant income is recognised in the profit and loss account in accordance with the underlying costs incurred.

In the UK no further conditions need to be satisfied in respect of the grant received.
In Romania, it is a condition of the grant that the roles created are maintained for a period of five years from the date of the grant which extends to 2021 and that an appropriate level of taxes are paid within the period.

4. Finance costs (net)

	2016 £'000	2015 £'000
Interest payable and similar charges	(3,243)	(2,174)
Less Investment Income	411	722
	(2,832)	(1,452)

Interest payable and similar charges	2016 £'000	2015 £'000
Interest on bank loans and overdrafts	(1,270)	(843)
Finance leases and hire purchase contracts	(496)	(574)
Interest in factoring arrangements	(104)	(362)
Other interest payable	(260)	(352)
Fair value adjustment on derivative instruments	(821)	-
Unwinding of discount on long term debtors/creditors	(292)	(43)
	(3,243)	(2,174)

Investment income	2016 £'000	2015 £'000
Income from investments	7	7
Interest receivable and similar income	167	494
Fair value adjustment on derivative instruments	-	156
Unwinding of discount on long term debtors/creditors	237	65
	411	722

Interest receivable and similar income includes net exchange gains on foreign currency borrowing of £105,000 (2015: £192,000).

5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2016 £'000	2015 £'000
Depreciation of tangible fixed assets	9,087	9,001
Amortisation of intangible assets	1,950	525
Amortisation of goodwill	3,113	4,429
Government grant income	(1,019)	(980)
Operating lease rentals	9,723	9,963
Foreign exchange gains	(105)	(192)
Impairment of stock recognised as an expense	396	40
Impairment of fixed assets	-	487
Impairment of Investments	87	-
Loss/ (gain) on disposal of fixed assets	(104)	(750)

Amortisation of goodwill, impairments and reversal of impairment of fixed assets and intangible assets are included within administrative expenses.

Impairment of stocks are included in cost of sales.

The analysis of auditors' remuneration is as follows:	2016 £'000	2015 £'000
Fees payable to the company's auditor for the audit of the company's annual financial statements	12	11
Fees payable to the company's auditor and their associates for the audit of the company's subsidiaries pursuant to legislation	343	318
Total audit fees	355	329
Tax compliance services	27	370
Other taxation advisory services	32	105
Total non- audit fees	59	475

No services were provided pursuant to contingent fee arrangements.

6. Staff costs

The average monthly number of employees (including executive directors) of the group was:

	2016 Number	2015 Number
Sales	736	794
Administration	1,767	1,319
Engineering	2,839	2,716
Warehouse	268	274
	5,610	5,103

Their aggregate remuneration comprised:

	2016 £'000	2015 £'000
Wages and salaries	167,640	161,125
Social security costs	40,900	40,393
Pension costs	2,354	2,668
	210,894	204,186

The above remuneration excludes redundancy payments of £2,259,363 (2015: £2,528,991)

Pension costs relate to contributions into defined contribution schemes.

7. Directors' remuneration and transactions

Remuneration

The remuneration of the directors was as follows:

	2016 £'000	2015 £'000
Emoluments	153	58
Company contributions to money purchase pension schemes	6	4
	159	62

Pensions

The number of directors for whom retirement benefits are accruing under a defined contribution schemes is one (2015: one).

Highest paid director

Remuneration disclosed above includes the following amounts paid by SCC EMEA Limited to the highest paid director:

	2016 £'000	2015 £'000
Remuneration for qualifying services	153	58
Company contributions to money purchase pension schemes	6	4
	159	62

The highest paid director has no share options.

The directors Sir Peter Rigby, Ms P A Rigby, Mr J Rigby and Mr S P Rigby are paid by Rigby Group (RG) plc, the ultimate parent company, and as such their total emoluments are disclosed in the financial statements of Rigby Group (RG) plc, but it is not practicable to determine the proportions of such emoluments which are attributable to the directors' services to the company.

