SPECIALIST COMPUTER CENTRES PLC

WE ARE SHAPING TOMORROW.

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

LET'S REINVENT OURSELVES.

SPECIALIST COMPUTER CENTRES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

SCC.COM

WE ARE SHAPING TOMORROW.

WE HELP CLIENTS SUCCEED THROUGH IT TRANSFORMATION AND EXCEPTIONAL CUSTOMER EXPERIENCES.

THAT'S OUR PURPOSE. THE REASON WE EXIST.

WE SIMPLIFY THE COMPLEX.

Strategic Report

Financial Statements

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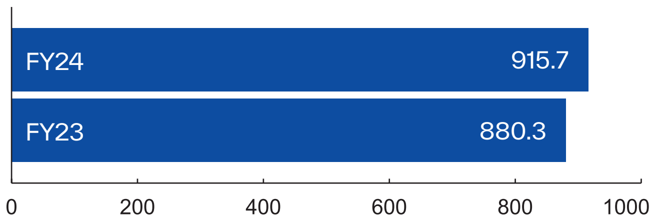
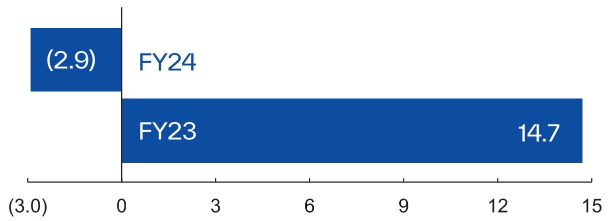
FINANCIAL HIGHLIGHTS 2024

SPECIALIST COMPUTER CENTRES PLC (“SCC UK”) GROUP METRICS

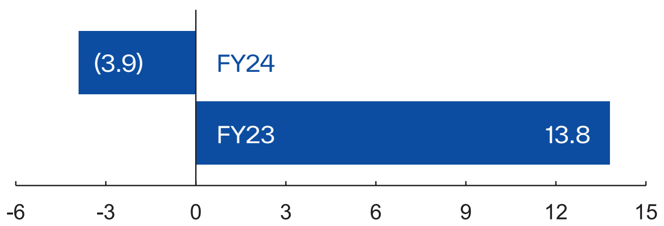
TURNOVER £M



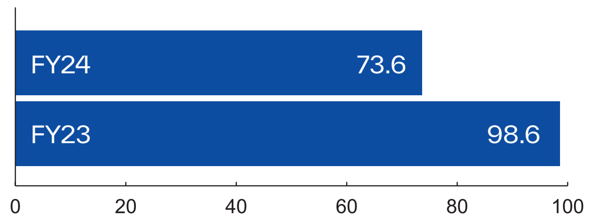
OPERATING PROFIT £M



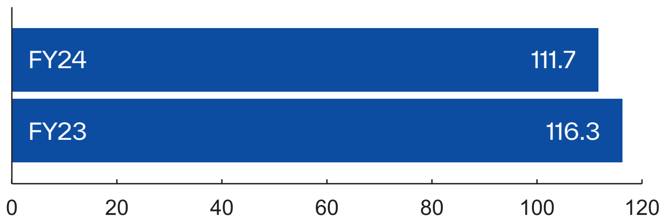
PROFIT BEFORE TAX £M



CASH £M



NET ASSETS £M



‘The success of our customers is the core tenant of our strategy and vision.’

DENNIS BADMAN
CHIEF EXECUTIVE OFFICER (CEO), SCC UK

CEO STATEMENT DENNIS BADMAN

Another record revenue year of £915.7m (2023: £880.3m) underpins our confidence that SCC continues to strengthen.

Despite challenging macroeconomic factors, we have continued to put our customers first, develop our people, and increase our strategic investments.

Our Operating Loss of £2.9m (2023: profit of £14.7m) reflects our commitment to long term investment and while the result was below expectation, we have many successes to celebrate. I have confidence that we are pursuing the right strategy in becoming the most customer and employee centric IT integrator in the UK, supported by a strong balance sheet and committed shareholders investing for the long term.

We have retained and grown our enviable customer base, many of whom experienced challenging market conditions of their own. The success of our customers is the core tenet of our strategy and vision, and throughout the year we have extended our investment in Customer Success. We have significantly grown a highly skilled and experienced team who are there to ensure that the experience of working with SCC differentiates us in our customers’ eyes.

Our teams have shown great care for customer colleagues and have brought our values to life. I would like to thank our customers and our team for their commitment, hard work and trust in SCC.

We have been delivering on our employee centric ambition through our People Promise. In 2023, our primary focus has been on developing our learning culture through investments in management, leadership, and technical training. We have invested in an abundance of learning material through multiple channels, and I’m encouraged by the organisation’s thirst for role-based learning.

A universal responsibility of our age is to take care of the society around us. We increased the support we provide to local charities and communities across the UK, which is supporting skills development and life chances for people from all backgrounds. We delivered a programme of capital projects to reduce the impact we have on the environment and I’m very pleased to report that we opened our multi-million pound dedicated technology reuse and recycling centre, which we are bringing to our customers to help them reduce their environmental impact.

Looking at how the business performed, SCC UK product sales grew to £703.3m (2023: £671.2m), aided by our Visavvi and Vohkus acquisitions. Demand varied significantly compared to the prior year, with Enterprise and Networking sales reducing by over 20%, offset by year-on-year growth in End User and Collaboration. Sector growth was dominated by the Commercial Sector, with Public Sector and our Business Partners finishing below prior year volumes.

Demand for our services portfolio was challenging as we experienced a tightening in customer expenditure. Services generated revenue of £212.3m (2023: £209.0m). However, management focus has been applied to improving the efficiency of our services, increasing our offshore activity, and delivering a better service to our customers.

‘I see great opportunity in our growing strategic alignment with our major vendors and in the modernised services we are bringing to the market.’

DENNIS BADMAN
CHIEF EXECUTIVE OFFICER (CEO), SCC UK

As we exited the year, our investments in Hyperscale and Cybersecurity services began to show the signs that we have the right strategy to shift revenues from bespoke managed services to a modernised and standardised offering. Our managed service provider investment programme has been in close collaboration with Microsoft, and we have made considerable progress in establishing our Microsoft capability, accreditations and relationships. Our portfolio was expanded further in the final quarter by acquiring Resonate, a market leading Microsoft Teams based contact centre and voice services company. Resonate completes our current round of acquisitions as we work now to integrate all acquired offerings into our portfolio.

The SCC cost base increased year-on-year as a direct result of our investment plans. The need for much tighter cost controls as-a-result of the shift in sales mix also meant that we needed to take action to reduce our indirect cost base. We have received good support from our supply chain in maximising the value in money we spend with them, and we decided to redirect spending towards investments in IT systems.

All indicators show that the prevailing challenging conditions will remain with us. However, the UK economy is resilient, our customer base is inclined to turn to technology to overcome challenges, and we have a talented and committed workforce. I see great opportunity in our growing strategic alignment with our major vendors and in the modernised services we are bringing to the market.

Transforming our business to deliver a better outcome for our customers, people, partners, the society around us and our shareholders remains our top priority. While this places short term pressure on our profitability, I believe we are delivering the right strategy and remain committed to continuing our investment in assuring SCC’s place in the UK market for the long term.

DENNIS BADMAN
SCC UK CEO

STRATEGIC

'The secret to longevity is passion, reinvestment, embedding your values, and working with high-performing teams.'

SIR PETER RIGBY
CHAIRMAN, SCC PLC AND RIGBY GROUP (RG) PLC

CHAIRMAN'S STATEMENT SCC PLC

Next year marks 50 years in business for SCC; a business that I founded in 1975 and has, as part of the wider Rigby Group, grown into a technology led £3.7bn turnover group.

50 years is a long time. We've seen how much the world has changed in the past four years alone and the pandemic, significant as it was, is the latest in a long line of global events that have reshaped the face of business.

Over the past five decades, we have witnessed everything from the very first microprocessor to the power of new technologies such as AI and machine learning. We've grown through an evolving and sometimes volatile economy, with interest rates ranging from 0.10% to 17%.

The secret to longevity is passion, reinvestment, embedding your values, and working with high-performing teams within a structure that enables quick and decisive decisions on long- and short-term strategies.

These are the foundations on which our business is built, and while the fiscal year 2024 brought its challenges in some areas of the Rigby Group, the work we have done over the past 50 years – and in particular over the past 2-3 years – keeps SCC UK in a strong position with a clear strategy and vision for the future.

The continued progress of SCC UK has been marked by significant challenges and opportunities this year, and I am proud to say that our team has navigated through them with resilience, innovation, and unwavering commitment.

SCC's leadership team, which we have continued to invest in during the course of FY24, have continued to demonstrate agile management, delivering strategic initiatives that align with this long-term vision we have for the business.

SCC remains at the forefront driving digital adoption and empowering organisations across various sectors to thrive in a rapidly evolving world. Through our dedication to service excellence, we have solidified our position as a trusted partner in delivering cutting-edge solutions that drive growth, efficiency, and digital transformation.

Despite challenging economic conditions, we have continued to reinvest this year, developing more innovative new business initiatives and investment opportunities, including key acquisitions to help us scale and modernise our service offering.

SCC is the driving force behind Rigby Group, a family of many different companies in 20 countries worldwide, with more than 8,500 people. In the UK, we still see as much opportunity for growth and expansion today as we did when SCC was first established, and there are positive signs of tangible, long-term recovery and a return to optimism and growth for business leaders in the UK.

Investment is essential to a healthy future, and we remain firmly committed to investing in our business, our people and new technologies for strategic and sustainable growth as we look ahead to FY25.

In FY24 we continued to deliver on the technology investment programme announced in the previous year, underpinning SCC's continued growth by targeting significant purchases in a multi-year strategy aimed at consolidating the company's position as Europe's largest private investor in technology.

With significant recent organic investments in new areas of operation including Data, Cyber and Hyperscale already helping deliver record results, this five-year acquisition strategy will further cement SCC's company's position in the technology market.

PASSION

Innovation is the lifeblood of our industry, and SCC UK has continued to drive innovation at every turn. From artificial intelligence and machine learning to blockchain and Internet of Things (IoT), we are leveraging emerging technologies to provide our customers with a competitive edge.

Our family-owned structure and values enable us to stay ahead of the curve. We have always been able to anticipate industry trends, adapt to changing needs, and deliver sustainable value to our customers and our people, who sit at the heart of our business.

Rigby Group’s established charity, The Rigby Foundation, continues to proactively support sustainable charitable initiatives through donations and corporate social responsibility programmes in our operating businesses. Over the coming year, our developing ESG strategy will seek to enshrine these initiatives and many more within the heart of the group, ensuring that the values developed over almost fifty years remain in place for the next fifty.

The SCC Academy, which we opened in 2023 in recognition of the many young people who now more than ever need help and support in developing their IT skills, continue to thrive and has now seen many people enrol on an Essential Digital Skills level 1,2 or 3 course, with the centre hosting internal training sessions. higher level courses with Firebrand, and events dedicated to promoting digital skills and lifelong learning in partnership with The Princes Trust and Young Adults Foundation Trust.

Looking at FY 2025, our sister company SCC France has kicked off the next financial year as an official sponsor of the Paris 2024 Olympic’s and Paralympic Games, which is currently the biggest ever sporting event that has been hosted in France. Aside from sponsoring, SCC France has also won the contract to provide and service all the technology for the event, including procurement and supply of IT, audiovisual, print and mobile equipment, with a full recycling service in line with the digital responsibility and circular economy.

We will deploy more than 500 people from SCC France, with our sponsorship bringing employees, technology partners and customers together to celebrate the sponsorship, which is a high point in the history of our group.

We have made significant strides in developing ESG strategy, which will seek to enshrine these initiatives and many more within the heart of the company, ensuring that the values developed over almost fifty years remain in place for the next fifty.

We recognise the importance of sustainable business practices. We remain committed to minimising our environmental impact, promoting diversity and inclusion, and giving back to the communities in which we operate.

This year, we continued with several initiatives aimed at reducing our carbon footprint, promoting ethical sourcing, and supporting local educational programs. By integrating sustainability into our business strategy, we are not only fulfilling our social responsibilities but also driving long-term value for all our stakeholders.

My family and myself remain committed to SCC UK and the Rigby Group for the long term – with technology at its heart – and maintain our core principles of hard work, entrepreneurship, good governance and philanthropy.

It is an ethos I have been proud to foster throughout my business life and can assure you that this will not change as the company and its management continue to evolve.

We also remain committed to being a UK based business, paying tax in the UK and other countries as appropriate. We will continue to support the UK economy as the UK government has supported us in the past, and we are proud of the work which we have done in supporting both the country and the NHS over the past decades.

And most of all, we will continue to value our people, their skills and the loyalty they have shown as part of our family business. None of our achievements would have been possible without our incredible team. I extend my heartfelt appreciation to our employees who are the reason for our continued success.

We have created an inclusive and empowering culture that fosters innovation, collaboration, and continuous learning, and I am confident that our people will continue to lead us to greater heights in the years to come.

