Specialist Computer Centres plc

2017

Annual Report and Financial Statements
for the Year ended 31 March 2017

We make IT work.

Strategic Report

The Directors present their Strategic Report for the year ended 31 March 2017 for Specialist Computer Centres plc.

£574m	£25.5m	+29%	£16.7m
Turnover	EBITDA	Data Centre Turnover	EBIT

I am pleased to present the company Annual Report for the financial year ended 31 March 2017. My report highlights the key success factors underpinning our performance over the last twelve months and provides insight into our future prospects.

Our last financial year was exceptional. We delivered record earnings of £16.7m before interest and tax. We have now grown our profit in each of the last four years whilst also engaging in a programme of business transformation into a high value adding services company.

Our services business has been growing at over 10% per year for the last four years. Turnover in the company reached £178m for the last financial year. Taking a wider view of both Specialist Computer Centres and our Managed Print Services business, M2 Digital Limited, turnover from services has exceeded £194m, with expectations to exceed £200m in the coming fiscal period.

Turnover from our services business now represents over 30% of the total. This is a significant milestone in the journey we began in 2013 when it totalled just 17%. During this time, we have improved our margin percentages, overhead control, and our earnings by over 100%.

Customer relationships are key to our progress. We have further enhanced our business with key customers, including the Department for Work and Pensions, DXC, Northern Gas, and Ladbrokes.

New customers are also fundamental to our future growth. Over the last year, we have secured new contracts with Grafton Group, Interserve, Liverpool Victoria Insurance, Secure Trust Bank, and Skipton Building Society.

Public acknowledgement of our proficiency is received through vendor accreditations and industry awards. We have recently achieved the status of IBM Platinum Partner - the company's highest tier of partnership, and won UK Services Partner of the Year, and Public Sector Partner of the Year with Cisco.

Following a period of investment, we secured the top award for Best Managed Service Desk at the 2017 SDI Awards. Our Romanian business was named Outsourcing Company of the Year at PIN 2017, and Company of the Year at the Romanian Outsourcing Awards for Excellence 2017. This is the second year we have won both awards.

Early in 2017 we opened a new global delivery centre based in Ho Chi Minh City, Vietnam to further support our SCC group operations. This new centre provides Data Centre Infrastructure support and software development capabilities whilst providing our business with access to a strong pool of technical skills, required to ensure ongoing support to our customers. It also provides opportunities to develop world class software solutions as we seek to continiously improve producitvity and automate our operations.

We have completed our current Data Centre investment programme, which brings additional capacity to our already extensive operations and positions us for future growth in this key business unit. Our Data Centre Services operation turned over £56m in the year, playing an integral role in our transformation into a technical services led business.

Outlook for the Coming Year

We will maintain our strategy of growing our services business, which delivers high levels of annuity revenues and underpins our ability to invest in the right resources to support our customers needs. Growth in our Data Centre and Print Services businesses are key to this.

EBIT growth will remain our objective ahead of revenue. Our investments in Data Centre Services and new Global Delivery Centre in Vietnam will provide firm foundations to meet customer requirements in the future.

Whilst economic uncertainties will impact customer investment decisions, we have a focused and agile business, which we expect to maintain or exceed present performance levels in the current financial period.

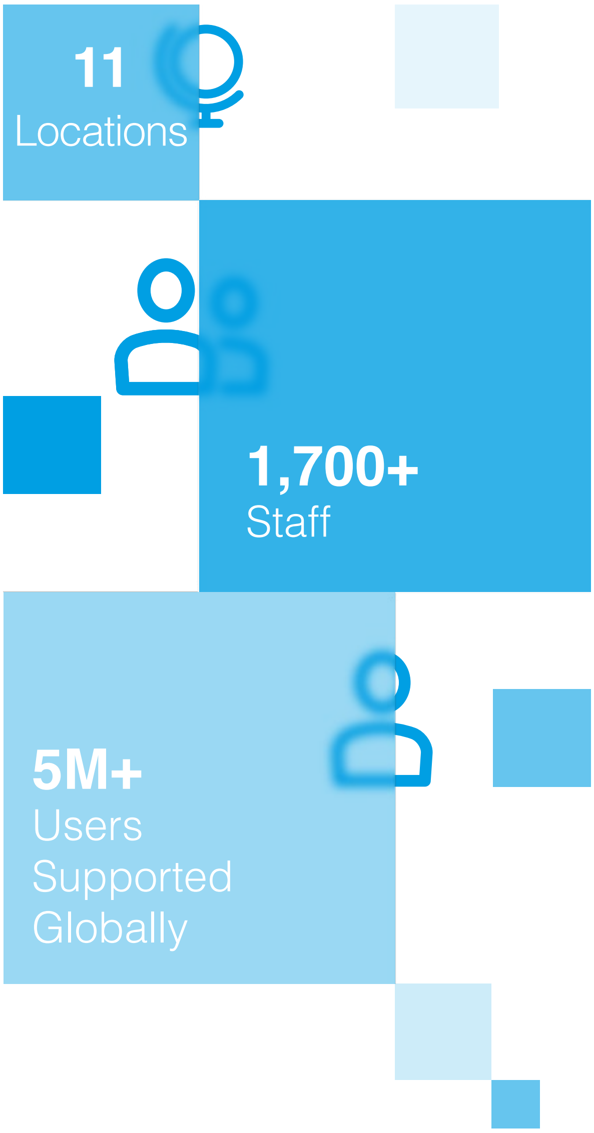
Specialist Computer Centres plc is part of the SCC technology division of Rigby Group (RG) plc, a family owned and operated business, with interests in technology, aviation, airports, hotels, property development and financial services.

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.

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

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.



Our Operations

Located in Birmingham, our Head Office is on the same site as our SCC Global Headquarters and is complemented by local offices around the country to support our customers in all major UK population centres.

Our Data Centre operations are also managed from our own Birmingham Technology Campus, where investment in recent years has created a Data Centre for private and public sector customers. Our on-site Data Centre facilities are supported with our additional Data Centre facilities in Birmingham and at Fareham, Hampshire. Global Delivery Centre operations managed locally through our sister companies in Romania and in Vietnam, allow us to provide cost effective, high skill services to our customers.

Our Recycling Services managed from our National Recycling Centre in Birmingham were named Electrical and Electronic Equipment Recycling of the Year 2013, and more recently received Defence Infosec Product Co-Operation Group (UK) (DIPCOG) approval.