Total remuneration for these directors for the year was £526,000. None of these directors are accruing pension benefits.

8. Tax on profit on ordinary activities

	2016 £'000	2015 £'000
Current tax		
UK corporation tax	2,618	2,161
Foreign tax	1,717	2,796
	4,335	4,957
Adjustments in respect of prior years		
- UK corporation tax	(249)	(255)
- Foreign tax	(647)	1,472
Total current tax	3,439	6,174
Deferred tax		
Origination and reversal of timing differences	14	283
Adjustments in respect of prior years	85	115
Effect of changes in tax rates	(5)	(20)
Total deferred tax (see note 16)	94	378
Total tax on profit on ordinary activities	3,533	6,552

The standard rate for UK corporation tax is currently 20% (2015: 21%).

The Finance Act 2015 included legislation to reduce the main rate of UK corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020. The 19% rate has been utilised in the financial statements for the purposes of calculating deferred tax assets and liabilities for the UK entities (2015 – 20%). Deferred tax assets and liabilities of the foreign entities have been measured utilising the corresponding foreign standard rates of corporation tax substantively enacted at the balance sheet date.

In addition, it was announced in the March 2016 Budget Statement that the main rate of UK corporation tax will be further reduced by 1% to 17% from 1 April 2020. This further rate reduction had not been substantively enacted at the balance sheet date and has therefore not been reflected in these financial statements

Factors affecting the tax charge for the year	2016 £'000	2015 £'000
Profit on ordinary activities before tax	15,283	15,068
Tax on group profit on ordinary activities at standard UK Corporation tax rate of 20% (2015 - 21%)	3,057	3,164
Effects of:		
Expenses not deductible for tax purposes	1,293	1,936
Income not taxable for tax purposes	(380)	(698)
Overseas tax relief	(123)	-
Transfer pricing adjustments	-	202
Utilisation of tax losses	(289)	(709)
Group companies with higher tax rates	563	893
Overseas Tax credit	228	452
Adjustment in respect of prior years	(811)	1,332
Effect of tax rate changes	(5)	(20)
Group total tax charge for year	3,533	6,552

9. Profit attributable to SCC EMEA limited

The profit before dividends received or paid for the financial year dealt within the financial statements of SCC EMEA Limited was a loss of £4,195,000 (2015 - profit £2,074,000). Dividends received from subsidiaries during the year were £18,243,000 (2015 - £64,471,000) and dividends paid were £13,500,000 (2015 - £nil). As permitted by section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent company.

10. Dividends

	2016 £'000	2015 £'000
Amounts recognised as distributions to equity holders in the period:		
Interim dividend of 4.05p per share	5,000	-
Proposed final dividend of 6.88p per share (2015: £nil)	8,500	-

The proposed final dividend was approved by the shareholders pre year end and as such has been included as a liability in these financial statements.

11. Employee share schemes

Two companies within the group have issued shares under cash settled employee share schemes.

In M2 Smile Limited an employee share scheme exists over the B1 and C1 ordinary shares. The employee share schemes may be exercised during a 9 month period from 31 March 2016. Participants under the scheme can put their shares on Specialist Computer Centres plc at the prevailing market value of the shares. The pay-out for each class of share is contingent on future profit growth and is subject to an overall cap. Under the scheme a total of 11,862 shares have been issued, the fair value of which at the issue date has been determined using on EBITDA multiple of the current and future planned earnings which have been discounted to reflect future uncertainty.

Specialist Computer Centres plc issued 'C', 'D' and 'E' ordinary shares under three employee share schemes in 2015 which may be exercised during a 12 month period from 1 July 2017.

Participants of the scheme can put their shares on SCC UK Holdings Limited at the prevailing market value of the shares. The pay-out for each class of share is contingent on future profit growth and is subject to an overall cap.