As we embark on a new fiscal year, we are optimistic about the future. The digital transformation journey is far from over, and SCC UK is well-positioned to seize the opportunities that lie ahead. We will continue to invest in technology, nurture our talent, and deepen our customer relationships.

Peter Rigby

SIR PETER RIGBY
CHAIRMAN
SCC PLC AND RIGBY GROUP (RG) PLC

SUCCESS THROUGH TRANSFORMATION.

OUR PLAN

OUR PURPOSE

We help clients succeed through IT transformation and exceptional customer experiences

OUR AMBITION

To be the most customer and employee centric IT systems integrator in the UK

STRATEGIC INITIATIVES

- Acquire more customers
- Sell more to existing customers
- Digital Workplace
- Cyber Security
- Cloud Services

ENABLED BY

- People + Culture
- Intelligent Systems
- Compelling Offerings
- Excellent Customer Experiences

VALUES

- Responsibility
- Passion
- Customer First
- Agility
- Family

OUR VALUES

RESPONSIBILITY

We take responsibility for our customers, each other, our community, and environment.

We take accountability and lead by example.

We can all make a difference independently, and collectively, and always bring solutions to problems with a can-do attitude.

PASSION

We're passionate and excited about what we do, and how we do it.

We nurture ideas and inspire excellence.

We find creative solutions to challenges – and have fun doing it.

CUSTOMER FIRST

We always put our customers first.

We make decisions, and measure outcomes, based on providing exceptional customer service.

We work hard to establish long-term, trusted partnerships.

AGILITY

We think broadly, act quickly, and thrive on change.

We're agile and responsive to the needs of customers and our business.

As a family-owned business, we're both measured and decisive.

FAMILY

Our business is built on family values, entrepreneurship, and togetherness.

We're open, honest, supportive and inclusive.

Our people are our family, and we know that we're stronger together.

STRATEGIC INITIATIVES

ACQUIRE MORE CUSTOMERS

Despite challenging market conditions and stiff competition, we continue to attract ten new logo customers each month across all sectors and lines of business.

Our unified pre-sales, account CTOs, and strategic consultants have delivered more strategic engagements, consistently focusing on resolving business challenges in cloud, workplace, and cyber security. AI has already begun to generate demand, and our early successes demonstrate our ability to leverage our partner ecosystem to benefit customers.

New relationships include providing AI services to Browne Jacobson, digital workplace services to Travelodge, cloud services to UGI and cyber security services to Wilson James. These are just some examples of exciting new wins for SCC with tremendous growth opportunity.

SELL MORE TO EXISTING CUSTOMERS

We've clearly understood the challenges our top existing customers face and how we align ourselves to deliver their business outcomes.

Oxford City Council, the Co-operative Bank, Babcock, Lifetime Training, Atradius, Post Office, Barratt Developments, and HM Land Registry are significant customers that have committed to extending and expanding their partnerships with SCC. Cross-selling our services and upselling within our VAR business is building as a primary route to delivering better value to our customers.

The acquisition of Vohkus has presented opportunities to offer our broad range of products and services to a new cohort of customers.

As a proud reseller, we continue to provide operational excellence and continually seek ways to improve our customer engagement. To make it easier for customers to work with us we are integrating our Customer Experience team into our sales community and investing in new Customer Success Manager roles to ensure we place value and outcomes for our customers at the heart of our engagement.

DIGITAL WORKPLACE

Unlocking the potential of your workforce.

Over the past 12 months we have provided upgraded Microsoft environments to enable CoPilot adoption for public sector and commercial sector customers, and ensured guest service excellence for Travelodge by providing service desk and break fix services for over 600 locations. We are rolling out new technology into 450 Pets at Home locations across the UK, and providing flexible low-code SaaS enterprise service management for HM Land Registry.

This is building on a year of successfully consulting with our customers on user experience and better understanding their needs, which is helping us be laser-focused on providing the specific technology and services that support users' productivity in a flexible working world.

We have appointed an MD of Digital Workplace EMEA to lead the development of our future Digital Workplace offering. We will maximise the use of automation, self-healing technology, and AI to radically reengineer user support and experience.

SCC strengthened its capabilities within Digital Workplace through M&A activity in acquiring Resonate, a global provider of cloud voice and collaboration services based on Microsoft Teams, and earlier in the year, Nimble, a 150-person digital consultancy with a track record of transforming business outcomes through adoption of digital solutions.

CYBER SECURITY

Creating cyber confidence.

We added more than 30 people and five new services to our growing Cyber division with the launch of our new advanced Security Operations Centre (SOC) at our HQ campus in Birmingham. The new SOC is accredited by CREST and provides a central base in the UK for the growing Cyber operations team, it further enhances our ability to monitor, prevent, detect, investigate, and respond to global cyber threats around the clock across customers' attack surfaces.

We launched our new Managed Detection and Response (MXDR) service combining our expertise in cyber security with cutting-edge technology to provide continuous monitoring, detection, investigation, and response to advanced cyber threats for our customers. During a funded pathfinder aimed at unlocking the full value of their Microsoft investment, we collaborated with Wilson James to highlight the advantages of our 24/7/365 Security Operations Centre (SOC) service, complimented by our threat intelligence expertise to enhance the data insights gained through the Microsoft ecosystem.

We became a member of Microsoft Intelligent Security Association (MISA) to further bolster our commitment to cyber security excellence as a result of our MXDR service leveraging Microsoft's robust security solutions including Microsoft Entra ID, Microsoft Defender for Cloud, Microsoft Defender for Cloud Apps, Microsoft Defender for Endpoint, Microsoft Defender for Identity, Microsoft Defender for Office 365, and Microsoft Sentinel.

CLOUD SERVICES

Growth through Innovation.

We've launched our new Cloud Managed Services framework that provides customised managed services that align perfectly with individual customer needs and designed to deliver unparalleled value throughout the digital journey. One of the new cloud managed services includes Vision, a one-stop solution for managing and optimising customers' environment with complete control on costs, simplifying management and decision making and driving modernisation across their estate.

Our SCC Digital services within Cloud Services include Data & AI, Digital and App Innovation and Platform services. We have started a new customer partnership and working with UGI International supporting their hybrid cloud encompassing 24/7 managed service across Azure and their owned infrastructure, with SCC Vision they have a single pane of glass for managed service execution, ticketing and reporting across Europe.

As a Digital Solutions and Services provider and value added reseller we have created new partnerships and working with Gamma Communications and Center Parcs, as well as additional services to existing relationships such as Newcastle City Council, Oxford City Council, Culina Group, Mitie Care and Custody and National Highways.

OUR ENABLERS

PEOPLE & CULTURE

Our people are the heart and soul of SCC. They embody our values of family, passion, agility, responsibility, and customer first and are the driving force behind our success. We are committed to investing in our people, providing them with the tools and resources they need to succeed, and fostering a culture that values inclusivity, passion, agility, responsibility, and customer first.

INTELLIGENT SYSTEMS

We're making the most of intelligent systems and new technologies to improve our business processes. Our Clarity transformation programme deployed Microsoft Dynamics 365 to the UK business this year providing a more efficient, effective, and agile CRM tool. Delivering projects aligned to Clarity will create a common operating model and standardised processes to unify what we do and how we do it.

COMPELLING OFFERINGS

We launched new SCC Digital services through our product management, product marketing and campaign marketing resources to help enable and drive these services into the market. We have defined our top level propositions and service portfolios across all 3 areas of Digital Workplace, Cyber Security and Cloud Services.

EXCELLENT CUSTOMER EXPERIENCES

We put excellence into action every day. We ensure that our people have the skills and opportunity to excel ensuring our customers always benefit from an excellent customer first experience.

FINANCIAL REVIEW

Revenue

Through its primary IT reseller brands of SCC and Vohkus, as well as its digital workplace and collaboration brands of Visavvi and Resonate, the SCC group provides full IT product and service solutions across the IT landscape of Digital Workplace, Cyber Security and Cloud Services.

Total 2024 Turnover of £915.7m represented a 4% increase on 2023, predominantly due to a full year of Vohkus trade following acquisition in March 2023. While the acquisition of Resonate significantly strengthens SCC's capabilities as a provider of cloud voice and collaboration services, it did not have a material impact on 2024 revenue following the acquisition in February 2024.

Product

In total, 2024 product revenue of £703.3m was 5% (£32.1m) higher than in 2023. This included an increase of £74.0m following the inclusion of a full trading year of Vohkus. As a result, product revenues accounted for 77% of total revenue in 2024.

UK Market conditions were softer during 2024 than in the prior year as customers re-evaluated and delayed commitments to large IT projects because of the uncertain UK economic backdrop. Higher funding costs lead to weaker demand for large enterprise and networking products and as a result, revenues in these two business units declined by close to 20% year-over-year.

Demand for Digital Workplace products remained strong however, as customer demand driven by hybrid working and technology refreshes continued. We saw growth of 28% in this area and we're expecting continued growth as migration to Win11 picks up pace.

We saw growth in our software business, especially in our Digital Automation Practice, where demand for our ServiceNow and 4Me IT Service Management (ITSM) solutions grew by over 50%.

Services

2024 revenue performance across our services portfolio was mixed. In total, service revenues of £212.3m were comparable to 2023. Our traditional core managed services offerings of private cloud and digital workplace services remained challenged as some contracts reached their natural end of term or revenues came under pressure as customers sought efficiencies and reduced cost of service. At the same time, the cost of services (both acquired from 3rd parties as well as those delivered by our own staff) came under significant inflationary pressure, resulting in lower margins. This was partially offset by increased revenues across our professional services & consultancy practices, as well as improvements in our managed print services and collaboration services business units.

Our investments in our CREST accredited Security Operations Centre (SOC) and launch of our new Managed Detection & Response (MXDR) service led to significant growth in our Cyber Security services revenue (up 58% year-over-year). Cloud revenues are expected to improve following the launch of SCC Vision, providing customers with a single source for cloud managed service provisioning, ticketing and reporting.

Profitability

We measure our performance in gross profit and operating profit. It is important to maintain a positive growth trajectory over a period of time, for which we track profitability as a percentage of turnover and the growth in that rate on an annual compound basis (CAGR).

Gross profit

Gross profit of £126.9m was up 2% on prior year (2023: £123.9m). The 2024 gross profit as a percent of revenue of 13.9% was marginally lower than in the preceding year (2023: 14.1%).

The lower margin rate reflected a slight change in revenue mix towards lower margin product resale from services revenues, where margins tend to be slightly higher reflecting the provision of skilled labour. Product resale revenues accounted for 77% of total revenue in 2024 (2023: 76%).

Also, within product resale there we saw mix change away from higher margin enterprise, networking and security products to slightly lower margin products (software and end user desktop products).

There was also a reduction in margin on services due to inflationary pressure on the cost base as employee costs increased and suppliers and subcontractors sought to pass on higher charges to partially recover their own cost increases.

Operating profit/loss

The Operating loss for the year was (£2.9m) (2023: profit of £14.7m). This resulted from a relatively modest increase in Gross profit of £3.0m, which was more than offset by increased Administrative expenses of £20.0m as the business invested in customer-focused roles ahead of the start of the year in order to both grow revenues and enhance service delivery and customer experience. Average Company headcount for 2024 of 1,903 was 121 (or 7%) above the prior year comparative, with employee remuneration increasing by £7.7m versus the prior year.

During the year, as margins fell short of expectation, the Company took appropriate action to restructure its operating model in line with the lower level of economic activity, resulting in redundancies being made costing £2.8m (2023: £0.7m).

Finance Costs

The Group has very little financial debt. A successful history of cash generation means that the only long term debt on the balance sheet relates to obligations under finance leases. In order to finance any working capital requirements, the Company maintains an invoice discounting facility and overdraft facility.

'We saw growth in our software business, especially in our Digital Automation Practice, where demand for our ServiceNow and 4Me ITSM solutions grew by over 50%.'

DEAN PLOWMAN
FINANCIAL DIRECTOR

AGILITY

Overall finance costs (net) in the year were £983,000 (2023: £861,000).

The increase in cost is driven by market-based rises in interest rates charged on use of the facilities, offset by the return on cash managed by the Group's parent company on the Company's behalf.

Taxation

As part of the Rigby Group (RG) plc group of companies, we adhere to the Rigby Group UK taxation policy. We establish levels of risk management and governance which are appropriate to our business. These include the operation of a group internal audit function and by working closely with dedicated tax specialists in our Rigby Group tax team. In addition, we obtain specialist external tax advice for significant transactions and continuously improve our financial systems to reduce levels of risk where possible.

We structure our financial transactions in a manner consistent with the economic substance of the underlying activity and have no appetite for tax motivated planning, artificial tax structures, or offshore activities designed to avoid meeting our responsibilities to pay UK taxes. We trade in the UK and pay all applicable UK taxes. We are committed to maintaining an open and transparent relationship with HMRC which is based on regular communication, appropriate levels of disclosures and meetings to ensure HMRC are fully aware of key transactions.