The Rigby Group Finance Services business, Rigby Capital, is designed to help unlock value for our customers and support their long term IT strategies via a range of finance operations. Rigby Capital is a £30m wholly owned business within the Rigby Group (RG) plc.

Our next generation multilingual 24/7 Global Delivery 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.

2.8m
Contacts per year

97%
Customers 'very satisfied'

200+
Different vendor solutions per day

9 sec
Average answer time

24/7/365 dedicated support

1st & 2nd line remote support & resolution

ISO 20000 (ITIL) accredited

Next generation communications

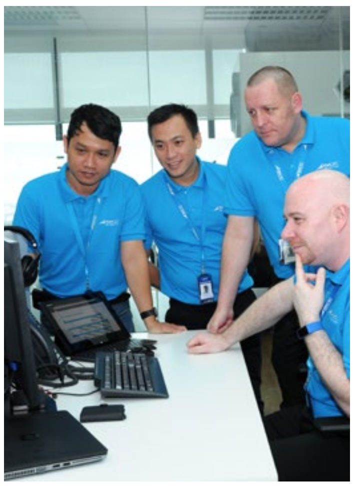
Multilingual customer service

One SLA
One contract
One point of contact

Agility through peak periods & business change

End-to-end service capabilities

Our second Global Delivery Centre in Ho Chi Minh City, Vietnam opened in 2017 and provides Data Centre Infrastructure support services and software development capabilities.



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.

"We started to see return on investment straight away"

Arnold Clark

"SCC really add value for us"

WHSmith

"SCC helped us create an environment that people are proud of and enjoy"

BBC Worldwide

"SCC is an extension of our team - we love SCC"

National Trust

"SCC basically takes away the headache"

Ladbrokes

Our Vendors

Strategic Vendor Partnerships underpin our business strategy.

Partnerships have been established with many vendors of which HP, HPE, EMC, Cisco, IBM, VMWare, Microsoft, NetApp, Lenovo and Oracle are pre-eminent.

We hold significant vendor accreditations with all of our partners. 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:

Company of the Year

Best IT Outsourcing Company of the Year 2017

Best Managed Service Desk

Outsourcing Company of the Year 2016

One of the largest partners in the UK and EMEA

Accreditations - Include:

Information Assurance

Environmental Protection

IT Service Management

Quality Assurance

Business Continuity

Our 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.

Our 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.

Our Values

Independent

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

Passionate

We believe in providing quality and value 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, with sustainable values woven into all that we do.

Excellence

Putting excellence into action every day ensures our people have the opportunity to excel, and our customers benefit from the value we deliver, and the service we provide.

Partnership

Being a trusted partner ensures we deliver greater value and is key to success – people depend on our customers, who depend on us.

Ethics

We are an ethical company believing in the operation of solid and fair business practices with a zero tolerance approach to bribery and corruption. Our policies are comprehensive and apply to all staff and activities.

Corporate Social Responsibility (CSR) 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 and sustainable products and services to our customers with integrity and care. We provide our people with a safe and rewarding workplace and act as good neighbours, making positive contributions to the communities in which we operate.

We have set objectives to support our principles and which underpin our successful CSR programme. We aim to reduce our energy consumption in all key premises; reduce water and waste consumption; increase employees CSR awareness; increasing recycling within our Refurbishment and Disposal operations; decrease noise and air pollution; decrease consumption of paper and packaging and increase the number of charity partners that focus on social and environmental needs.

We have several learning and development programmes across the business. We also run a successful apprenticeship scheme for 16-19 year olds within our Managed Services operations to provide real opportunities for young people in our locality to gain invaluable experience as they work towards City and Guilds qualifications.

Environment

We recognise the importance of our environmental responsibilities in all markets in which we operate. In all activities, working practices and business relationships, we continuously work towards protecting, conserving and enhancing all aspects of the environment. We seek to always meet the necessary regulatory requirements and continue to raise employee awareness of environmental issues in order to minimise the impact on the environment. This is supported through appropriate schemes, such as recycling all sites in an environmentally sensitive manner. We have put in place the necessary systems to manage, control and monitor performance in respect of environmental matters.

Since September 2010, we have been working with leading Carbon Management Company CO2Balance to calculate and offset the carbon dioxide emissions created from the operation of our Data Centres and recycling facility.

Charitable Support

We believe that building and maintaining relationships of trust in the community is vital to the sustainable future of our business. Our chosen charity partners are The Prince's Trust, the Alzheimer's Society and Marie Curie Cancer Care through which we are able to support diverse organisations supporting a range of people and their families.

We also support local charities which can benefit from donations, fundraising events and volunteering. We offer all employees one volunteering day per year and encourage them to support a registered charity or organisation.

We are an active supporter of 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.

Leading the fight against dementia
Alzheimer's Society

Prince's Trust

Marie Curie
Care and support through terminal illness

THE RIGBY FOUNDATION

Financial Summary

Performance in our last financial period marks another step forward in the transition of our business to a service and solutions led operation. Our services turnover continues to grow and is now 31% of our total business. Our EBITDA has again stepped forward significantly growing 17% in the year.

Turnover

Our financial year finished on forecast at £574m with an improved services mix. Our services business once again grew by 11% over the prior year driven by the growth in our Data Centre Services business which grew by 29% to £56m.

Over the last four years our policy of switching revenues to higher margin services business has resulted in a 53% growth in services revenues which now stand at £178m.

Services revenues now comprise over 31% of total turnover compared to 26% in the prior year.

By contrast, our focus on removing low margin product revenues has reduced product turnover by £65m and total turnover for the fiscal year by £47m. Our lowest margin pass-through business declined by £25m following prior year reductions, such that this revenue stream now stands at less than £50m, and 45% of the level two years ago.

Annuity Revenues

We are pleased to report significant growth in our Annuity Revenues. Our Services business brings contracted revenues which allow the company to plan and invest with greater confidence. Growth in annuity revenues is a key objective for the company and we closely monitor their growth. Over the past year we have grown our annuity business by 3% to close the year with Annuity Revenues of £133m per annum.

Profitability

At £16.7m for the year, our EBIT is a record achievement for the year, 28% ahead of the prior year.

We have been improving our profitability in recent years even as the company moves through a period of transition and our performance in the last financial year again exceeded our 5 year growth trend.

As our business drives profitable growth from services and increases underlying annuity business we expect to maintain our strong performance in profit generation and growth.

Employees

Headcount closed the year at just below 1700, a decline of 5% on the prior year as we have managed our direct and indirect costs closely.

Turnover per head was down 3% but EBIT per head rose 33% to £9,700, continuing the trend over the last three years.