Under the schemes a total of 26,671 shares have been issued, the fair value of which at the issue date has been determined to be £2 per share. The valuation has been determined using an EBITDA multiple of the SCC group's current and future planned earnings which has been discounted to reflect future uncertainty.

The group's total liability arising in respect of these schemes at the balance sheet date was £2.4m (2015: £1.2m). This has been calculated internally based on the specific performance criteria of each scheme and the charge to the profit and loss account for the year was £1.2m (2015: £1.2m)

Following the year end, the holders of the M2 Smile B1 ordinary shares put their shares on Specialist Computer Centres plc who purchased the full amount of the shares

12. Intangible fixed assets

	Goodwill	Software Costs	Total
	£'000	£'000	£'000
GROUP			
Cost			
At 1 April 2015	42,059	15,326	57,385
Additions	-	4,397	4,397
Disposals	-	(75)	(75)
Exchange adjustments	1,964	824	2,788
As at 31 March 2016	44,023	20,472	64,495
Amortisation			
At 1 April 2015	21,005	12,144	33,149
Charge for the year	3,113	1,950	5,063
Disposals	-	(75)	(75)
Exchange adjustments	1,630	774	2,404
As at 31 March 2016	25,748	14,793	40,541
Net Book Value At 31 March 2016	18,275	5,679	23,954
At 31 March 2015	21,054	3,182	24,236

Software costs were previously reported as part of tangible fixed assets.

Amortisation charged on software costs are included within administrative expenses in the profit and loss account.

There are no intangible assets in the Company.

13. Tangible fixed assets

	Land and buildings Freehold £'000	Land and buildings Leasehold £'000	Fixtures and Equipment £'000	Motor vehicles and aircraft £'000	Assets in the course course of construction £'000	Total £'000
GROUP						
Cost						
At 1 April 2015	16,949	35,679	61,948	5,562	3,063	123,201
Additions	-	2,335	5,735	265	1,153	9,488
Disposals	(1,501)	(489)	(130)	(1,919)	(676)	(4,715)
Reclassifications	-	116	58	-	(174)	-
Exchange adjustments	7	1,943	475	(191)	-	2,234
At 31 March 2016	15,455	39,584	68,086	3,717	3,366	130,208
Depreciation						
At 1 April 2015	4,480	14,549	27,438	3,034	-	49,501
Charge for the year	29	1,860	6,693	505	-	9,087
Reclassification	254	(191)	(62)	(1)	-	-
Disposals	-	(527)	(617)	(783)	-	(1,927)
Exchange adjustments	(2)	427	51	(29)	-	447
At 31 March 2016	4,761	16,118	33,503	2,726	-	57,108
Net book value						
At 31 March 2016	10,694	23,466	34,583	991	3,366	73,100
At 31 March 2015	12,469	21,130	34,510	2,528	3,063	73,700

Included above are assets held under finance leased and hire purchase contracts as follows:

Net book value						
At 31 March 2016	-	10,638	67	712	-	11,417
At 31 March 2015	-	10,084	90	1,026	-	11,200

Fixed assets were previously reported including software costs which are now included in Intangible Assets.

During the year, Specialist Computer Centres plc, part of the SCC EMEA group, reviewed the useful life of all of its datacentre assets following an operational review of the datacentre facilities. This review resulted in an extension to the life of physical assets. In addition, a review was performed to the remaining life of datacentre solution software in the context of customer use of and demand for these products which indicated a longer than previously expected useful life. The impact of the review on the year to March 2016 has been to reduce the depreciation charge by £1.6m. Future depreciation charges will be reduced in the next financial year by £1.7m over the amount previously expected, with higher depreciation charges in subsequent years primarily in the five years to March 2023.

Leasehold land and buildings relates primarily to the French operations distribution warehouse in Lieusaint which expires in July 2022.