The Group's tax charge for the year of £0.4m was £3.4m lower than in the prior year, primarily reflecting the reduction in tax on in-year profits (£3.8m), partially offset by an increase in expenses not deductible for tax purposes (£0.7m). The effective tax r ate for the year is -11.5%, representing the tax charge on negative Profit before Tax (2023: 27.8%),

Dividends

The dividend policy we have agreed with our shareholders is to distribute around 50% of profit after tax. No dividend was paid in 2024 (2023: £7.3m).

Acquisitions and organic growth

The Company's May 2022 acquisition of 100% of the shares in SEA Holdings (UK) Limited Group (which trades under the brand name of 'Visavvi') has been a success, with turnover growing by 20% from 2023 levels. Similarly, the Company's purchase of 100% of the shares in Vohkus Limited in March 2023 has contributed positively to this year's results.

In February 2024 the Company acquired 100% of the share capital of Resonate-UCC Holdings Limited at cost of £14.8m. 'Resonate' is a global provider of cloud voice and collaboration services built around the Microsoft Teams platform.

The results of all three of these subsidiaries are included within the consolidated financial statements prepared for Specialist Computer Centres plc.

Organically, the Company has invested to further develop its Cloud Managed Services offering (including the SCC Vision application), invested in SCC Digital services (Digital Application Innovation and platform Services) as well as invested in Digital Workplace solutions, encompassing automation, self-healing technologies and AI to radically reengineer our customers' digital user experience.

Net Assets & Cash

Group Net Assets of £111.7m are £4.6m lower than at 31st March 2023, primarily due to the Comprehensive income (loss) for the year of £4.6m.

Intangible assets increased by £17m due to increases in goodwill, purchased software as well as the ongoing capitalisation of our ERP system development costs, which is due to go live in the next financial year and will be amortised from this point.

During the year, the Group's cash and cash equivalents reduced from £98.6m to £73.6m. £3.6m of cash was generated from operations - cash and working capital management continue to be closely managed. £21m of cash was invested: £8.8m paid up front and deferred consideration of £5.3m on the acquisition of Reasonate, £14.9m to purchase software and assets, less £2.4m of interest income. £7.6m of cash facilitated financing activities.

Year-end cash positions are normally high compared to other months during the year and this year was no exception, albeit not as high as prior years.

The Company's primary finance facility is its invoice discounting facility of £80m. Additionally, the Company has access to an overdraft of £20m. These facilities, in addition to the cash on loan to the company's parent, provide substantial cash availability. We continue to seek long term investments that meet the Group's strategic objectives and offer earnings accretive opportunities.

SECTION 172 REPORT: STAKEHOLDER ENGAGEMENT

Engaging with our stakeholders is an important aspect of the way we manage our Company and a key element of our governance framework.

Our directors are key to stakeholder engagement and are expected to meet their obligations under the Companies Act and to use all reasonable skill, care and diligence in doing so. To support them we provide training for new directors and refresher support for all existing directors.

Section 172 of the Companies Act 2006 requires directors to promote the success of the Company for the benefit of the members as a whole and in so doing to act fairly between members and to have regard to the interests of stakeholders. Under Section 172, directors have other obligations to consider the likely impact on stakeholders of decisions in the long term, the need to consider interests of employees and to foster relationships with suppliers and customers; to consider the impact which the Company has on the wider community and the environment, and to recognise the desirability of maintaining high standards of business conduct.

Within this report we demonstrate how our directors have met their Section 172 obligations. We explain who our stakeholders are and summarise here how we have engaged with them, describing the main elements of our relationship, how we have considered what is important to them and how we have responded to address those needs in the way we have managed the Company.

With a shareholder committed to the future of the business and with individual shareholders holding executive positions, we have always been able to take a long-term view and our ethical approach comes from those family values which underpin our culture. Having ethical policies and respect for stakeholders and the wider community is an established principle for the Company. We recognise how important ethical behaviour is to all of our stakeholders as a key element of strong long-term relationships which deliver value.

SHAREHOLDERS	CUSTOMERS	SUPPLIERS	PEOPLE	COMMUNITIES
HOW WE ENGAGE				
Shareholder participation in board and executive meetings Executive roles are held Strong internal governance	Close Executive relationships Regular Account reviews Key account management Customer feedback	Close Executive relationships Strategic Relationship reviews Clearly defined supplier engagement policy Technical forums & collaboration	Employee consultations Information-rich intranet Monthly CEO communications CEO mailbox Management briefings	CSR and environmental policies Collaboration with local community charities Close relationships with schools and universities
WHAT'S IMPORTANT TO THEM				
Long Term Return Dividend Flow Cash Generation and Gearing Financial Discipline Ethical Behaviour, Respect for family values	Quality of Technical Expertise Relevance of Services and Solutions Service Levels Technical relevance and Vision Trusted Partnership Ethical behaviour	Long Term Collaborative Partnership Proactive Communication Aligned Commercial Objectives Technical Expertise Ethical Behaviour	Continuity of Fair Employment Opportunity and equality Working Environment Participation	Ethical Behaviour Actively supporting local communities Environmental Awareness and Actions
HOW WE RESPOND				
Long term strategic planning framework Annual budgeting and planning Regular performance reporting Dividend and cash planning Shareholder board representation	Senior Executive engagement Focused Relationship Management Maintaining technical expertise Investment in new technology Agility in our approach Monthly board reviews of customer pipelines, new business and challenges.	Strategic Relationships with senior executives tracking technology change Engagement with our sales teams and at our key sales meetings Supplier Code of Conduct Skills training and investing to maintain accreditations Dedicated relationship management	Clear Employment Policies Active engagement programmes Involvement in developing our values framework Commitment to inclusive culture Flexible employment packages Access to skills and technology training	Developing our sustainability policy Employee volunteering days Support for the Rigby Foundation and for local charities Apprenticeship and graduate trainee programmes

PEOPLE

This year has been a transformative year for our People function at SCC.

"I feel like a key part of the SCC family and enjoy my job massively. I work hard, get rewarded and have a good work life balance, so my happiness follows naturally."

A comment taken from the 2023 Colleague Survey

As we strive to become the most people-centric IT systems integrator in the UK, we continue to significantly invest in new tools and programmes to support our colleagues and enable people to thrive.

Our people are the unsung, everyday heroes who propel the services we offer and are the backbone of our business. We remain committed to our employees development and career success during their lifetime with SCC.

The SCC People Team embodies the workforce it supports; a diverse, talented and devoted group of individuals, all of whom work each day to make a positive difference. They promote a culture true to SCC's core values of family, passion, agility, responsibility, and customer first; we think and move with agility, with family principles and passion at our core, always holding ourselves responsible and putting the customer above all. This is the ethos we breath into everything we do.

The pillars of our people strategy, the Employer Value Proposition (EVP) and People Plan, were launched in 2023. Our EVP – renamed People Promise – outlines the business's commitment to ensuring meaningful work and contribution for all individuals, growth and development, and sustaining a collaborative culture. The People Plan outlines what we will do to keep that promise, including work on talent acquisition and attraction, onboarding and induction, modernisation of talent development, performance management, colleague engagement & retention, and much more.

Diversity & Inclusion

ACCESS: We focus on ability, not disability. We're members of Neurodiversity in Business and part of the Disability Confident Scheme where we have been recognised with the Disability Confident Level 2 certification.

Network of Women (NOW): We give women at SCC, and our allies, a voice to share ideas, opportunities, and experiences. We explore ways we can encourage more women to join the SCC family and support each other to reach our full potential.

Rainbow Network: Whether you're part of the LGBTQ+ community or an ally wanting to support your colleagues, our Rainbow network is here for you. Our network has implemented a range of initiatives, leading to winning a prestigious Founder's Award.

Race, Ethnicity, and Cultural Heritage (REACH): Our network celebrates the diversity of our colleagues along with raising awareness and implementing positive changes into our business. Our network won a Founder's Award for demonstrating our values.

Science, Technology, Engineering and Maths (STEM): We want to help dispel any myths around this area, promote it as a fun and exciting sector to work in and use our knowledge and experience to help engage our future talent.

Wellbeing Network: To support the ongoing mental and physical health of our employees, we have a team of Mental Health Champions. We've also implemented Balance and an Employee Assistance Programme (EAP).

Young Professionals: Our aim is to make SCC a better place to work for existing, and future young professionals. We want to attract, retain, develop, and support our young professionals.

SCC continues its promotion and investment in its diversity and inclusion (D&I) groups, relaunching as SCC Belong this year. The networks have grown and developed over the past 12 months which has led to many positive outcomes. Thanks to our REACH group, we signed the Race at Work Charter, a public commitment to improving the experiences of Black and minority ethnic employees in the workplace. We also provided more colleagues with menopause support through our updated policy and menopause event, thanks to work by our Wellbeing Network.

Suitable procedures are in operation to support the Group's policy that disabled persons (whether registered or not) shall be considered for employment and subsequent training, career development and promotion on the basis of their aptitude and abilities, including existing employees who become disabled.

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

Colleague Engagement

Continuing the innovation theme, 2023 saw the launch of a brand-new colleague survey. Following feedback from our people, we launched a new survey with third party Inpulse, that gave more ownership of data to managers and leaders of people, provided data in a format that was easier to digest and understand, and allowed us to ask questions more bespoke to our business, meaning we can better target our improvement plans.

84% of our workforce completed the survey (+7% yoy), and our engagement score was 74%. When asked if people believed SCC was a great place to work, 63% of colleagues agreed, a 10% increase on the previous year. For the first time as part of this survey, we also asked our colleagues to answer questions around D&I, which will allow us to measure our progress in this area more effectively in the future too.

Effectively communicating with our workforce is an essential part of colleague engagement, which is why we introduced regular All Hands meetings for the whole business. The first meeting, held in our National Distribution Centre (NDC) and broadcast to the UK business, was attended by 200 people in person and watched by more than 1,000 people live. These valuable meetings, which take place once a quarter in a different SCC location each time, are hosted by CEO UK Dennis Badman and invite open questions from the audience. Dennis provides a real-time view of the business and spends time answering people's questions.

Colleagues are invited to ask an anonymous question ahead of time or ask live on the day.

Talent Development

We want our people to continue growing their knowledge, sharpening their skills, and enriching their talents. To assist people in carving out the careers they crave, we've launched initiatives and tools this year through our Talent Team.

STAR
Sustain, Thrive, Attract, Retain

STAR is our brand-new talent development platform powered by Skillsoft. Colleagues have access to 18,000 pieces of learning content and can choose different mediums of learning (podcast, video, quiz etc.) to suit their learning styles. STAR provides AI-driven recommendations to offer relevant courses based on a person's role & interests, live courses and seminars and bite-sized pieces of content to easily consume during work.

ACE
Accelerating Career Excellence (through apprenticeships)

Everyone at SCC is welcome to apply for an apprenticeship at any stage in their career. We use our apprenticeship levy fund to not only support new recruits to the business but also upskill our current workforce. The Talent Team meets with individuals to discuss suitable programmes that are relevant to a person's role and development and offer everything from an entry level (Level 2) to a master's degree equivalent (Level 7). We've had more than 50 people start an apprenticeship in the past year.

PEAK
Performance Evaluation Assessment Kit

Launching at the very end of the fiscal year is PEAK, designed to revolutionise the performance development review process. With a new platform and process, all colleagues can expect regular 1-2-1 reviews with their managers, clear objectives to work towards and an improved one-to-one d iscussion experience. PEAK will form a huge part of next year's people investment.

CUSTOMERS

At SCC, we put excellence into action every day. We ensure that our people have the skills and opportunity to excel ensuring our customers always benefit from an excellent Customer First experience.

Every second of every day someone in SCC is interacting with our customers. We build strong relationships, where we listen to and collaborate with our customers to deliver an exceptional service and business transformation.

Our Customer First value puts the customer at the heart of everything we do and ensures all decisions are based on the provision of an exceptional customer service. To continue this positive change across the business, we are introducing a Customer Success Practice embedded within our Sales organisation, bringing Sales and Services closer together and enabling the business to function as 'OneSCC' and adapting our business based on the feedback from our customers.

Our vision is to become the most customer and employee centric IT systems integrator in the UK. To achieve this, we need to continue delivering exceptional customer experiences which not only deliver against service requirements but also delight end users. We will be extending our focus from Customer Experience to encompass Employee Experience. This is centred around the following three areas:

- Service Sentiment – Understanding how our services make our customers feel to enable us to provide a great service.
- Service Evolution - Flexing and improving our services to meet the needs of our customers, enabling them to delight their customer base.
- Customer Automation – Simplifying and removing the need for the service through digital automation.