Highlights

£574m
Turnover
FY16 £621m **-8%**

£178m
Services Turnover
FY16 £159m **+11%**

£56m
Data Centre Turnover
FY16 £43m **+29%**

£16.7m
EBIT
FY16 £13.1m **+28%**

£25.5m
EBITDA
FY16 £21.9m **+17%**

1700
Headcount
FY16 1800 **-5%**

We analyse our business into 3 key components. These are our Supply, Integration and Managed Services business units.

Supply

The combined switch of focus away from low margin business is shown primarily in our Supply business the turnover for which declined by £63m as high value low margin pass-through product sales declined by £25m. Excluding this low margin low margin business, our supply business declined by 10%.

At over £400m our supply business remains the cornerstone of our business.

Integration

Our Integration services business declined in core professional services turnover, offset in part by growth in our smaller Flexible Resourcing business which has now grown by nearly 40% in the last two years following 21% growth in the last year.

Managed Services

Our Managed Services business which includes Data Centre and Managed Print Services, grew by £19m, driven by continued growth in our Data Centre Services business.

Our Core Managed Services business grew by building on existing relationships and adding new customers to finish the year 8% higher at £76m.

Data Centre Services

Our Data Centre Services business continued the exceptional growth of the last two years with a 29% improvement in revenues. At £56m, revenues are now four times the level of three years ago and represent over 30% of the services business.

With an established customer base and strong demand for our services, we expect continued growth in this specialist business unit.

Over 80% of revenues are annuity based ensuring that we will continue to deliver strong performance in the coming financial year when we expect the business to exceed £60m.

Growth from our government accredited secure multi-tenanted cloud service - “Sentinel by SCC” was significant and exceeded expectations over the last financial year, with revenue growing by over 75% to £14m.

Strong demand and high annuity levels underpin our confidence in the future for our Data Centre Services business unit. Investments completed in the year provided rack capacity of 3000 as planned at our Birmingham and Fareham locations.

Analysis of Turnover by Business Unit	Share (%)	2017 (£m)	Annual Change %
Supply	70	**404**	(14)
Integration	6	**33**	(5)
Managed Services	24	**137**	16

Services Turnover by Key Component	2017 (£m)	Annual Growth %
Integration		
Professional Services	**25**	(10)
Flexible Resources	**8**	21
Managed Services		
Core Managed Services	**76**	8
Data Centre Services	**56**	29

Data Centre Highlights

£56m

Turnover

FY16 £43m **+29%**

£60m

Investment

+£13m

3,000

Rack Capacity

Located in Birmingham and Fareham

Managed Print Services

Our managed print services operates from our specialist subsidiary business M2 Digital Limited as well as a division of Specialist Computer Centres plc.

These summary financial details are for the combined operation:

Of our total print business revenues, 60% were generated by M2 Digital Limited, with the SCC trade growing by over 30% compared to the prior year. Service revenues represent 50% of total revenue consistent with the prior year levels.

Since acquisition in 2014, our combined print services business has grown revenue, EBIT and Machines in Field (MIF) ahead of expectations.

In SCC, total revenues have grown in the year by 32% with services 20% higher. Significant new business wins in the last quarter will drive higher service revenues in the coming year.

M2 Digital Limited provides the specialist commercial and operational capabilities to drive our print business.

Investment in our public sector focused sales team in the two years to 31 March 2017 has given the business greater capability which together with inclusion on key public sector frameworks provides a great opportunity for further growth in future financial years.

New customers included Network Rail, to add to the existing customer base including National Trust; The Coventry Building Society and Waitrose.

Print Services Highlights

for the combined Specialist Computer Centres plc and M2 Digital Ltd

£46m

Turnover

£18m SCC plc

£28m M2 Digital

27,700

Devices Under Management

Profitability

Gross profit as a percentage of revenue grew by 1.0% to 16.3%, the highest level achieved by the company, although reduced product turnover suppressed total gross margin below the prior year level.

Overheads have grown in recent years as a percentage of turnover, but were tightly managed in the last financial period holding stable at 13.4%. In absolute terms we reduced total overhead costs by over £5m helping to drive significantly improved EBIT.

We have improved the rate of margin from our product business in recent years and although the rate declined marginally on the prior year the trend has been maintained.

Margins in our services business continue to remain strong and now contribute 71% of total company gross profit, up from 64% in the prior year.

The margin we generate from our Services business covers 76% of total company overheads – up from 65% in the prior year, as we continue to improve the mix of our profit as well as turnover.

Operating Profit

We measure our operating profit performance and trends in Earnings before interest and tax (EBIT), before interest tax and amortisation (EBITA); and before interest, tax, depreciation and amortisation (EBITDA).

Annual growth is important as well as maintaining consistent improvement over time, so we measure both the annual growth in these measures and their compound annual growth rates, (CAGR).

At 2.9% our EBIT return grew by nearly 40% and is a record performance for the company. Over the last three years we have grown this key measure by 38% from the 1.1% we reported in FY14.

Our other key measure of profit, EBITDA, reached 4.4% another record for the company which has grown at similar rates.

Return on Net Assets and Dividends

Our annual pre-tax return on opening shareholders funds grew by 2.5 percentage points to 20%, a record return to shareholders. A dividend of £9m has been declared and settled by removing an intercompany loan in order to maintain cash within the business.

2.9%

EBIT % Turnover

FY16 **2.1%**

4.4%

EBITDA % Turnover

FY16 **3.5%**

£m Year Ended 31 March 2017

16.7	18.3	25.5
EBIT	EBITA	EBITDA

Annual Growth

27%	23%	17%
EBIT	EBITA	EBITDA

5 Year CAGR

11%	11%	10%
EBIT	EBITA	EBITDA

EBITDA Reconciliation	2017 £m	2016 £m
Operating Profit (EBIT)	16.7	13.1
Amortisation	1.6	1.7
EBITA	18.3	14.8
Depreciation	7.2	7.0
EBITDA	25.5	21.9

Our Investments

We have always sought to re-invest profits back into the business, maintaining a prudent dividend policy to ensure that funds are available for investment both organically and where appropriate by acquisition. Over the last financial year these investments have been focused on the expansion of our Data Centre capabilities and the customer facing operational systems of our Services division.

Data Centres

Our investment programme increased capacity within our Data Centres significantly during the year to prepare us to meet future customer growth. Over the year we spent £13m completing projects in Birmingham and Fareham, which bring our maximum rack capacity to 3000 and total expenditure on Datacentres to £60m.