13. Tangible fixed assets (continued)

Freehold and leasehold land and buildings

Freehold land amounting to £2,414,000 (2015 - £2,405,000) has not been depreciated. Under FRS 102 previous asset revaluations have been deemed to be cost.

COMPANY	Vehicles £'000
Cost	
At 1 April 2015	1,666
Disposals	(1,666)
At 31 March 2016	-
Depreciation	
At 1 April 2015	553
Charge for the year	-
Disposals	(553)
At 31 March 2016	-
Net book value	
At 31 March 2016	-
At 31 March 2015	1,113

14. Investments

	Company	
	2016 £'000	2015 £'000
Ordinary shares in subsidiary undertakings	79,343	79,343

	Group	
	2016 £'000	2015 £'000
Joint ventures	2	88

Subsidiary Undertakings	**Company £'000**
Cost and net book value	
At 1 April 2015 and 31 March 2016	79,343

SCC EMEA Limited directly holds 100% of the ordinary share capital of two holding companies incorporated in England and Wales: SCC UK Holdings Limited and SCC Overseas Holdings Limited. It also directly holds 100% of the ordinary share capital of Rigby Group BV, incorporated in The Netherlands.

In addition the company indirectly holds100% of the ordinary share capital of the following subsidiaries incorporated in England and Wales: Specialist Computer Centres plc; Specialist Computer Services Limited; M2 Smile Limited, M2 Digital Limited, SCC Data Centre Services Limited, QUALITYDELIGHT Limited, SCC Capital Limited (Formerly SCC Financial Services Limited) and SCC (UK) Limited and of Rigby Capital SA (formerly SCH Leasing SA); Rigby Group SAS; SCC SA; Large Network Administration SAS, all incorporated in France and Specialist Computer Centres SL; Specialist Computer Services SL, both incorporated in Spain; S.C. SCC Services Romania S.R.L (Romania); SCD FZE, Dubai; and SCD SA, Morocco.

The group indirectly holds a 55% investment in the ordinary share capital of Recyclea SA, incorporated in France and a 50% investment in the ordinary share capital of Best'Ware Algérie SPA, a joint venture registered in Algeria.

	Group
Joint ventures	**£'000**
Cost or share of net assets	
At 1 April 2015	88
Exchange adjustments	9
As at 31 March 2016	97
Provision for impairment	
At 1 April 2015	-
Created during the year	(87)
Exchange adjustments	(8)
At 31 March 2016	(95)
Net book value	
At 31 March 2016	2
At 31 March 2015	88

15. Stocks

	Group	
	2016 £'000	2015 £'000
Goods held for resale	21,400	23,783
Maintenance stock	2,497	2,330
	23,897	26,113

There is no material difference between the balance sheet value of stocks and their replacement cost. The Company has no stock holding at either year end.

16. Debtors

Amounts falling due within one year:

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Trade debtors	253,020	246,481	62	32
Amounts owed by group undertakings	49,734	58,360	53,058	61,534
Other debtors	25,215	30,010	34	-
VAT	495	1,146	-	42
Corporation tax	3,438	2,164	1,524	372
Prepayments and accrued income	86,741	62,180	76	108
Deferred taxation	689	382	19	-
	419,332	400,723	54,773	62,088

Trade debtors include receivables of £109,031,000 (2015 - £118,088,000) in respect of certain subsidiary companies which have been charged as security to support loans to the group as detailed in note 20.

Amounts falling due after more than one year:

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Trade debtors	3,608	1,193	-	-
Deferred Tax	-	138	-	-
	3,608	1,331	-	-

16. DEBTORS (continued)

Deferred Taxation

The group's net deferred tax asset comprises:

	2016 £'000	2015 £'000
Deferred tax asset		
- Recoverable within one year	689	382
- Recoverable after more than one year	-	138
Deferred tax provision – payable in more than one year	(221)	-
	468	520

	Group £'000	Company £'000
At 1 April 2015	520	(9)
(Charge)/ credit to profit and loss account (see note 8)	(94)	28
Exchange adjustments	42	-
At 31 March 2016	468	19