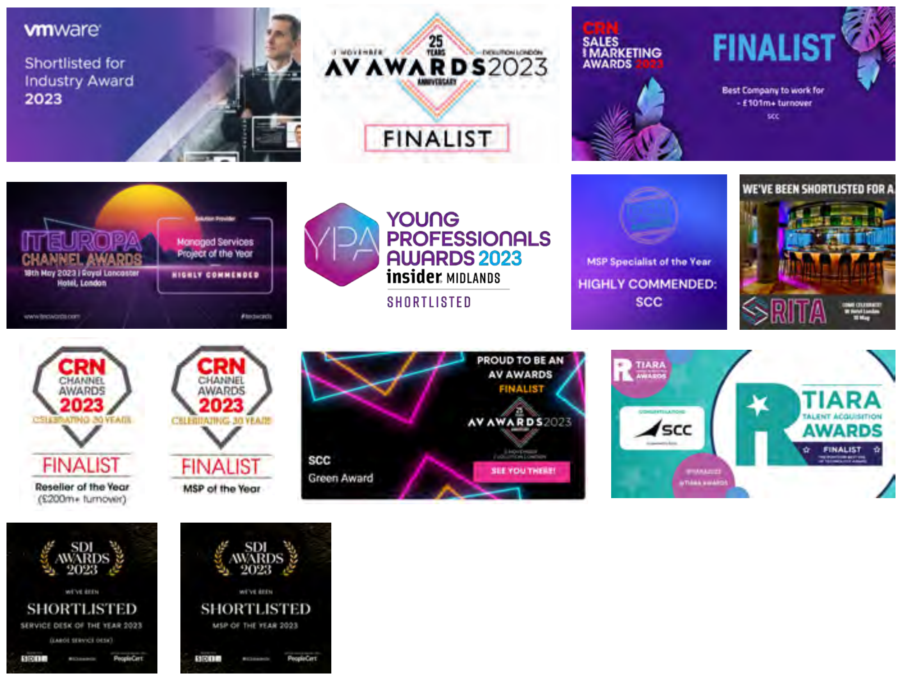
Underpinning British industry, we deliver exceptional experiences and services across the public and commercial sector. From supporting the development of IT innovation for the NHS via our Digital Hubs or through our corporate partnerships to further green IT, SCC is working closely with our customers to deliver innovation for the benefit of the country. We have the scale, breadth of capability to support our customers, designing bespoke solutions everyday which meet and exceed their requirements.

AWARD WINNERS

YOUNG PROFESSIONAL AWARDS 2023

SCC WINS HP PRINTING SOLUTIONS PARTNER OF THE YEAR

AWARD FINALISTS AND HIGHLY COMMENDED



SECURE TRUST BANK

MATTHEW FROGGATT, DIRECTOR OF IT INFRASTRUCTURE AND ARCHITECTURE SAID:

"The thing which impresses me most about SCC, is their willingness to work together to deliver the right outcomes in the right way combined with the flexibility to support us as our business priorities and challenges change."

"We see SCC as an extension of our IT department, and as such we are able to rely on them to help with everything from office fitouts and desk moves to working with highly qualified engineers to design and implement new solutions."

LANCASHIRE INSURANCE

MIKE SHEEHAN, HEAD OF IT OPERATIONS SAID:

"Lancashire have core values that we follow and have a collaborative culture. Finding the right people to work with is very important to us – SCC demonstrate these values."

AMIT TIWARI, GROUP HEAD OF ENTERPRISE ARCHITECTURE SAID:

"Our priority to select a Cloud partner was to have someone who has got proven credential in delivering Cloud Migration, who can bring their best practices and expertise in exerting our strategy planning and delivery. We engaged with SCC.

"Some of the key benefits that we have seen is the pace at which we can deliver the change. We have got our initiatives, which are better aligned to our business and technology priorities and we can see better insights and tracking with what we are doing."

WILSON JAMES

DARREN SALMON, IT DIRECTOR

"SCC's approach was more of a consultative one. SCC have taken the time to understand what our challenges were and this identified a number of areas that we knew we actually needed support with and probably as well. Our expectations have been surpassed, it has given us the confidence to move forward."

NHS FIFE

JAMES MAVOR, END POINT MANAGER, DIGITAL AND INFORMATION SAID:

"We chose to work with SCC due to the long-standing relationship we have and their ability to deliver on time, every time."

"The engagement with SCC, Cirros and NHS Fife was all positive, we all worked together collaboratively and there was a lot of going back and forth between ourselves, SCC and Cirros to provide the solution that was tailored to meet the needs of NHS Fife."

SUPPLIERS

Great things happen when we work together – that's why SCC partners with over 300 established and emerging technology leaders from across the globe.

By partnering with the largest, fastest-growing and most innovative tech pioneers, we share responsibility and a passion for service excellence. We work in collaboration to achieve a common goal: putting our customers first and creating truly bespoke solutions to meet diverse IT needs. Our 50 strategic partnerships and long-term relationships with major distributors enable continuous improvement and agile evolution. Our people and partners make it all possible, as part of the extended SCC family.

Stakeholder engagement (How we engaged)

- Close collaborative relationships throughout the business
- Executive sponsorship and close working relationships
- Strategic reviews throughout the year
- Clearly defined engagement strategy
- Technical engagement & collaboration
- Clear financial review of performance against defined targets and objectives
- Evolving sales specialist coverage model

Stakeholder material issues (What's important to them)

- Long term sustainable partnerships
- Constant communication
- Clearly defined shared Commercial objectives and targets
- Technical skill and knowledge
- Ethical Behaviour
- Growth objectives across customer engagement and financial performance
- Best Practice sharing

Continuous Improvement (How we responded)

- Strategic Relationships with clearly defined goals and responding to technological change
- Proactive engagements with Sales Teams and enablement plans
- Supplier Code of Conduct
- Growth Initiatives
- Ongoing skills training & accreditation attainment
- Dedicated Partner Management and Specialist Sales Coverage

'SCC is a world-class strategic partner within HP's eco-system and we are delighted with the continued partnership between us. Through collaborative planning, communication and execution we continue to see innovative solutions and impressive customer wins. We are excited for the future as we bring new products and services to market and look forward to the continued growth and success with SCC.'

NEIL MACDONALD,
UK & IRELAND CHANNEL DIRECTOR, HP

Our Vendors

Adobe, acer, AMD, Apple Authorized Reseller, aruba, aws
Azure, Check Point, Cisco Partner, citrix, Dell Technologies Titanium Partner, Fortinet
F5, IBM Platinum Business Partner, intel, ivanti, Juniper Networks, hp, Hewlett Packard Enterprise
Lenovo, Micro Focus, Microsoft, mimecast, NetApp, Nutanix
Oracle, okta, paloalto networks, Philips, poly, Pure Storage
Red Hat, RingCentral, rubrik, Samsung, servicenow, Sophos
Tanium, tenable, veeam Value-Added Reseller Platinum, Veritas, vmware, iboss

"We are delighted to be jointly going to market in partnership with SCC having appointed SCC as a strategic partner. SCC has built an outstanding reputation in delivering customer satisfaction with best of breed technologies. Given the RingCentral position as the global #1 Business Communications Platform it is exciting to be partnering together to assist our joint customers communicate faster, smarter, and more effectively than ever before."

TONY MCNISH
RINGCENTRAL, REGIONAL VICE PRESIDENT, CHANNEL SALES UKI

"Today, as IBM expands its hybrid cloud and AI ecosystem, SCC remains one of our key partners in the UK. I'm pleased to count SCC as a valued innovation partner across a number of industries with projects underway with AI solutions. Our relationship with SCC is truly multi-faceted and SCC is a great example of next generation partnership."

DAVID STOKES
GENERAL MANAGER, IBM EMEA PARTNER ECOSYSTEM

"The past year has seen significant investments made on both sides of our partnership, ushering in new opportunities for our mutual customers. We look forward to strengthening the joint value we'll bring to the UK market through strategic alignment across our shared initiatives. The opportunity for SCC to accelerate their share of market is one to watch."

ELERI GIBBON
DIRECTOR - SERVICES PARTNER LEAD, MICROSOFT UK

"Through focus and mutual investment, the relationship between Dell Technologies and SCC is going from strength to strength; we are demonstrating growth in all areas of the Dell portfolio, but particularly seeing SCC drive revenue and new logo acquisition within their data centre business"

ROB TOMLIN
VP & GM,
DELL UK CHANNEL

COMMUNITIES

Through our focused approach of giving back, supporting digital inclusion, tackling barriers to unemployment, and building skills we provide opportunities for our communities to thrive.

Incorporated into our sustainability approach, we have aligned our delivery to the 4 P's methodology of Plant, People, Prosperity and Principles. Each area is managed by an internal subject matter expert which collectively forms our Sustainability committee. Through this committee, we engage with communities, via our charity partners and employee volunteering activities, whilst capturing community focused key performance indicators such as volunteering hours completed and both financial and gifts in kind donations made.

During FY24, 157 days were donated to support people in our local communities. These included participating in Birmingham Children's Hospital Dragon Boat race and our Livingston volunteering event.

Birmingham Children's Hospital Dragon Boat race

SCC, along with 52 other boats, took part in Birmingham Children's Hospital charity boat race in June 2023. Through the fantastic fundraising efforts of our colleagues and generous donations from vendor partners, we raised over £8,000 for the charity.

The aim of the event was to help the charity raise funds so they could acquire an Intraoperative Magnetic Resonance Imaging Machine (iMRI). This would enable an MRI scanner to be moved directly to a patient on an operating table, or a patient to the scanner, so surgeons can obtain 'live' and up-to-date information about the position of a tumour.

Having access to this technology in the operating theatre will allow neurosurgeons to accurately and confidently identify, during a surgical procedure, whether they have removed all the tumour, right when they need the information the most.

Working in partnership with the Rigby Foundation and Rigby Group, SCC also supports the charity's Changemakers network as a Pioneer member. Through this, we have committed to supporting the charity for a total of three years to help the charity invest in equipment, spaces and resources for children and their families who requires the hospital's support.

Livingston volunteering event

During September 2023, colleagues from our Livingston office used some of their volunteering leave to support Almond Valley - a local social enterprise charity who provide a range of facilities to the community including a city farm, museum, green spaces and play facilitates for local families to enjoy.

During the day, the team got involved with a range of activities including setting up sections of lighting for the charity's upcoming Halloween and Christmas events along with preparing an area which will be set up as a 'Halloween spooky walkway' for visitors.

Charity partners

Working with our charity partners we continue to provide further support to our communities. In partnership with the Rigby Foundation, we support The Prince's Trust through our colleagues volunteering and facilitating CV workshops as part of the charity's Team programme.

Maintaining our partnership with Molly Olly's, we continue to fund two wishes a month to children with life-limiting illnesses and their families. Through this and our additional donations and fund raising during the year means children with a life-threatening illness receives equipment, an experience, or gifts that can help them with their emotional wellbeing during extremely challenging times.

This year, we also formalised our partnership with CASBA, a Birmingham based charity that provides advocacy to people with learning disabilities. CASBA work to ensure that citizens can speak up for themselves, express their views, make choices, secure their rights and entitlements, and be valued and recognised. Our partnership will involve fundraising, volunteering, training, and awareness-raising, as we work collaboratively to support CASBA's vital work and help make SCC an even more inclusive and accessible employer in the West Midlands and beyond.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

Climate Related Financial Disclosure

The following section set out how climate change is addressed in the corporate governance activities across SCC, the impact on strategy and how climate -related risks and opportunities are managed, and the performance targets and metrics that are applied in managing them.

Governance

SCC forms a part of both the Rigby Group (RG) plc group and the SCC EMEA Limited Group and is aligned to the Group's overall corporate governance policies and procedures.

The Rigby Group Board has delegated responsibility to the Audit, Risk and Remunerations (ARR) Committee for the monitoring and reporting of all enterprise risks. The ARR has prescribed the annual Enterprise Risk Management Process for the whole of the Rigby Group which considers emerging risks and opportunities, climate related or otherwise. SCC reports into the SCC EMEA Divisional Board which is responsible for identifying and mitigating risk for the SCC division and for compliance with the group's annual risk reporting requirements. SCC's nominated Enterprise Risk Officer (ERO) is responsible for co-ordinating the SCC submission into the SCC EMEA Board and the ARR.

Environmental Social Governance (ESG) across the Rigby Group continues to evolve with the RG Head of Sustainability responsible for the Group's sustainability strategy across all divisions. Divisional ERO's have been appointed and the SCC ERO attends the SCC EMEA ESG Committee.

SCC EMEA ESG committee comprise senior employees and executives with specific interests in environmental matters and are responsible for ensuring climate related risks and opportunities are identified and managed. They are tasked within the operation to ensure:

- development and delivery of a coherent strategy including initiatives to meet carbon reduction targets.
- identification and assessment of climate related risks and opportunities.
- appropriate resources allocated to mitigate climate related risks and to realise climate related opportunities.
- accurate and timely information to measure progress against our adopted climate related targets.

Topics that are considered by the ESG committees include, but are not restricted, to the following areas: Buildings and Infrastructure; Internal travel policy, net zero strategy, circular economy considerations, fleet policy and emissions tracking.

Strategy

SCC forms part of the Rigby Group's strategy to cultivate longevity, growth and prosperity, while enriching the environment, society, and the lives of future generations — across all our divisions, through four pillars Planet, People, Prosperity and Principles.

The SCC Board is responsible for its own carbon footprint and to take reasonable steps to reduce this in line with the Rigby Group's overall target to be net zero by 2040.