Returns on our investment continue to exceed 30% and where opportunities exist to drive additional future returns further investment will be considered.

We are also continuing to invest in our core operating systems; planning, implementing and developing new market leading solutions to underpin our long term systems infrastructure. During the year we spent £1m on this programme.

Investment in People

Investment in the right skills is important to ensure we provide the correct level of expertise to our customers. As we continue to transition the business to being key services led, the mix of skills required is changing our cost base.

Alongside of investing in higher and more expensive skill sets, we review and carefully manage our overheads to ensure we have the right mix and scale of resources to match our business needs.

The company 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 company. This is achieved through formal and informal meetings and communications on the company's internal and external websites. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

The company recognises the importance of its employees and of equality for all staff. Applications for employment by disabled person 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 company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Future Investments

An ongoing programme of investment is key to ensuring the long term success of the business. We continue to invest in our internal systems to deliver an enhanced customer and employee experience and continue to invest in the success of our business units organically and where appropriate by acquisition.

Cash is available from strong operating performance, tight overhead controls and dividend policies designed to enable reinvestment in the business. Debt capacity remains high, supporting the prospects for further investment as required to grow greater returns to shareholders.

Cash Management

Operating cashflow of £25m was used to finance investment in strategic capital assets. Our current Data Centre investment programme concluded in the year requiring additional cash of £13m. Total capital investment reduced available cash by £17m.

As the business changes to become more services focused, additional cash is required to fund the associated working capital changes. This change made a small impact reducing cash balances at the end of the financial year.

Net cash closed at £123m compared to £126m at the end of the prior year.

During the year we put into place a new banking facility with HSBC Bank which enables the sale of certain receivables on a non-recourse basis. As the facility now extends to 2020, we have a significant financing facility in place which will ensure we are able to support the business on a daily basis in the coming years.

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

Our Key Performance Indicators (KPIs) are Earnings before Interest and Tax (EBIT), Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA), Turnover and Headcount. We comment in the Performance Summary and Profit Performance sections of our Strategic Report on the progress of these KPIs over the year.

SCC EMEA Group

Specialist Computer Centres plc is part of
the SCC EMEA Limited group of companies

75+ Offices Worldwide

2,500+ Customers Across Europe

50+ Leading Vendors

5M+ Users Supported Globally

Multi-award winning IT Services

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

SCC Romania

- Head Office: Iasi
- Global Delivery Centre
- 24/7/365 1,000+ multi-lingual staff
- 93% annual staff retention
- Multi award-winning

SCC Vietnam

- Head Office: Ho Chi Minh City
- Global Delivery Centre
- 50 heads
- Established 2017

Specialist Computer Centres plc is a key part of the SCC EMEA group, which operates in France, Spain, Romania and Vietnam.

Consolidated Financial Highlights

This financial summary of SCC EMEA includes the results of the UK company, Specialist Computer Centres plc, together with all of the subsidiaries of SCC EMEA Limited of which the principal trading operations are shown above. The full results of the SCC group of companies are reported in the consolidated financial statements of SCC EMEA Limited.

Turnover

Consolidated turnover for the year was flat on the prior year on a constant currency basis, at €2bn.

With over 60% of turnover generated in euro denominated transactions, the sterling to euro exchange rate impacted the sterling equivalent by £130m such that the financial statements report a growth in turnover of 9%.

Our operations in France and the UK continue to drive the majority of turnover (96%) and profitability as they have in prior years and we expect them to do so in the future.

Our French operation with the largest share of group turnover, grew by 22% in sterling terms and 6% on a constant currency basis. Our UK operation declined in turnover as SCC plc continued to move away from lower margin product business whilst growing the services business, the impact of which was markedly improved EBIT. In Spain, turnover grew by 7% to €68m.

Profitability

EBIT reported for the year of £25m was a record for the group. EBITDA at £41m grew 26% on the prior year and was also a record. Currency movements helped consolidated profit by £1.5m compared to the prior year, however on a constant currency basis this profit performance was still the best the group has ever achieved. EBIT in our French business grew by over 40% to £10.2m whilst the UK business grew by over 20% to £17.2m.

UK	France	Spain	GDC
£602m Revenue	**€1.2bn** Revenue	**€68.4m** Revenue	**€12.7m** Revenue
£17.2m EBIT	**€11.9m** EBIT	**€219k** EBIT	**€730k** EBIT
£28.1m EBITDA	**€17.1m** EBITDA	**€224k** EBITDA	**€1.0m** EBITDA

Consolidated Results of SCC EMEA Limited

£1.7bn
Turnover

FY16 £1.5bn **+9%**

£41m
EBITDA

FY16 £32m **+26%**

£25m
EBIT

FY16 £18m **+39%**

We analyse our EMEA business by presenting our core trading operations by geography - UK, France and Spain. We show our Global Delivery Centres in Romania and Vietnam as one segment alongside our trading territories (GDC).

Within the UK segment, we include SCC plc, M2 Digital Limited and M2 Smile Limited.

Our central group operations located in the UK are reported in our EMEA central operations which also includes our UK based payroll and data services business, Specialist Computer Services Limited.

Future Expectations

Our cash remained strong, finishing the year at £127m compared to £86m 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.

We have strong, well managed and large scale operations in France and in the UK, both of which continue to grow and generate cash. Our strategy to deliver growth in services profitability has delivered record performance in the last financial year and this approach will be maintained in the next.

Our Annuity business continues to grow and we look forward to the coming year with confidence, despite the uncertainties arising from significant political changes in the UK and EU. Whilst we are unable to predict the impact of these changes or their timing we have a sound strategy to continue to perform successfully in the future.

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

James Rigby

Chief Executive

5 July 2017

The Directors present their annual report, audited financial statements of the company and auditor's report for the year to 31 March 2017.

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.

Our employee policy and disabled person policy is covered within the investment in people section of our strategic report, our charitable support and environmental policy is also covered in this report.

Summary Performance and Dividends declared

The company's activities during the year generated turnover of £574m compared to £621m in the prior year. Profit before tax of £18.7m was generated in the year compared to £14.4m in the prior year.

A dividend of £9m was declared during the year and settled through offset against an inter company loan from the company's immediate parent.

Net Assets of the business have now grown to £100m, 6% higher than the previous year.

Research and Development Expenditure

During the last year we invested £1m in research and development activity which is driven by the need to develop innovative solutions to meet our customers' needs. Last years' expenditure was in line with our annual investment levels which exceed £2m per year on average over the last five years.