The deferred tax asset/(liability) is made up as follows:

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Depreciation on revaluation of non-qualifying assets	(1,016)	(1,101)	-	-
Depreciation in excess of capital allowances	793	1,142	-	(30)
Tax losses available	-	-	-	21
Other timing differences	691	479	19	-
Undiscounted asset/(liability) for deferred taxation	468	520	19	(9)

Deferred taxation asset not provided are made up as follows:

Group	2016 £'000	2015 £'000
Tax losses available	7,933	8,959
Other timing differences	-	149
	7,933	9,108

A deferred tax asset amounting to £7,933,000 (2015 - £8,959,000) in respect of overseas trading losses has prudently not been recognised due to limited opportunities to relieve future expected profits under local tax legislation

At 31 March 2015 a deferred tax asset amounting to £149,000 for other UK timing differences had not been recognised because it was not sufficiently certain that there will be future taxable profits available in the relevant tax jurisdictions when these timing differences reversed. There is no un-recognised deferred tax asset in respect of other timing differences at 31 March 2016.

There is no un-provided deferred tax in the company at 31 March 2016 (2015: £nil).

17. Creditors – amounts falling due within one year

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Obligations under finance leases and hire purchase contracts (see note 20)	998	1,052	-	-
Bank loans and overdrafts (see note 20)	1,062	1,186	-	-
Trade creditors	338,108	330,285	1	9
Corporation tax	1,048	2,574	-	-
Deferred tax	-	-	-	9
Amounts owed to group undertakings	45	-	53,074	61,520
Other taxation and social security	27,638	34,437	-	-
Other creditors	32,701	28,502	-	114
Government grants	103	103	-	-
Accruals and deferred income	77,404	57,178	498	872
	479,107	455,317	53,573	62,524

18. Creditors – amounts falling due after more than one year

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Obligations under finance leases and hire purchase contracts (see note 20)	8,508	8,552	-	-
Bank loans (see note 20)	3,295	10,783	-	-
Accruals and deferred income	2,108	1,980	-	-
Government grants	767	870	-	-
Trade creditors	5,410	1,617	-	-
	20,088	23,802	-	-

19. Provisions for liabilities and charges

GROUP	Deferred Tax	Property Provisions	Total
	£'000	£'000	£'000
At 1 April 2015	-	379	379
Created during the year	221	-	221
Utilised	-	(236)	(236)
At 31 March 2016	221	143	364

Property provisions comprise onerous lease provisions which will be utilised fully within the next financial year.

20. Borrowings

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Bank loans	4,350	5,272	-	-
Bank overdrafts	-	157	-	-
Loans secured on trade receivables	7	6,540	-	-
Obligations under finance leases	9,506	9,604	-	-
	13,863	21,573	-	-

Borrowings are repayable as follows:

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Within 1 year	2,060	2,238	-	-
Between one and two years	3,973	2,045	-	-
Between two and five years	2,570	11,937	-	-
More than five years	5,260	5,353	-	-
	13,863	21,573	-	-

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Finance Leases				
Due within one year	998	1,052	-	-
In more than one year but no more than two years	835	1,016	-	-
In more than two years but no more than five years	2,413	2,183	-	-
After five years	5,260	5,353	-	-
	8,508	8,552	-	-

At 31 March 2016, bank borrowings comprised the following:

In the UK, there is a receivables finance facility and an overdraft secured over the trade receivables of Specialist Computer Centres plc. Advances under these facilities are subject to interest at 1.25% over base rate.
The receivables finance facility expires in February 2018.
M2 Smile Limited has an outstanding loan of £3,520,000. The loan is subject to interest at 3% above LIBOR and is repayable partly in instalments with the balance due in June 2018.