Our environmental, social and governance (ESG) plans have three key aims:

1. Reduce our environmental impact to the lowest possible level.

2. Invest in, and support, our people, and communities.

3. Hold our ethics up to scrutiny and always do the right thing.

We'll keep challenging ourselves around our environmental commitments, build on our university partnerships to promote sustainable innovation and digital inclusion, and continue to give back.

Planet
Resource circularity

Our resource circularity strategy focuses on the principles of reduce, reuse, and recycle. We emphasise these principles to our employees, suppliers, and partners. In our own operations, we seek to extend the lifespan of products and minimise waste across the Group. We buy recyclable products and equipment wherever possible and prioritise working with organisations who share our commitment to sustainability.

We have been a zero-landfill business since 2019 and ISO 14001 accredited.

Our purpose is to help clients succeed through IT transformation and exceptional customer experiences enabling them to reduce their impact on the planet. We are also committed to achieving net zero by 2040.

Carbon Emissions

To accelerate our path towards net zero emissions by 2040, we have been making changes in our operations and supply chains and collaborating with stakeholders to curb our GHG emissions footprint and energy use. SCC has purchased 100% renewable, REGO-backed electricity since 2018 where we are responsible for the supply and have requested all our landlords do the same.

The installation of solar panels on our flagship data centres in Birmingham back in 2023 have reduce reported emissions from grid electricity by c130 tonnes of CO2 per year. We have also undertaken a program of work to implement energy-saving measures, such as LED lighting, smart thermostats, and occupancy sensors.

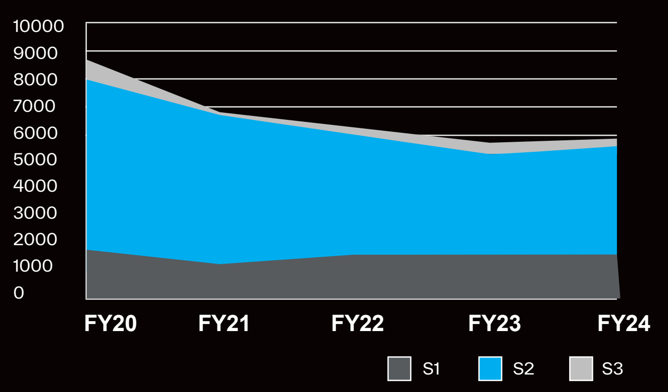
We are required to report on our scope 1 and scope 2 emissions – we also reported our scope 3 emissions for this year for all UK businesses in scope of the SECR requirements.

The ultimate parent Rigby group PLC have set a SCC UK PLC Group a target to reduce tC02e by 50% on the baseline (2,957 tC02e) by 2030 and by 90% (592 tC02e) on the baseline by 2040.

tCO2e	FY20	FY21	FY22	FY23	FY24
Gas	292	250	230	233	237
Electricity	6128	5517	4616	3900	4044
Travel	2268	1055	1461	1650	1632
Total	8689	6822	6307	5783	5913

tCO2e	FY20	FY21	FY22	FY23	FY24
S1	1873	1195	1547	1503	1490
S2	6128	5517	4616	3900	4044
S3	687	110	144	380	379
Total	8689	6822	6307	5783	5913
Energy kWh	34606936	29248107	29289693	28416141	27883603

Emissions by Scope



Recyclea

We have been refurbishing and recycling IT equipment for several years and the investment in our new state of the art investment recycling facility, Recylea has enabled us to further extend this offering to our customers.

Recyclea consists of three core services: recycling, refurbishment and remarketing, all with a focus of securely maximising the output from customer IT equipment. Alongside these are a number of associated services which help maximise the security and sustainability of IT recycling, as well as contributing to the circular economy. All our services are extensively accredited, according to stringent Government, National Cyber Security Centre, and Ministry of Defence criteria.

Transport and Travel

We make extensive use of remote meeting technology, offer a "Cycle to Work" scheme, replace diesel and petrol vehicles at the end of a lease with an electric or hybrid model, and plan to have a fully electric or hybrid car fleet by 2030.

Responsible Purchasing

Where possible, SCC sources and promotes products with lower environmental impacts. We communicate our priorities to our suppliers, for example to decrease the frequency of deliveries, asking key suppliers to complete the CDP climate change assessment as a supply chain member.

Raising Awareness

SCC Staff are engaged through our Internal Communications Platform EVIE to consider the environment at work.

Risk Assessment

During the year the Rigby group has undertaken a review of physical risks across all operations using a diagnostic tool provided by Aon. The tool provides 4 climate scenarios: SSP 1 – within 1.5 degrees; SSP2- up to 2.0 degrees; SSP3 – up to 4 degrees; SSP 5 over 4 degrees. These scenarios have been overlayed with our physical locations and then assessed the likelihood of increases in chronic risks (drought, extreme heat, wildfires, rainfall and severe cold).This review highlighted the following climate related risks for the SCC business and SCC's response to climate related matters focuses on transitional and physical risks and opportunities. We assess risk over the short term to 2030 as this coincides with our current strategic planning horizon, medium term to 2040 which represents the time horizon for the family second-generation management of the group and long term beyond 2040 looking at the potential impacts on our business, strategy, and financial planning.

	Risk	Timeline	Opportunity	Response
Transitional Risks and Opportunities	Accelerated timelines to reduce emissions and changes to reporting requirements	Mid-Long	For the business to become more sustainable	Our carbon reduction objectives are clearly defined and we have a number of initiatives in place to work towards reducing our own carbon emissions
	Reputational risk from perceived in-action	Mid-Long	Increased public reporting allows us to enhance the reputation of the SCC	Publication on our website
	Increase in supply chain, power and utility costs	Mid-Long	Reduced stocking levels improves working capital management. Device as a service (DAAS) provides opportunities for customers to manage the cost of ownership	In the short term we work closely with the major vendors and the supply chain to manage the cost of goods sold which includes the move to direct shipping of goods from vendors to end customers. Electrification of our commercial fleets. Move to sustainable courier partnerships
	Changes to customers behaviour and demand for more energy efficient hardware and recyclable products.	Short-Long	Customer demand for recycling provides opportunities for us to deliver recycling activities	During the year we opened our state of the art recycling facilities "Recyclea" in Birmingham.
Extreme Weather Events	Flash flooding. Whilst our Birmingham warehouse site is vulnerable the overall risk assessment is relatively benign.	Mid-Long		Improvements made to racking and security within the warehouse are considered sufficient to mitigate any risks and insurance remains in place for any loss exposure.
	Extreme Heat: All of our major operations continue to be based in the UK which is not considered to be at major risk of severe heat.	Mid-Long		Our Head office and other sites across the UK have been modernised to ensure efficient air conditioning systems are in place to secure a comfortable working environment for our colleagues.
	Extreme Heat: Our Data Centre operations will be impacted by increases in temperature and will require increased effort to ensure appropriate cooling is in place.	Mid-Long	Installation of Solar panels on our data centres provided opportunities to reduce the cost of power consumption required to provide effective cooling systems.	Continued investment to ensure appropriate efficient systems remain in place to keep our Data Centres operational.

Targets

At SCC we believe that doing what is ethically right gives our business the best foundation for our future success. We are committed to meet, or where possible exceed EN ISO 14001 and our comprehensive Environmental Management System (EMS), which operates across all company sites, is subject to an external audit to demonstrate compliance with this standard.

Identifying appropriate environmental targets and accreditations provides a basis for structured programmes of activity enabling engagement of our employees and partnerships with other organisations.

The journey to become more sustainable is not straightforward and SCC has aligned itself to the following external standards and frameworks in order to monitor progress and commitment to sustainability goals. These include the UN Global Compact, Science Based Targets Initiative, CDP and EcoVadis.

Our contribution to the UN Sustainable Development Goals

3 Good Health and Well-Being	Ensure workplace safety and protection for our employees, support their physical and mental well-being
4 Quality Education	Provide employees with access to learning opportunities and promote ongoing development
5 Gender Equality	Work towards a balanced gender mix across the Group
8 Decent Work and Economic Growth	Promote inclusive and sustainable economic growth
9 Industry, Innovation and Infrastructure	Build resilient infrastructure and promote sustainable industrialisation whilst fostering innovation
10 Reduced Inequalities	Ensure equal opportunity and address inequality
11 Sustainable Cities and Communities	Promote sustainable urbanisation
12 Responsible Consumption and Production	Source technology responsibly
13 Climate Action	Reduce the impact of our operations on the environment
14 Life Below Water	Reduce plastic use across all operations
15 Life on Land	Promote use of sustainably grown food
16 Peace, Justice and Strong Institutions	Operate adhering to highest levels of ethical standards

ISO accreditations

SCC's Environmental Management System is subject to external verification in compliance with EN ISO 14001 requirements, which we meet and, in some cases, exceed. In SCC we also hold ISO 26000:2010 Social Responsibility certification.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SCC has committed to setting targets in the SBTI to help us assess and reduce our emissions

CDP

SCC progressed to Level C in FY23 but have achieved a level D rating in FY24.

We are also supply chain members of CDP which allows us to monitor our partners commitments to climate action.

ecovadis

SCC made its Ecovadis submission in FY24 for the first time and have been awarded Bronze status. We are now working on plan to attain Silver Certification

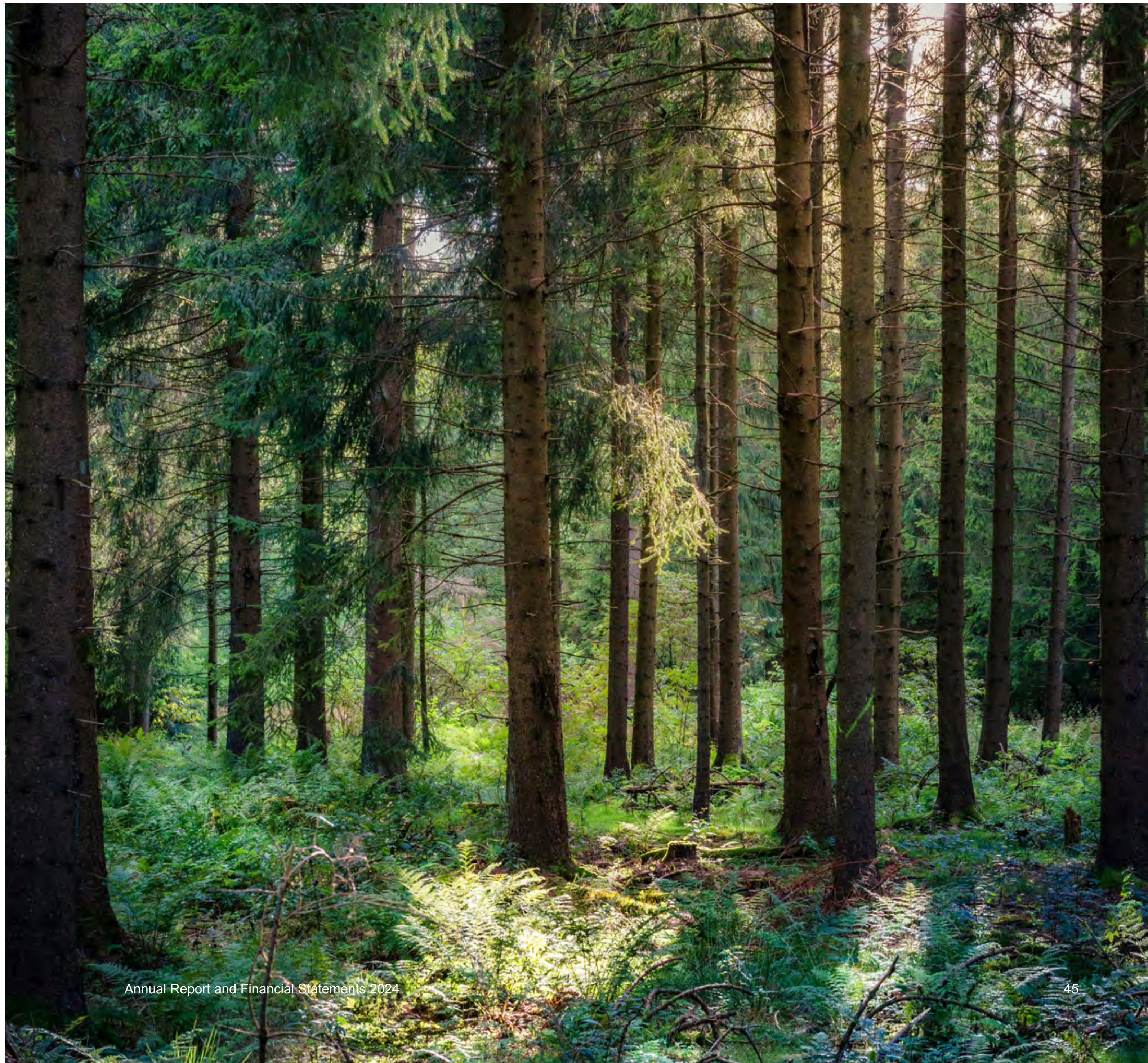
Climate Related Risk Impact on Financial Statements

SCC revenues will be impacted by the choices that our customers make. The demand for Technology product and services demand is not currently significantly impacted by climate related factors. There are signs of customer demand switching to more sustainable solutions, as a service subscription models, more focus on lifetime ownership and asset/component recycling. This presents revenue opportunities to SCC as a VAR, and we are seeing a shift in revenue patterns which are becoming more annuity based.