Taxation

We trade in the UK and pay UK tax. We do not nor do we plan to establish any offshore activities within our business or group designed to avoid meeting our responsibility to pay UK taxes.

Political Donations

There were no political contributions made during the year (2016: Nil).

Going Concern

In light of the financial and commercial positions set out in the Directors' Report and Strategic Reports the directors consider that the company is in a strong position to manage its risks even in prolonged circumstances of weaker economic activity.

Current economic and political uncertainties in the UK in relation to the country's decision to leave the EU and their potential financial impact on the company, have been considered by the directors. Detailed budgets have been prepared for the coming financial year, which together with the company's mid-term planning process, available banking facilities and policy on tight overhead control, provide confidence in the company's prospects despite the potential impact of such uncertainties.

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 company 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.

Branches

There are no branches that exist outside of the United Kingdom.

Risk Management

Most of the company's business is generated from the UK market where competitive pressures represent an ongoing risk. Uncertainty surrounding Britain's decision to leave the EU will inevitably impact our customer's investment decisions.

We manage customer and competition risk through maintaining high levels of service, enjoy many long standing customer relationships and ensure management attention is properly focused on our customers.

Having successfully managed our business through economic downturns in the past, we are confident that through maintaining good relationships with vendors and customers we will be agile enough to manage our business through the economic uncertainties we are currently experiencing.

Financial Risks

The company is a UK based business financed by equity, cash generated from operations and external debt maintained to meet operational liquidity requirements. Transactions are denominated primarily in sterling however where appropriate forward currency contracts are entered into to eliminate any exposure to foreign currency fluctuations. External financing facilities are denominated in sterling and are at floating market rates with no exchange 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 2017, the company had a Net Cash position of £123m, consistent though slightly below the prior period as cash generated from operations was used to fund organic investments. Cash pooling arrangements are in place for the company's sterling facilities and efficient treasury operations across the group minimise net interest costs. Counterparty risk is considered when selecting all funding partners and the company's counterparty risk profile closely monitored.

The company's invoice discounting facility with HSBC has been further extended until 2020 and enhanced to provide a combination of recourse and non-recourse financing. This £70m facility provides capacity for the business to be adequately financed to meet peak borrowing requirements which fluctuate during the year in line with the normal variabilities in transaction activity.

As a wholly owned subsidiary of both the SCC EMEA Ltd and the Rigby Group (RG) plc groups of companies, the company has access to considerable funds for strategic use though these are not in use at the 31 March 2017, nor have they been required during the 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 a leading global insurance partner for a significant proportion of the customer base. Credit limits and profiles are regularly monitored by a dedicated credit function working closely with the operations team. Current levels of customer concentration and risk are considered by the directors to be acceptable.

Receivables from certain customers have been sold under a non-recourse financing arrangement with the company's principal bank HSBC. Although this arrangement does not reduce the businesses operational risk, exposure to credit risk is significantly reduced.

Interest Rate Risk

Bank facilities are provided at floating rates which provide some exposure to variations in interest rates. Current levels of average debt and the associated interest rate risks are considered appropriate and there are no interest rate derivative contracts in place.

Directors and Directors' Indemnities

The following directors have held office since 1 April 2016:

Sir Peter Rigby, Ms P Rigby, Mr J Rigby, Mr S Rigby, Mr M J Swain, Mr J Bland, Mrs P A Swain, Mr P Whitfield, Mrs T Westall, (resigned 31 March 2017), Mr P Everatt, (resigned 28 February 2017).

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", (FRS 102). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company'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

The company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102, paragraph 1.12, in respect of presenting related party, shared based payment and financial instrument disclosures. The company'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.

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

5 July 2017

We have audited the financial statements of Specialist Computer Centres plc for the year ended 31 March 2017 which comprise the Profit and Loss account, the Balance Sheet, the Statement of Changes in Equity, Cash Flow Statement and the related notes, 1 to 25. 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 the Republic of Ireland".

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 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 Directors' 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 company's affairs as at 31 March 2017 and of its profit for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

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

Statutory Auditor
Birmingham
United Kingdom

7 July 2017

Specialist Computer Centres plc

Financial Statements For the Year ended 31 March 2017

Profit and Loss Account for the Year Ended 31 March 2017

	Notes	2017	2016
		£'000	£'000
Turnover	3	573,906	620,915
Cost of Sales		(480,042)	(525,390)
Gross profit		93,864	95,525
Administrative expenses		(77,169)	(82,403)
Operating profit		16,695	13,122
Finance Income (net)	4	1,966	1,296
Profit on ordinary activities before taxation	5	18,661	14,418
Tax on profit on ordinary activities	8	(3,828)	(3,185)
Profit for the year		14,833	11,233

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

There is no other comprehensive income other than that passing through the profit and loss account and consequently no statement of comprehensive income has been prepared.

The notes form part of these financial statements.

Balance Sheet as at 31 March 2017

	Notes	2017	2016
		£'000	£'000
Fixed assets			
Intangible assets	10	6,040	6,606
Tangible assets	11	66,137	56,137
Investments	12	13,499	13,499
		85,676	76,242
Current assets			
Stocks	13	4,166	4,629
Debtors			
- due within one year	14	94,543	161,276
- due after one year		5,329	4,087
Cash at bank and in hand		123,278	126,453
		227,316	296,445
Creditors: amounts falling due within one year	15	(204,559)	(269,057)
Derivative financial liabilities	18	(400)	(784)
Net current assets		22,357	26,604
Total assets less current liabilities		108,033	102,846
Creditors: amounts falling due after more than one year	16	(7,766)	(8,269)
Provisions for liabilities	17	-	(143)
		100,267	94,434
Capital and reserves			
Called up share capital	19	1,026	1,026
Profit and loss account		99,215	93,382
Share based payment reserve	19	26	26
Shareholders' funds		100,267	94,434

Approved by the Board and authorised for issue on 5 July 2017

James Rigby
Chief Executive
Company Registration No. 01428210
Registered in England and Wales

Statement of Changes in Equity for the Year Ended 31 March 2017

	Notes	Called up share capital	Share Based Payment Reserve	Profit & Loss account	Total
		£'000	£'000	£'000	£'000
At 1 April 2015		1,026	26	82,149	83,201
Profit for the financial year and total comprehensive income		-	-	11,233	11,233
At 31 March 2016		1,026	26	93,382	94,434
Profit for the financial year and total comprehensive income		-	-	14,833	14,833
Dividends paid	9	-	-	(9,000)	(9,000)
At 31 March 2017		1,026	26	99,215	100,267