In France, there is a receivables finance facility under which borrowings are secured over the trade receivables of SCC SA. This facility is subject to interest at a margin of 0.55% over cost of funds. The facility is due to expire in June 2017. Unsecured overdraft facilities of €21.5 million exist in the French subsidiaries, which are subject to rates of between 0.8% and 1.05% over Euribor. Large Network Administration SAS has an outstanding loan of €1 million from OSEO SA, which is subject to interest at 3.8% p.a. and is repayable in equal instalments up to June 2018.

The obligations under finance leases and hire purchase contracts in the UK are secured over motor vehicles.
In France, obligations under finance lease are secured over land and buildings located at Lieusaint, the French logistics facility. The lease is subject to interest at 4.85% p.a. and has a total term of 15 years, expiring in August 2022.

21. Derivative financial instruments

	2016 £'000	2015 £'000
Group		
Assets		
Forward foreign currency contracts	-	105
	-	105
Liabilities		
Forward foreign currency contracts	784	-
	784	-

Forward foreign currency transactions are valued at fair value at the period end using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

The following table details the forward foreign currency contracts outstanding at the year-end:

			Nominal value		Fair value	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
	Rate	Rate	**£'000**	**£'000**	**£'000**	**£'000**
Buy US Dollar						
Less than 3 months	1.409	1.498	7,799	4,880	7,650	4,980
Buy Euros						
Less than 3 months	1.265		158	-	159	-
			7,957	**4,880**	**7,809**	**4,980**
Sell Euros						
Less than 3 months	1.352	1.37	1,793	1,133	1,925	1,129
In 4 months to 1 year	1.346		4,179	-	4,485	-
Between 1-2 years	1.330		2,113	-	2,262	-
Between 2-3 years	1.298		981	-	1,029	-
			9,066	**1,133**	**9,701**	**1,129**

The group has entered into contracts with suppliers to buy goods in US Dollars. The group has also entered into contracts to supply goods to customers in Euros. The group has entered into forward foreign currency transactions to hedge the exchange rate risk arising from these anticipated future transactions, which are considered by management as hedges of foreign exchange risk in a highly probable forecast transaction. The hedged cash flows are expected to occur and to affect profit or loss within the next 3 financial years.

A net loss of £49,000, was recognised in the profit and loss account in excess of the fair value of the hedging instruments (2015: £Nil).

22. Called-up share capital and reserves

	2016 £'000	2015 £'000
Allotted, called-up and fully-paid		
123,561,907 Ordinary shares of 5p each	6,178	6,178
	6,178	6,178

The group's reserves comprise the following:

Profit and loss reserve which comprises the accumulated profits and losses of the group net of any dividends paid.

Share Premium Account represents the premium paid on the issue of share capital.

Other reserves comprises £3,289,000 arising on the acquisition of Prime Properties Developments Limited in 2003, less £172,000 merger reserve adjustments which arose on the merger of SCC UK Holdings Limited and Specialist Computers International Limited during the year ended 31 March 2004.

23. Cash flow statement

	2016 £'000	2015 £'000
Operating profit	18,115	16,520
Adjustment for:		
Impairment of Investments	87	-
Depreciation of tangible fixed assets	9,087	10,013
Amortisation of intangible fixed assets	5,063	4,429
Profit on sale of tangible fixed assets	104	750
Operating cash flow before movement in working capital	32,456	31,712
Decrease in stocks	3,513	5,929
(Increase)/Decrease in debtors	(10,802)	19,576
Increase/(Decrease) in creditors	3,137	(23,401)
	(4,152)	2,104
Income Tax Paid	(5,906)	(1,843)
Cash generated by operations	22,398	31,973

24. Related party transactions

Within the group the following loans arrangement existed with certain directors.

Unsecured non-interest bearing loans, repayable on 30th April 2016, made to three directors of M2 Smile, were outstanding during the year. The amount of the liability, including interest to the Company at the beginning of the year was £353,000, the maximum during the year was £353,000, and at the end of the year was £353,000. Interest charged during the year amounted to £Nil. During the year £nil of the loan was repaid.