Energy consumption costs remains the most significant environmental impacting cost and we have installed in Solar panels in our Data Centres to reduce reliance on the main grid and to reduce our costs. Energy by the group has been purchased under green credentials for a number of years with carbon offset programmes.

Following the investment in the recycling centre Recyclea in Birmingham our fixed asset base has increased and we are seeing higher depreciation charged through the P&L as a result.

With respect to financing costs, we do not have any green covenants in place on our finance facilities. Within our current balance sheet, we do not consider that there are any assets or liabilities that would be impacted by the climate risks that could impact our business. Our investments in the recycling facility will be depreciated over its useful economic life.



SHAREHOLDERS

SCC is one of five divisions of the Rigby Group (RG) plc; a family owned multi-national company which, since its inception in 1975, has built a distinguished reputation and is now the 12th largest 100% family owned business in the UK*

Our shareholders are closely involved in the management of the business, holding executive positions to ensure that the business goals and values are closely aligned to those of the Group and the family. SCC benefits from the shareholders future commitment to the business for the long-term. Dividends are remitted to our parent at 50% of the company's profit after tax allowing retention of the remaining 50% for re-investment in the business to deliver future growth. We continuously monitor the suitability to pay dividends taking into consideration the growth objectives for the business alongside the long-term returns required by our shareholders.

*source Ernst & Young: https://familybusinessindex.com

GOVERNANCE REPORT

Board of Directors

The company's Board of Directors comprises the following individuals during the year end and as at the date of this report:

Sir Peter Rigby Rigby Group Chairman	**James Rigby** Rigby Group Co-Chief Executive Officer Rigby Group and SCC EMEA Chief Executive Officer	**Steve Rigby** Rigby Group Co-Chief Executive Officer
Dennis Badman SCC plc Chief Executive Officer	**Patricia Rigby** Rigby Group Director (Resigned 1 April 2024)	**Adam Clark** SCC plc Chief Revenue Officer
Dean Plowman SCC plc Financial Director (appointed 11 September 2023)	**Mark Nutter** SCC plc Chief Financial Officer (resigned 1 August 2023)	

Certain matters are reserved for the Rigby Group (RG) plc Board, including:
- Approval of company strategy and budgets
- Acquisitions and Disposals
- Share issuances and dividends
- Financial guarantees and new borrowings
- Material contractual arrangements

The Board of Directors holds overall responsibility for the stewardship and governance of the company. Shareholders of the ultimate parent company, Rigby Group (RG) plc, participate on the Board, ensuring alignment with the ultimate shareholders' strategy.

The Board of Directors meets a minimum of four times a year. Attendance at Board meetings during the financial year has been 85%.

The day-to-day operation of the company is largely delegated to the Executive Committee.

Executive committee

The Executive Committee comprises a number of senior leaders from across our business and reports to the Board of directors.

The current composition of our Executive Committee can be found on our website (scc.com).

The Executive Committee meet formally each month and hold weekly performance reviews.

The Executive Committee prepare strategic insight for the Board, helping to set the goals of the company.

Furthermore, the Executive Committee overlay the strategy with operational objectives for the business, reviews Enterprise Risk and sets the Company's ESG commitments.

The Executive Committee appoints sub-committees where appropriate and ensures that sufficient professional expertise is available to the Committee and the Board of Directors around corporate compliance. In particular, a dedicated Assurance practice at Rigby Group (RG) plc, delivers the execution of our corporate maturity plan, managing assurance audits and risk planning to drive a continuous improvement approach.

GOVERNANCE PRINCIPLES

At SCC we are committed to delivering value to our stakeholders, customers, employees, and society. We believe that good governance is essential for achieving our strategic objectives and maintaining our reputation.

That is why we have established a set of governance principles that guide our decisions and actions at all levels of our organisation.Our governance principles are built on a foundation of four "big rocks":

Ethical integrity:
We act with honesty, fairness, and respect in everything we do. We comply with the laws and regulations that apply to our business and uphold the highest standards of ethics and professionalism.

Enablement of people:
We empower our people to perform at their best and grow their skills and capabilities. We foster a culture of collaboration, diversity, and inclusion that values different perspectives and backgrounds. We respect the human rights and dignity of everyone we interact with.

Management of risks:
We identify, assess, and manage the risks that affect our business and stakeholders. We implement effective controls and mitigation measures to protect our assets, information, and reputation. We learn from our mistakes and continuously improve our risk management practices.

Reporting transparency:
We communicate openly and transparently with our stakeholders about our performance, progress, and challenges. We provide accurate, timely, and relevant information that meets the expectations of our shareholders, regulators, and other interested parties. We ensure the reliability and integrity of our financial and non-financial reporting.

Our Governance Framework

Our governance framework defines the roles, responsibilities, and relationships of the different bodies and functions that oversee and manage our business. It also sets out the policies, procedures, and standards that govern our operations and activities. The main components of our governance framework are:

Board of Directors:
The Board of Directors is the highest governing body of our company. It is responsible for setting the strategic direction, overseeing the management, and ensuring the accountability of our company. The Board of Directors consists of independent and qualified directors who represent the interests of our shareholders and other stakeholders.

Executive Leadership Team:
The ELT is responsible for executing the strategy, managing the operations, and delivering the results of our company. The ELT is led by the Chief Executive Officer (CEO) together with other senior executives who report to the CEO. The ELT is accountable to the Board of Directors for the performance and conduct of our company.

Senior Leadership Team:
The SLT is responsible for delivering financial performance of the business units, executing our deliverables, and leading our colleagues to achieve our stated outcomes. The SLT is a cohort of experienced directors and senior managers who are accountable to the Executive Leadership Team.

ARR Committee:
The Audit, Risk and Remuneration Committee (ARR) is a Rigby Group (RG) plc committee which comprises Rigby Group Board members, chaired by the Non-Executive Director. The ARR Committee co-ordinates the enterprise risk management process and provides oversight and governance for SCC UK on matters associated with risk and assurance.

Digital Trust Office:
The Digital Trust Office is a group function that develops, implements, and monitors the security, privacy, ethics, ESG and data compliance of our company. The Digital Trust Office reports to the Rigby Group (RG) plc's ARR Committee and the SCC EMEA CEO, and follows the standards and guidelines agreed with the ELT.

Other Committees: The Board of Directors may establish other committees as needed to assist in the governance of specific areas or issues.

External Audit:
The External Audit function is an independent and objective assurance activity that expresses an opinion on the fairness and reliability of our financial statements and compliance with the applicable laws and regulations. The External Audit function is appointed by the shareholders and reports to the Audit and Risk Committee and the Board of Directors. The External Audit function follows the standards and guidelines of the International Federation of Accountants.

Our Governance Practices

Our governance practices are the actions and behaviours that reflect our governance principles and framework. They are the ways we conduct our business with integrity, accountability, and excellence. Some of our governance practices are:

Code of Conduct:
Our Code of Conduct represents our values, principles, and expectations and how we use these to guide our conduct as a company and as individuals. It applies to all directors, executives, employees, contractors, and business partners of our company. It covers topics such as anti-corruption, anti-trust, anti-discrimination, anti-harassment, data protection, health and safety, environmental responsibility, and social responsibility.

Whistleblowing Policy:
Our Whistleblowing Policy and confidential independent reporting services are in place to provide colleagues with channels to anonymously report any actual or suspected violations of our Code of Conduct, policies, procedures, laws, or regulations.

Incorporated into our overall Whistleblowing Policy, these reporting channels encourage disclosures and protect the rights of the Whistleblower. It also outlines the roles and responsibilities of the Whistleblowing Committee, which is responsible for receiving, investigating, and resolving the reports.

Performance Management:
Our Performance Management process (PEAK) aligns the goals, expectations, and feedback of our company, teams, and individuals. It ensures that we have clear and measurable objectives, regular and constructive reviews, and fair and consistent rewards. It also supports the development and growth of our people and their skills and capabilities.

Enterprise Risk Management:
Our Enterprise Risk Management process identifies, assesses, and manages those risks of an existential nature that might affect our business and stakeholders. It ensures that we have a comprehensive and consistent approach to risk management across our organisation and that we have adequate controls and mitigation measures in place.

Reporting and Disclosure:
Our Reporting and Disclosure is a process that communicates our performance, progress, and challenges to our stakeholders. It ensures that we provide accurate, timely, and relevant information that meets the expectations of our shareholders, regulators, and other interested parties. It also demonstrates our accountability and transparency as a company and as individuals.

Our governance principles, framework, and practices are the foundation of our success as a company. They enable us to deliver value to our stakeholders, customers, employees, and society. They also reflect our commitment to integrity, accountability, and excellence in everything we do. We are proud of our governance, and continuously strive to improve it.

SCC UK GOVERNANCE MODEL

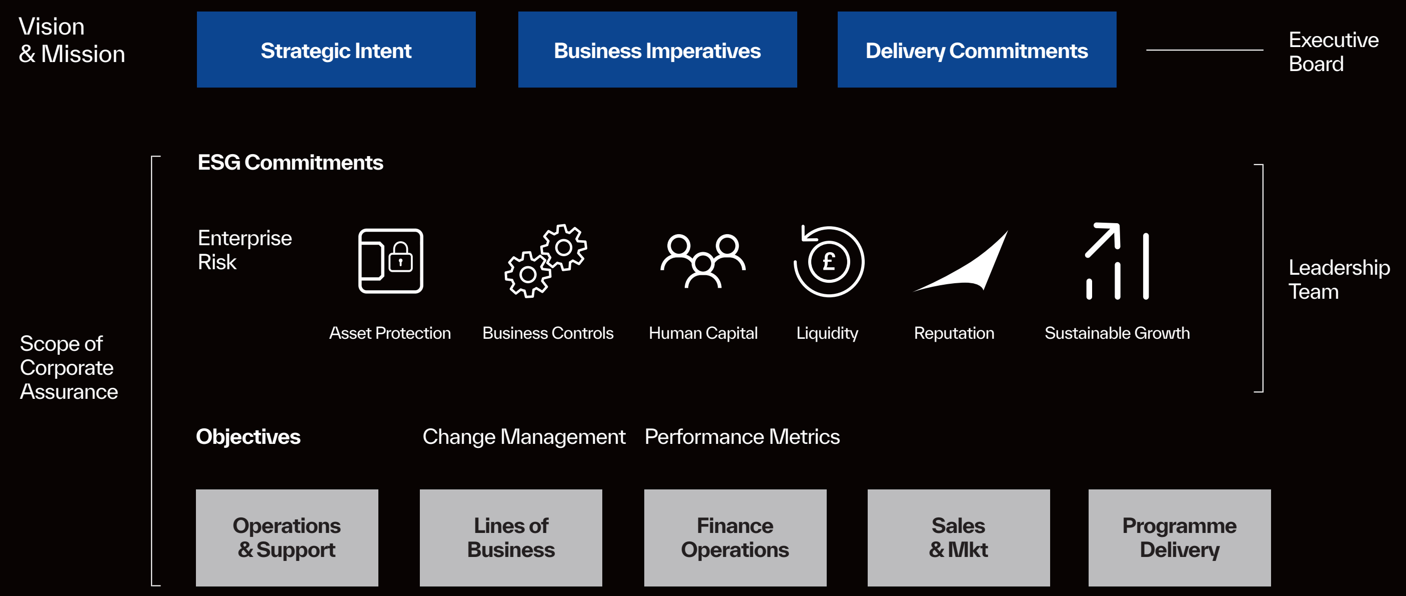
SCC UK's governance model reflects our vision and mission, and it enables us to align our objectives and performance with our values and principles. It also helps us to manage our risks and opportunities, and to improve our controls and practices. By following our governance model, we aim to deliver value, innovation, and sustainability to our customers, partners, and stakeholders, and to fulfil our role as a responsible and leading IT services and solutions provider in the UK and Europe.

Our Vision and Mission

SCC UK is a leading IT services and solutions provider in the UK and Europe, with a strong focus on delivering value, innovation, and sustainability to our customers, partners, and stakeholders. We are committed to excellence in everything we do, and we operate with integrity, responsibility, and accountability. In this document, we will describe our governance model, which is a direct function of our corporate vision and mission, and how it guides our strategic, business, and operational objectives, as well as our performance measurement and improvement.

Our vision is to be the trusted partner of choice for IT services and solutions in the UK and Europe, enabling our customers to achieve their digital transformation goals and creating positive social and environmental impacts. Our mission is to deliver high-quality, innovative, and sustainable IT solutions that meet the needs and expectations of our customers, while generating value for our shareholders, employees, and society.