Cash Flow Statement for the Year Ended 31 March 2017

	Notes	2017 £'000	2016 £'000
Net cash flows from operating activities	22	11,864	4,797
Cash flows from investing activities			
Proceeds from sale of equipment		115	165
Purchase of intangible assets		(285)	(2,783)
Purchase of tangible equipment		(16,798)	(7,727)
Interest received		2,604	-
Net cash flow used in investing activities		(14,364)	(10,345)
Cash flows from financing activity			
Advances under finance leases receivable		166	196
Repayment of obligations under finance lease		(313)	(283)
Interest paid		(528)	(468)
Net cash flow used in financing activities		(675)	(555)
Net increase in cash and cash equivalents		(3,175)	(6,103)
Cash and cash equivalents at beginning of year		126,453	132,556
Net increase in cash and cash equivalents		(3,175)	(6,103)
Cash and cash equivalents at end of year		123,278	126,453
Reconciliation of cash at bank and in hand			
Cash at bank and in hand at end of year		123,278	126,453
Cash and cash equivalents at end of year		123,278	126,453

ACCOUNTING POLICIES

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

1.1 General information and basis of accounting

Specialist Computer Centres plc is a private company limited by shares incorporated in England and Wales within the United Kingdom under the Companies Act 2006. The registered office of the company is provided in the Company Information section of this Annual Report. The nature of the company's activities are set out in the Strategic Report.

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.

The functional currency of the company is considered to be pounds sterling because this is the currency of the primary economic environment in which the company operates.

The company 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 in relation to preparing related party, share based payments and financial instrument disclosures. As a wholly owned subsidiary of SCC EMEA Limited it has taken advantage of the exemption under section 400 of the Companies Act 2006 from preparing consolidated financial statements.

1.2 Going concern

The company's business activities, together with factors likely to affect its future developments, performance and position are set out within the Strategic Report. The director's report describes the financial position of the company; its financial risk management objectives and its exposure to credit risk and liquidity risk.

The company is part of the SCC EMEA Ltd ("EMEA") and the Rigby Group (RG) plc ("RG") groups, which has secured banking facilities in both the UK and Continental Europe used to meet its day to day working capital requirements. The current economic conditions create uncertainty particularly over the level of demand for the group's products and services; the exchange rate between Sterling and Euro and the availability of bank finance in the foreseeable future.

The company and both the EMEA and RG group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the group and company should be able to operate within the level of its current facilities and available cash resources. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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 financial statements.

1.3 Intangible assets - Goodwill

Goodwill arising on the acquisition of subsidiary undertakings 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 of 10 years. Provision is made for any impairment.

1.4 Intangible assets – Software Costs

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

1.5 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 FRS 102, the identifiable expenditure is capitalised as an intangible asset and amortised on a straight line basis over the period during which the Company expects to benefit. This period is over one to five years. Provision is made for any impairment.

1.6 Tangible fixed assets and depreciation

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 & Equipment	*3 to 20 years*
Motor vehicles	*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.

1.7 Investments

Fixed asset investments are stated at cost less provision for impairment.

1.8 Stock

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 are analysed by age and provision is made for obsolete, slow moving or defective items where appropriate.

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, where upon a value may be attributed to them based on the current replacement cost.

1.9 Impairment of Assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss 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 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.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired 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.

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.

1.10 Financial Instruments

Financial assets and financial liabilities are recognised when the Company 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 Company 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 Instrument

The Company holds a number of foreign currency forward contracts in order to reduce exposure to foreign exchange risk.

The company 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.

(iv) 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.

1.11 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 Company'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 finance 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 be 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.

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 Company 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 Company 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.

1.12 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 to the location as stipulated by the customer 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 contracts or on a percentage completion basis determined by reference to the contract deliverables and milestones 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.

1.13 Leasing accounting

Leased assets

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements 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.

1.14 Pension costs

The company makes contributions to a defined contribution Group Personal Pension Plan. 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.

1.15 Foreign currency translation

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. All exchange differences are included in the profit and loss account.

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

1.16 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 of the activities necessary to get the asset ready for use are complete.

1.17 Rebates and marketing income

Vendor rebates, allowances and marketing income are recorded as a reduction to 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 life of the agreement.

1.18 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.

1.19 Contractual Obligations under Preferred Vendor Schemes

Where the company enters into preferred supplier arrangements which include activity related obligations, the company 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.

1.20 Share Based Payments

The company 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.

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.

1.21 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 company'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 Company's accounting policies

The directors have not needed to apply any critical judgements during the year in applying the company'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.

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 the 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 use and estimation in valuation does not result in any over-statement of the value attributed to these items.

Impairment of goodwill

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

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 prudent approach assuming a normal level of trading after the end of the financial year to ensure that in year performance is not overstated.

3 SEGMENTAL INFORMATION

Geographical market

	Turnover	
	2017	**2016**
	£'000	**£'000**
United Kingdom	565,613	610,905
Continental Europe	7,929	10,000
Rest of the World	364	10
	573,906	620,915

Analysis of turnover by category

	2017	**2016**
	£'000	**£'000**
Sale of goods	396,369	461,367
Rendering of services	177,434	159,445
Government grants	103	103
	573,906	620,915

Grants represent amounts received in respect of our Data Centre Operations and are being released to the Profit and Loss account over the useful economic life of those assets.

4 FINANCE INCOME (NET)

	2017 £'000	2016 £'000
Interest payable and similar charges	(794)	(1,545)
Investment income	2,760	2,841
Finance income (net)	1,966	1,296

Interest payable and similar charges

	2017 £'000	2016 £'000
On bank loans and overdrafts	508	429
Hire purchase interest	20	30
Payable to Group undertakings	-	1
Unwinding of discount on long term debtors/creditors	63	292
Fair value adjustment on forward contracts	203	784
Other interest	-	9
	794	1,545

Investment Income

	2017 £'000	2016 £'000
Interest received on loans to group undertakings	2,604	2,604
Unwinding of discount on long term debtors/creditors	156	237
	2,760	2,841

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2017 £'000	2016 £'000
Amortisation of intangible assets	1,628	1,727
Depreciation of tangible assets	7,204	7,021
Operating lease rentals	4,418	4,349
Fees payable to the company's auditor:		
Audit fees	118	107
Non audit fees	24	6
Government grant income	(103)	(103)
Profit on disposal of tangible assets	(92)	(18)
Gain on foreign exchange transactions	(652)	(735)

The analysis of auditors' remuneration is as follows:	2017 £'000	2016 £'000
Fees payable to the company's auditor for the audit of the company's annual accounts	118	107
Tax compliance services	24	6
Total non-audit fees	24	6

No services were provided pursuant to contingent fee arrangements.