An unsecured 4% loan, repayable on 31 August 2016 made to a director of M2 Digital during the year, was outstanding during the year. The amount of the liability, including interest due to the group at the beginning of the year was £nil, the maximum amount during the year was £202,192 and at the end of the year was £202,192. Interest charged during the year amounted to £2,192. During the year £nil of the loan was repaid.

25. Financial commitments

	2016 £'000	2015 £'000
Capital commitments are as follows:		
Contracted but not provided for		
- Property, non finance leases	5,237	-
	5,237	-

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 Land and buildings £'000	Other £'000	2015 Land and buildings £'000	Other £'000
Group				
Within one year	6,286	3,798	2,941	1,675
Between two and five years	20,366	3,927	7,753	6,263
In over five years	28,592	-	46,223	-
	55,244	7,725	56,917	7,938

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

The Company had no financial commitments at either year end.

26. Controlling party

Ultimate parent undertaking

The company is a subsidiary undertaking of Rigby Group (RG) plc, a company registered in England and Wales which is also the largest group preparing consolidated financial statements which are available from its principal place of business being Bridgeway House, Stratford upon Avon, Warwickshire, CV37 6YX.

Ultimate controlling body

Sir Peter Rigby, a director of Rigby Group (RG) plc, controlled the company as a result of beneficially holding 75% of the issued ordinary share capital of Rigby Group (RG) plc, the ultimate parent undertaking.

27. Explanation of transition to FRS 102

This is the first year that the Company and Group has presented its financial statements under FRS 102 issued by the Financial Reporting Council. The following disclosures are required in the year of transition.
The last financial statements under previous UK GAAP were for the year ended 31 March 2015 and the date of transition was therefore 1 April 2014. As a consequence of adopting FRS 102 there have been the following changes to our accounting policies:

Basic Financial Instruments
Long term trade receivables and trade payables are now reported at the discounted present value of the future cash flows. Forward contracts have been restated at fair value using the appropriate forward rates applicable at the year end.

Tangible Fixed Assets
Software costs previously recognised as tangible fixed assets have been re-classified as intangible fixed assets. The corresponding depreciation charge has subsequently been treated as amortisation in the profit and loss account. There has been no adjustment to the assessment of the useful economic life of these assets as a result of this reclassification.

	Group	
Reconciliation of equity	**At 31 March 2015 £'000**	**At 1 April 2014 £'000**
Equity reported under previous UK GAAP	129,873	128,510
FRS 102 effect in prior years	(1,187)	-
	128,686	128,510
Adjustments to equity on transition to FRS 102		
Fair value adjustment on derivative financial instruments	156	(18)
Foreign currency effects on translation at closing rate	(105)	18
Unwinding of discount on long term monetary assets/liabilities	22	-
Holiday pay accrual	-	(75)
Deferred tax effects on holiday pay accrual	-	17
Deferred tax effects on property revaluation	29	(1,129)
Deferred tax effects on forward contracts	(19)	-
Equity reported under FRS 102	128,769	127,323

Reconciliation of profit or loss for year	**Group 2015 £'000**
Profit for the year to 31 March 2015 as reported under previous UK GAAP	8,433
Adjustments to profit on transition to FRS 102	
- Unwinding of discount on long term monetary assets/liabilities	22
- Fair value adjustment on derivative financial instruments	156
- Foreign currency effects on translation at closing rate	(105)
- Deferred tax effects on property revaluation	29
- Deferred tax effects on forward contracts	(19)
Profit for the financial year to 31 March 2015 under FRS 102	8,516

There was no impact for the company on transition to FRS 102 for equity or profit and loss as previously reported.

We make IT work

Contact Details

SCC James House, Warwick Road,
Birmingham B11 2LE

online@scc.com

+44 (0) 121 766 7000

www.scc.com