To achieve our vision and mission, we apply different lenses to determine our strategic intent (our "big rocks"), our business imperatives (our mid-term focus), and our delivery commitments (our "must-dos") which then frame everything we do. These lenses are based on our market analysis, customer feedback, industry trends, and competitive landscape, and they help us to identify the opportunities and challenges that we face, as well as the capabilities and resources that we need to leverage or develop.



Objectives and Policies

The leadership team overlays our ESG commitments, and enterprise risk appetite to define and set the operational objectives of the business. These objectives are aligned with our strategic intent, business imperatives, and delivery commitments, and they reflect our core values of customer centricity, innovation, sustainability, collaboration, and excellence. They also take into account the interests and expectations of our key stakeholders, such as shareholders, employees, suppliers, regulators, and communities.

To ensure that we achieve our objectives in a consistent, efficient, and effective manner, we adhere to our corporate assurance policies, which are embedded in an Information Security Management System (ISMS). The ISMS provides a framework for establishing, implementing, operating, monitoring, reviewing, maintaining, and improving our information security practices, in accordance with the ISO 27001 standard and other relevant regulations and best practices. The ISMS covers all aspects of our information assets, including people, processes, and technology, and it applies to all our business units, functions, and locations.

A dedicated Assurance

Practice delivers the execution of our corporate maturity plan, managing assurance audits and risk planning to drive a continuous improvement approach. The Assurance Practice monitors and evaluates our compliance with our policies, standards, and procedures, as well as our performance against our objectives and targets. The Assurance Practice also identifies and assesses the risks and opportunities that may affect our business, and provides recommendations and guidance on how to mitigate or exploit them.

Controls and Practices

We hold ourselves to the highest standards, and constantly seek to improve our controls and business management practices. We maintain our mandatory compliances, such as ISO 9001, ISO 14001, ISO 27001, and we challenge ourselves to achieve voluntary compliances that demonstrate our ethics, values, and behaviours, such as ISO 26000, ISO 37001, and ISO 20400. We also participate in external benchmarking and certification schemes, such as the Carbon Trust Standard, the Investors in People Gold Award, and the Living Wage Foundation.

Performance and Improvement

We assess the achievement of our goals, our delivery of our commitments, and the impacts of our business on an ongoing basis, never afraid to adopt new standards or methods that are attributive to our vision. We use various tools and techniques to measure and improve our quality, innovation, and sustainability, such as Lean Six Sigma, Agile, and ITIL. We also foster a culture of learning and development, where we encourage and support our employees to acquire new skills and knowledge, and to share their insights and best practices with their colleagues and customers.

The realisation of our goals and objectives is qualitatively assessed through the collection and interpretation of meaningful key performance information from across our enterprise. We use this performance data to inform business decision making, set priorities, and adjust programme planning horizons. It is also a valuable source of trend analytics and data intelligence, which we make use of for several management and development purposes, such as customer satisfaction, employee engagement, process efficiency, innovation output, and sustainability impact.

We communicate our performance results and improvement actions to our internal and external stakeholders through various channels and platforms, such as our annual report, our corporate website, our social media accounts, and our newsletters. We also solicit and welcome feedback from our stakeholders, and we use it to identify areas of improvement and opportunities for collaboration. We believe that transparency and accountability are essential for building trust and credibility, and for enhancing our reputation and brand.

SUPPLY CHAIN ETHICS

In this report, we will outline our ethical standards and policies for conducting business with our suppliers and partners in the technology sector.

We will also explain how we monitor and evaluate our compliance with these standards and policies, and what actions we take to address any issues or risks that may arise.

Our Ethical Principles

We operate with a transparent and accountable set of principles that guide our decisions and actions in all aspects of our business. We believe we have a responsibility to our colleagues, our suppliers, and our customers to ensure that our business practices are ethical, legal, and sustainable. We also expect our suppliers and partners to share and uphold these principles in their own operations.

Our ethical principles include:

Business integrity: We reject any form of bribery, corruption, or anticompetitive behaviour that may compromise our reputation or the trust of our stakeholders. We conduct our business with honesty, fairness, and respect for the law and the rights of others.

Human rights: We respect and protect the dignity and rights of all people involved in our business, including our employees, candidates, suppliers, and customers. We do not tolerate any form of forced or child labour, discrimination, harassment, or abuse. We support the freedom of association and the right to collective bargaining for our workers and our suppliers' workers.

Labour standards: We provide our workers with fair and decent working conditions, including safe and healthy environments, appropriate training, reasonable working hours, and competitive wages and benefits. We also require our suppliers and partners to comply with the same standards and to adhere to the Ethical Trade Initiative (ETI) Base Code, which is based on the conventions of the International Labour Organization (ILO).

Environmental sustainability: We strive to minimize the environmental impact of our business activities, including our sourcing, production, distribution, and disposal of technology products and services. We also encourage our suppliers and partners to adopt environmentally responsible practices and to reduce their carbon footprint, waste, and resource consumption.

Our Ethical Practices

We have established several policies and procedures to implement and enforce our ethical principles in our supply chain management. These include:

Supplier Code of Conduct: We have developed a Supplier Code of Conduct that defines our expectations and requirements for our suppliers and partners in terms of business integrity, human rights, labour standards, and environmental sustainability. We communicate this code to all our suppliers and partners and ask them to sign a declaration of compliance.

Supplier Audits and Assessments: We conduct regular audits and assessments of our suppliers and partners to verify their compliance with our Supplier Code of Conduct and to identify any areas of improvement or concern. We use a risk-based approach to prioritize our audits and assessments, taking into account factors such as the country of origin, the type of product or service, and the supplier's performance history.

Supplier Development and Capacity Building: We provide our suppliers and partners with training and support to help them improve their ethical practices and performance. We also collaborate with them to develop and implement corrective action plans to address any issues or gaps that we find during our audits and assessments.

Supplier Engagement and Feedback: We maintain regular and open communication with our suppliers and partners to foster a relationship of trust and mutual respect. We also solicit and respond to their feedback and suggestions on how we can improve our ethical practices and policies.

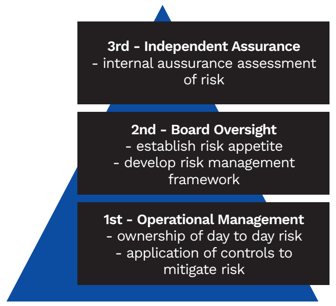
Stakeholder Engagement and Reporting: We engage with various stakeholders, such as our customers, employees, investors, regulators, NGOs, and industry associations, to share our ethical practices and policies and to learn from their perspectives and best practices. We also report on our ethical performance and progress through our annual sustainability report and other channels.

We are committed to upholding the highest ethical standards in our supply chain management and to contributing to the social and environmental well-being of our communities. We recognize that ethical sourcing and management of technology is a complex and dynamic challenge that requires constant vigilance and improvement. We welcome any feedback or inquiries on our supply chain ethics report and our ethical practices and policies.

RISK MANAGEMENT

Effective risk management is key to delivering our strategic objectives.

Under the current regulatory regime, Specialist Computer Centres Plc (the "SCC UK Group") is not required to follow a formal Corporate Governance Code. Nevertheless, we take our obligations to our stakeholders seriously and we support initiatives designed to extend good corporate culture and behaviour. Internal governance is an important aspect of our relationship with our shareholders, and we keep under review how we can improve our governance processes.



Internal Control & Risk Management

The board continues to adopt the conventional three lines of defence approach to risk management.

Operational Management

Operational Management accept primary responsibility for identifying and managing risks, with Board Oversight and Independent Assurance ensuring that Risk Management is effective.

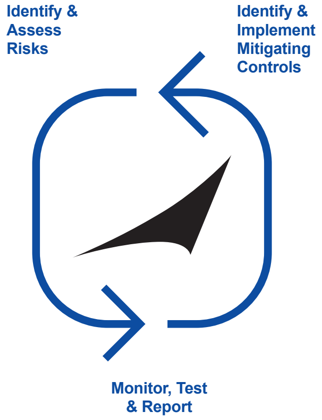
Board Oversight

The Board has overall responsibility for the maintaining and reviewing the SCC UK Group's system of internal controls and ensuring that controls are robust and aligned to the appetite to risk when pursuing its strategic objectives.

The SCC UK Group falls within the scope of the Rigby Group Audit Risk and Remuneration Committee (ARR). The ARR is chaired by the Rigby Group's non-executive director and has responsibility for co-ordinating the response of the overall group to risk. The committee's scope covers Financial Reporting, Internal Controls and Risk Management, Internal Audit, External Audit, and the Monitoring of Executive Remuneration.

Independent Assurance

The SCC UK Group falls within the scope of the Rigby Group internal assurance function that reports to the Rigby Group Director of Finance and undertakes assignments based on risk. This includes working closely with the ARR to identify areas of focus for internal audit assignments, reporting findings and ensuring recommendations are implemented.



Risk Management Framework

The management of risk is at the core of our internal control framework. The SCC UK Group adopts the Rigby Group Risk Management Framework which defines how we identify, assess, and manage risks throughout the organisation, focusing on enterprise level risks which enables us to effectively manage the impact on our strategy.

Enterprise level risks are those which affect the long-term future of the business and are material in nature. There will be many operational risks of which some could become enterprise level if they represent a fundamental challenge to the future of the business. The SCC UK Group has an Enterprise Risk Owner (ERO) who is the guardian of enterprise level risks. The ERO is responsible for co-ordinating the risk owners to ensure that the operational risks of the business are considered and reflected within the enterprise risk process.

The principal output for the ERO is the SCC UK Group Risk Register which is reviewed twice a year by the ARR. The ARR is charged by the shareholders with managing the Rigby Group's Risk Management Process, in creating a Rigby Group Risk Register, ensuring that appropriate mitigations are in place and that the residual risks post mitigations align with the risk appetite of the shareholders.

Risk Methodology

The SCC UK Group Risk Register is completed on a standard Rigby Group wide template which considers the requirements for tracking risk. A standard format is used so that the ARR can review risk on a consistent basis. The risk register includes the following:

- key enterprise risks – existing and future,
- the likelihood and impact of such risks on the business,
- the actions taken or to be taken in respect of such risks and who shall be accountable for managing and monitoring such risks, and
- any changes, mitigations, trends in respect of those risks.

Framework for identifying risk

In compiling the risk register, general business risks, industry specific risks and company specific risks are considered. The board provides and maintains an Enterprise Risk Inventory to facilitate this process. The inventory consists of five categories, for which a further subset of risks is listed.

The Enterprise Risk Categories are as follows:

- Legal, Regulatory & Compliance
- Strategic
- Financial
- Process/Technology
- Human Capital

Methodology for assessing and prioritising risk

Risks are assessed and quantified in terms of likelihood and potential impact, both before and after existing mitigating controls. These are then used to determine an overall mitigated risk rating which corresponds to a high, medium, or low risk level.

Likelihood: Likelihood of occurrence is ranked from 1 to 5 with 5 representing an occurring or certain risk, and 1 representing an unlikely risk.

Impact: Severity is ranked from 1 to 5 with 5 representing a critical risk, and 1 a negligible impact.

RISK RATING		LIKELIHOOD				
		5	4	3	2	1
IMPACT	5	25	20	15	10	5
	4	20	16	12	8	4
	3	15	12	9	6	3
	2	10	8	6	4	2
	1	5	4	3	2	1

Risk Level ● High ● Medium ● Low

Risk Rating and Risk Level:
The risk rating is calculated by multiplying the likelihood by the impact. The resulting score then corresponds to a risk level.

Management of Risk

Actions, next steps and learning points are considered and documented for each risk. The risk owner is responsible for maintaining these, which will then have oversight by the ERO and the ARR. Environmental risks (both transitional and physical) are considered as part of the risk identification and management process. Transitional and physical risks are considered under the Enterprise Risk Categories of Financial, Legal, Regulatory & Compliance and Strategic Risks.