6 STAFF COSTS

The average monthly number of employees (including directors) during the year was:

	2017 Number	2016 Number
Sales	337	363
Engineering	1,058	1,086
Administrative	216	219
Warehouse	116	140
	1,727	1,808
Employment costs		
Wages and salaries	77,556	79,026
Social security costs	8,904	8,910
Pension costs	1,586	1,685
	88,046	89,621

Pension costs relate to contributions made into defined contribution schemes.

The Employment costs above exclude redundancy payments of £654,744 (2016: £949,134).

7 DIRECTORS' REMUNERATION

	2017	2016
	£'000	£'000
Remuneration for qualifying services	1,809	1,573
Company Pension Contributions	95	93
	1,904	1,666

The above amounts do not include any gains made on the exercise of share options or the value of any shares or share options received. No directors exercised share options in the year (2016 - Nil). During the year, no share options were granted to the directors (2016 - Nil).

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 is 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. The emoluments of Mr. P Whitfield are borne by and disclosed in the financial statement of SCC EMEA Limited and those of Mr. P Everatt whilst borne by SCC EMEA Limited are included in the above disclosure as he was not a statutory director of SCC EMEA Limited. The total remuneration of directors paid by other group companies was £989,000 (2016: £689,000). In addition some of these directors are accruing benefits under a group pension scheme with total contributions of £10,500 (2016: £9,100) paid on their behalf.

Pensions

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2016 - 5).

Highest-paid director

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2017	2016
	£'000	£'000
Remuneration for qualifying services	503	443
Company pension contributions to defined contribution schemes	14	40
	517	483

The highest paid director exercised no share options during the year (2016 - Nil) and was granted no share options during the year (2016 - Nil).

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2017	2016
Domestic current year tax	**£'000**	**£'000**
UK Corporation tax	3,598	2,938
Adjustment for prior years	(241)	(52)
Total current tax	3,357	2,886
Deferred tax		
Origination and reversal of timing differences	408	175
Deferred tax adjustments arising in previous periods	83	97
Effect of changes in tax rates	(20)	27
	471	299
Total tax	3,828	3,185

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2017	2016
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	18,661	14,418
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (2016 - 20%)	3,732	2,883
Effects of:		
Expenses not deductible for tax purposes	283	229
Income not taxable	(10)	-
Tax rate changes	(20)	27
Adjustment to tax charge in respect of previous periods	(157)	46
	96	302
Total Tax charge for the year	3,828	3,185

The standard rate for UK corporation tax is currently 20% (2016: 20%).

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 17% 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 (2016: 19%). 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.

There is no expiry date on timing differences, unused tax losses or tax credits.

9 DIVIDENDS

	2017	2016
	£'000	£'000
Final dividend has been paid of £9 per ordinary share (2016 - £Nil)	9,000	-

10 INTANGIBLE FIXED ASSETS

	Goodwill £'000	Software costs £'000	Total £'000
Cost			
At 1 April 2016	3,902	10,201	14,103
Additions	-	1,485	1,485
Disposals	-	(735)	(735)
At 31 March 2017	3,902	10,951	14,853
Amortisation			
At 1 April 2016	2,138	5,359	7,497
Charge for the year	390	1,238	1,628
Disposals	-	(312)	(312)
At 31 March 2017	2,528	6,285	8,813
Net book value			
At 31 March 2017	1,374	4,666	6,040
At 31 March 2016	1,764	4,842	6,606

Amortisation has been charged in the profit and loss account within administrative expenses.

11 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £'000	Leasehold Buildings £'000	Fixtures & equipment £'000	Assets in the course of construction £'000	Motor Vehicles £'000	Total £'000
Cost						
At 1 April 2016	10,878	15,008	55,564	3,366	2,914	87,730
Additions	-	468	6,609	10,065	151	17,293
Reclassification	-	2,786	5,502	(8,288)	-	-
Disposals	-	-	(110)	-	(312)	(422)
At 31 March 2017	10,878	18,262	67,565	5,143	2,753	104,601
Depreciation						
At 1 April 2016	282	5,306	24,010	-	1,995	31,593
On disposals		-	(56)	-	(277)	(333)
Reclassification	-	(165)	165	-	-	-
Charge for the year	261	877	5,677	-	389	7,204
At 31 March 2017	543	6,018	29,796	-	2,107	38,464
Net book value						
At 31 March 2017	10,335	12,244	37,769	5,143	646	66,137
At 31 March 2016	10,596	9,702	31,554	3,366	919	56,137

Included above are assets held under finance leases or hire purchase contracts as follows:

Net book values	**Motor Vehicles £'000**
At 31 March 2017	529
At 31 March 2016	671

12 INVESTMENTS

	Shares in subsidiary undertakings
Cost and Net Book Value	**£'000**
At 1 April 2016	13,499
Additions	-
At 31 March 2017	13,499

Subsidiary undertakings

The company directly and indirectly holds investments in the ordinary share capital of the following subsidiary undertakings.

Company Subsidiary Undertaking	Country of Incorporation	Principal Activity	Percentage Holding %
M2 Smile Limited	England and Wales	Holding Company	100
M2 Digital Limited	England and Wales	Print Services	100
SCC UK Limited	England and Wales	Dormant	100
SCC Capital Limited	England and Wales	Dormant	100

The registered offices of all entities is provided in the Company Information section of this Annual Report.

13 STOCKS

	2017 £'000	2016 £'000
Maintenance stock	836	832
Finished goods and goods for resale	3,330	3,797
	4,166	4,629

There is no material difference between the balance sheet value of stocks and their replacement cost.

14 DEBTORS

	2017 £'000	2016 £'000
Amounts due within one year:		
Trade debtors	65,388	125,670
Amounts owed by group undertakings	5,678	13,223
Other debtors	5,362	5,707
Prepayments and accrued income	17,368	16,621
Corporation Tax	694	-
Deferred tax asset	53	55
	94,543	161,276

The trade debtors act as security for a confidential invoice discounting facility.

	2017 £'000	2016 £'000
Amounts falling due after more than one year		
Trade debtors	5,319	3,608
Deferred tax asset	10	479
	5,329	4,087

Deferred Tax	**£'000**
Balance at 1 April 2016	534
Profit and loss account	(471)
Balance at 31 March 2017	63

The deferred tax asset is made up as follows:	**Provided** 2017 £'000	2016 £'000
Decelerated capital allowances	10	479
Other timing differences	53	55
Tax losses available	-	-
	63	534

At 31 March 2017 there are no deferred tax assets which have not been provided for. (2016: None)

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £'000	2016 £'000
Net obligations under hire purchase contracts	160	288
Trade creditors	120,231	150,885
Amounts owed to group undertakings	25,991	61,083
Corporation tax	-	776
Group relief	2,679	-
Other taxes and social security costs	9,220	10,944
Other creditors	3,791	3,675
Accruals and deferred income	42,384	41,303
Government grants	103	103
	204,559	269,057

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £'000	2016 £'000
Net obligations under hire purchase contracts	79	157
Trade Creditors	3,622	5,237
Accruals and deferred income	3,400	2,107
Government grants	665	768
	7,776	8,269

Net obligations under hire purchase contracts		
Repayable within one year	160	288
Repayable between one and five years	79	157
	239	445
Included in liabilities falling due within one year	(160)	(288)
	79	157

The obligations under finance leases and hire purchase contracts are secured over motor vehicles.

17 PROVISIONS FOR LIABILITIES

	£'000
Balance at 1 April 2016	143
Utilised in the year	(143)
Balance at 31 March 2017	-

The provision related to an onerous lease contract which has been discharged within the year.

18 DERIVATIVE FINANCIAL INSTRUMENTS

Liabilities

	2017	2016
	£'000	£'000
Forward foreign currency contracts	400	784
	400	784

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

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

			Nominal Value		Fair Value	
	2017 Rate	2016 Rate	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Buy US Dollar						
Less than 3 months	1.247	1.409	9,025	7,799	9,023	7,650
Buy Euros						
Less than 3 months	1.164	1.265	1,277	158	1,274	159
			10,302	7,957	10,297	7,809
Sell Euros						
Less than 3 months	1,256	1.352	1,117	1,793	1,202	1,925
In 4 months to 1 year	1.327	1.346	1,525	4,179	1,741	4,485
Between 1-2 years	1.313	1.33	695	2,113	789	2,262
Between 2-3 years		1.298	-	981	-	1,029
			3,337	9,066	3,732	9,701

The company has entered into contracts with suppliers to buy goods in US Dollars and in Euros. The company has also entered into contracts to supply goods to customers in Euros. The company 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 £25,000 was recognised in the profit and loss account in excess of the fair value of the hedging instruments (2016: £49,000).

19 CALLED UP SHARE CAPITAL

	2017 £'000	2016 £'000
Allotted, called up and fully paid		
1,000,000 Ordinary shares of £1 each	1,000	1,000
21,540 C Ordinary shares of £1 each	21	21
3,591 D Ordinary shares of £1 each	4	4
1,540 E Ordinary shares of £1 each	1	1
	1,026	1,026

The other reserves of the Company comprise:

Share based payment reserve represents the premium on issue of shares issued under the share based payment scheme.

Profit and loss reserves comprise the cumulative profit and losses of the company, net of any dividends paid.

20 EMPLOYEE SHARE SCHEME

In 2015 the company issued 'C', 'D' and 'E' ordinary shares under three employee share schemes which may be exercised during a 6 month period from 1 July 2017. Participants of the scheme can put their shares to 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.

21 FINANCIAL COMMITMENTS

	2017 £'000	2016 £'000
Capital commitments contracted, not provided are as follows:		
Property non-finance lease	-	5,237

Total future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Land & Buildings		Other	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Within one year	1,958	2,265	1,214	1,279
Between two and five years	7,129	6,863	1,179	849
In over five years	8,739	8,947	-	-
	17,826	18,075	2,393	2,128

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.

22. NET CASH FLOWS FROM OPERATING ACTIVITIES

	2017 £'000	2016 £'000
Operating profit	16,695	13,122
Adjustment for:		
Amortisation of goodwill	390	390
Amortisation of intangible fixed assets	1,238	1,337
Depreciation of tangible fixed assets	7,204	7,022
Loss on sale of tangible fixed assets	(92)	(18)
Operating cash flow before movement in working capital	25,435	21,853
Decrease/ (increase) in stocks	463	(775)
Decrease/ (increase) in debtors	56,597	(16,215)
(Decrease)/ increase in creditors	(68,679)	2,584
	13,816	7,447
Income Tax Paid	(1,952)	(2,650)
Cash generated by operations	11,864	4,797

23 CONTINGENT LIABILITIES

There are cross guarantees on the overdrafts and bank loans of certain undertakings in the UK group of companies owned directly or indirectly by SCC EMEA Limited. At 31 March 2017, the indebtedness of the UK group undertakings amounted to £54,616,716 (2016- £95,894,000).

24 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

As a subsidiary undertaking of SCC UK Holdings Limited, the company has taken advantage of the exemption in FRS 102 from disclosing transactions with other wholly owned companies within the group headed by Rigby Group (RG) plc.

25 CONTROL

Ultimate parent undertaking

The company is a subsidiary undertaking of SCC UK Holdings Limited, a company registered in England and Wales.

The results of SCC UK Holdings Limited are consolidated into those of Rigby Group (RG) plc, registered in England and Wales, whose principal place of business is at Bridgeway House, Stratford Upon Avon, Warwickshire, CV37 6YX and of SCC EMEA Limited registered in England and Wales, being the smallest group for which consolidated financial statements are prepared and whose principal place of business is at James House, Warwick Road, Birmingham, B11 2LE. The largest group of which the company is a member, and for which consolidated financial statements are drawn up, is that headed by Rigby Group (RG) plc. Consolidated financial statements are available at 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 holding (directly and indirectly) 75% of the issued ordinary share capital of Rigby Group (RG) plc, the ultimate parent undertaking.

Directors	Sir Peter Rigby Ms P Rigby Mr J Rigby Mr S Rigby Mr M J Swain Mrs P A Swain Mrs T Westall (resigned 31st March 2017) Mr P Everatt (resigned 28th February 2017) Mr J Bland Mr P Whitfield
Company Secretary	Mr O G Williams
Company Number	01428210
Registered office	James House Warwick Road Birmingham West Midlands B11 2LE United Kingdom
Auditor	Deloitte LLP 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
Solicitors	Gowling WLG (UK) LLP 2 Snowhill Birmingham West Midlands B4 6WR United Kingdom

Registered offices of subsidiary entities are the same as for the company with the exceptions of M2 Digital Limited and M2 Smile Limited whose registered office is PO Box 2000, 380 Chester Road, Manchester, M16 9EA.

We make IT work

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