PRINCIPAL RISKS AND MITIGATIONS

FINANCIAL:
BUSINESS ENVIRONMENT & MARKET CONDITIONS

Risk Description	Risk Mitigation	Risk & Action Update	Risk Trend
Failure to identify or react to changes in market conditions resulting in increased costs, fall in demand and margin erosion. Causality - Changes in taxation / duties / insurance / interest rates or inflation, - Impacts on currency, - Costs and availability of raw materials, - Trading terms, - Conflict / political unrest, - Economic downturn. Failure to plan for and adapt to baseline climate changes leading to inability to provide product and services to customers.	Close observation of economic and market conditions including maintaining market watch for policy changes, and engagement with relevant bodies. Proactive currency management, such as hedging. Maintain competitive supplier sources (no sole-source). Assessment of standard buyer behaviours and sentiments. Procurement controls as part of on-boarding process for new contracts. ESG Boards to consider Transitional Risks of Climate Change and drive targeted work on key topics.	The elevated levels of inflation and related economic headwinds of the last couple of years, have had a knock on impact to the SCC UK Group's performance in the year. With inflation rates now starting to fall, and the expected impact of initiatives put In place, the risk remains high, but has stabilised. ARR requested specific reporting through ERM process on environmental risks.	→ Risk Level High

PROCESS/TECHNOLOGY:
INFRASTRUCTURE SECURITY

Risk Description	Risk Mitigation	Risk & Action Update	Risk Trend
As a result of missing business controls there is a risk that our data, information, assets, or processes are mishandled which might Result in unplanned breach or disclosure and / or exposure to criminal actors. Causality 1. Unplanned Breach / Default / Exposure 2. Interruption to Services 3. Crime	Data protection & information security policies, procedures, training, and controls. ISO 27001 accreditation (international standard for information security management). External Attack Surface management and Cyber resilience programme.	Action plans in relation to cyber security have made significant progress in year, resulting in stabilising of the risk. Risk level is still considered to be high due to the ever-evolving nature of the threat.	→ Risk Level High

PROCESS/TECHNOLOGY:
INTERNAL SYSTEMS PRODUCTIVITY

Risk Description	Risk Mitigation	Risk & Action Update	Risk Trend
Insufficient system maintenance resulting in loss of service and inability to deliver necessary information to manage the business. Ageing systems are not updated or replaced comprising delivery, data quality and security. Ineffective management of system migration projects.	Automation of maintenance monitoring and scheduling with risk alert. Active lifecycle asset management and decommissioning projects. Patch & update management. Detailed system migration planning	Phased ERP changes on track. ARR request for central review of physical locations against climate scenario predictions.	↓ Risk Level Medium

STRATEGIC:
COMPETITION AND TECHNOLOGY CHANGE

Risk Description	Risk Mitigation	Risk & Action Update	Risk Trend
Strategy not reviewed sufficiently frequently to keep up with industry change. Decline in demand for our services or knowledge. Failure to understand our customers and respond to changes in their requirements, including uncompetitive commercials (costs or risk appetite). Ineffective Sales & Marketing resulting in limited or no market access. Failure to adapt strategy to meet customer sustainability expectations.	Detailed strategic planning processes with executive focus and subsequent performance reporting. Cost reviews and market benchmarking, including study of market penetration. Understand "pivot points" of commercial outcomes and issues. The SCC UK Group is a key part of Project Sequoia - Rigby Group's plan to cultivate longevity, growth and prosperity while enriching the environment, society, and lives of future generations.	Rapid technological advancements in the IT space have driven an increase in inherent risk. From FY25, new SCC EMEA Strategic management team. SCC UK Group is a key part of the publication of the Rigby Group's first group-wide sustainability report.	↑ Risk Level High

LEGAL, REGULATORY & COMPLIANCE:
ENVIRONMENTAL RISKS, LICENCES & OTHER REGULATIONS

Risk Description	Risk Mitigation	Risk & Action Update	Risk Trend
Risk that we are unprepared to meet our sustainability commitments resulting in lost opportunity, increased costs and damaged reputation. Failed, missing, or lapsed licences or accreditations resulting in loss of business, damaged reputation, and fines. Non-compliance with regulations or contracts resulting in loss of business, damaged reputation, and fines.	ESG Boards held to consider Transitional Risks of Climate Change and drive targeted work on key topics. Automation renewals and notifications to shared resources rather than individuals. Clear ownership of impact and outcomes. Mapping of compliance and contract obligations to deliverables. Planning of compliance activities and related costs. Business Excellence team review of output improvement tasks.	ARR requested specific reporting through ERM process on environmental risks.	→ Risk Level Medium

FINANCIAL:
LIQUITY MANAGEMENT

Risk Description	Risk Mitigation	Risk & Action Update	Risk Trend
Liquidity risk of having insufficient cash resources to meet strategic objectives, bank covenants or other liabilities as they fall due. Credit risk of recoverability of trade receivables, and access to funding to meet short- and long-term cash requirements.	The Group maintains it cash position, cash reserves are held at high credit-rated banks. Covenants for borrowings are monitored by the treasury team with periodic reporting to the group's parent treasury team with an increased focus on cash forecasting and working capital management.	Group cash position and relationships with the bank remains strong. Cash reserves have been loaned to the group's parent SCC EMEA Ltd who have invested in money market and current asset investments to safeguard returns to the Group. The loan is repayable on demand however it is not anticipated we will recall any funds in the next 12 months.	→ Risk Level Low

GOING CONCERN AND ONGOING VIABILITY STATEMENT

The directors have assessed the prospects of the Group over a period longer than the 12 months required by the “Going Concern” provision.

This viability statement is prepared to provide guidance to stakeholders in relation to the long term viability of the company and is not prepared as part of the requirements of the UK Corporate Governance code such that it is also not subject to the associated audit requirements.

The directors have reviewed the long term strategy of the Group for the future five years and during the year have referenced past performance to market dynamics to support our plans to deliver long term value growth to shareholders. The directors have given careful consideration to the long term viability of the business and put steps in place to ensure that the business is managed securely to meet those goals. The Board’s forecasts consider the Group’s profit, cash flows and other key financial ratios over this period. This analysis also evaluates the potential impact of the principal risks and uncertainties set out above should they occur. This is summarised in the below viability factors:

Future Expectations

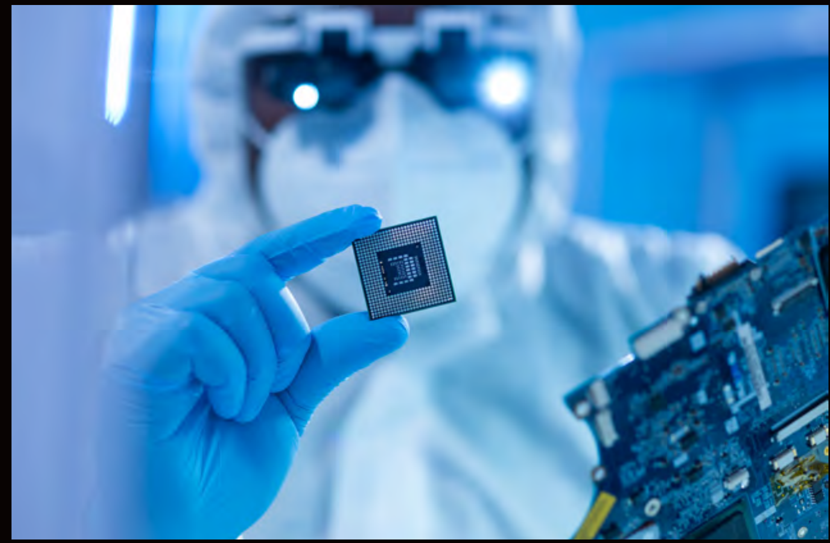
In considering the current uncertainties in the market and general economic conditions which could occur in the near term it is necessary to plan for a lower level of performance than would otherwise have occurred.

Despite this change in environment, the Group expects to meet the needs of its shareholders in the short term, and over the longer term to deliver growth in operating profit and cash without support from the SCC EMEA Group though such support is available if required. We continue to expect to deliver long term value and to fund investments supporting productivity improvements, out of our cash generation. Capital expenditure and acquisitions will be funded by cash generated and appropriate levels of debt finance if required. Growth in operating profit will not be delivered by growth in leverage and the Group will not be reliant on the wider Rigby Group to deliver these results. Current planning takes these expectations into account.

The SCC management team recognise the significant stretch required to achieve the Budgeted P&L performance for FY25.

The Budget was built on the assumption that the economic backdrop would become more favourable for FY25 than it had been in the prior year, with interest rates expected to peak in Q1 and economic growth expected to improve in H2.

But return of economic activity alone is not expected to deliver Budget profitability.



The management team have laid out a 12-point plan to improve financial performance.

Profit improvement initiatives are scoped out with a clear action plan and measurable deliverables, with senior managers accountable for delivery.

Profitability improvement will be delivered by a mix of sales margin improvement, to be delivered by initiatives aimed at maximising deal registration, setting higher hurdle rates for margin on deals, improving win ratio on renewal activity and improving lead generation for new business. Further actions to deliver efficiency improvements are set across multiple business units.

Viability

The Group continues to maintain a wide range of services enabling the support of a customer base diversified across many different industries and with a balance of public and private sector organisations. This diversification has enabled the Group to maintain strong operating profitability over many years despite economic uncertainty and fluctuations in the economic cycle.

Long standing relationship with vendors and a world class supply chain will support our business despite recent disruption.

We have a long term relationship with HSBC UK Bank plc and during the year we have continued to review our facilities to ensure that they are appropriate for our working capital and longer term financing needs. Facility headroom and access to cash is at a level which the board consider more than adequate to support the company through the next twelve months.

We have reviewed our forecasts for the coming year and we are forecasting to generate cash and operating profit in the coming financial period. As part of this review we consider the level of risk within our budget taking into account latest market conditions and performance. At present we believe that our internal forecast expectations for the coming financial year continue to be achievable.

The long term shareholder investment, provides additional confidence in the viability of the Group in the long term. Based on the results of this analysis, the directors expect that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period of their assessment.

Going Concern

At 31 March 2024 the Group had net assets of £111.7m. The directors believe the Group is well placed to manage its business risks successfully and the Group’s projections show that the Group should continue to be cash generative and be able to operate within the level of its current financing arrangements.

Accordingly, the directors continue to adopt the going concern basis for the preparation of the annual report and financial statements.

Approved by the board of directors and signed on its behalf by:

JAMES RIGBY
SCC EMEA CEO

19th September 2024

DIRECTORS REPORT

The directors present their annual report with the audited financial statements of the Company for the year ended 31 March 2024 and for the Group for the year ended 31 March 2024. This is the first year consolidated financial statements have been prepared for the Group and consequently the prior year has not been audited.

Strategic Report

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

The Strategic Report sets out the details of the Group's and Company's approach to risk management, covering all of the principal risks and uncertainties of the Group, including credit, liquidity and cash flow risk.

The Communities section of the Strategic Report covers the Group's and Company's policies in respect of equality and diversity, employee communication, the environment and carbon reporting, taxation and charitable donations.

Details of how the directors have met their section 172 obligations are also included in the Strategic Report.

A Going Concern statement is presented separately within the Governance report.

Summary Performance and Dividends Declared

The Group activities during the year generated Turnover of £915.7m compared to £880.3m in the prior year Company Turnover is £800.8m (FY23: £824.1m). The Group's loss before tax for the year was £3.9m compared to profit £13.8m in the prior year Company Profit Before Tax is £3.7m (2023: £15.8m).

Group and company Dividends of £nil were declared and paid during the year (2023: £7.3m). No dividends have been proposed after the year end.

Net Assets of the Group at the year end are £111.7m, a decrease of £4.6m over the previous year (FY23: £116.3m) due to loss in the financial year. Company Net Assets are £115.9m (2023: £111.9m).

Research and Development Expenditure

£9.2m has been spent on research and development activity during the year (2023: £3.7m) to develop innovative solutions to meet our customers' needs, £8m of which has been capitalised. The year's expenditure is in line with our annual investment levels which exceed £3m per year on average over the last five years.

Directors and Directors' Indemnities

The following directors have held office since 1 April 2023 and up to the date of signing: Sir Peter Rigby, Ms PA Rigby (resigned 1 April 2024), Mr JP Rigby, Mr SP Rigby, Mr A Clark, Mr DA Badman, Mr MT Nutter (resigned 1 August 2023), Mr D Plowman (appointed 11 September 2023)

The Group 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.

Branches

The Company has no branches that exist outside of the United Kingdom, however the group does have branches in Romania, Spain and India.

Post balance sheet events

There have been no post balance sheet events to 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". 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 andof 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; and
- 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 Group's and Company's transactions and disclose with reasona-ble accuracy at any time the financial position of the Gorup and Company to enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Group and 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 Groups and 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

As a qualifying entity, the Company has taken advantage of the disclosure exemptions in FRS 102, paragraph 1.12, in respect of preparing related party, shared based payments and financial instrument disclosures.

Statement of Disclosure to the Auditor

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

- so far as the directors are aware, there is no relevant audit information of which the Groups and Company's auditor is unaware; and
- the directors have taken all 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 Groups and 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.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor of the Group and Company.

A resolution to reappoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Board Meeting.

Approved by the board of directors and signed on its behalf by:

JAMES RIGBY
DIRECTOR
SCC EMEA CEO

19th September 2024

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of SCC Plc (the 'parent company') and its subsidiaries (the 'group'):
- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the related notes 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

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

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

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

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:
- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included Employment Law, Environmental Regulations (including SECR), Health & Safety and Building Regulations, and the Data Protection Act 2018.

We discussed among the audit engagement team including significant component audit team and relevant internal specialists such as tax and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud is in relation to revenue recognition. Specifically, the fraud risk is in relation to product revenue cut-off.

In relation to product revenue cut-off, there are a significant number of transactions that occur immediately prior to the year-end and management could record fictitious sales in order to meet performance expectations. With the increase in the volume of sales towards the end of the year, especially in the week immediately prior to 31 March, there is a risk that error in cut-off for recognition of product sales could result in a material error in revenue.

In order to assess that product revenue was recognised in the correct period, we performed the following procedures:
- tested a sample of transactions in revenue over the final week in March and first week of April for accuracy, occurrence and cut-off of revenue by agreeing details of the sales to invoices, customer orders and evidence of delivery of the relevant product.

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Other matter

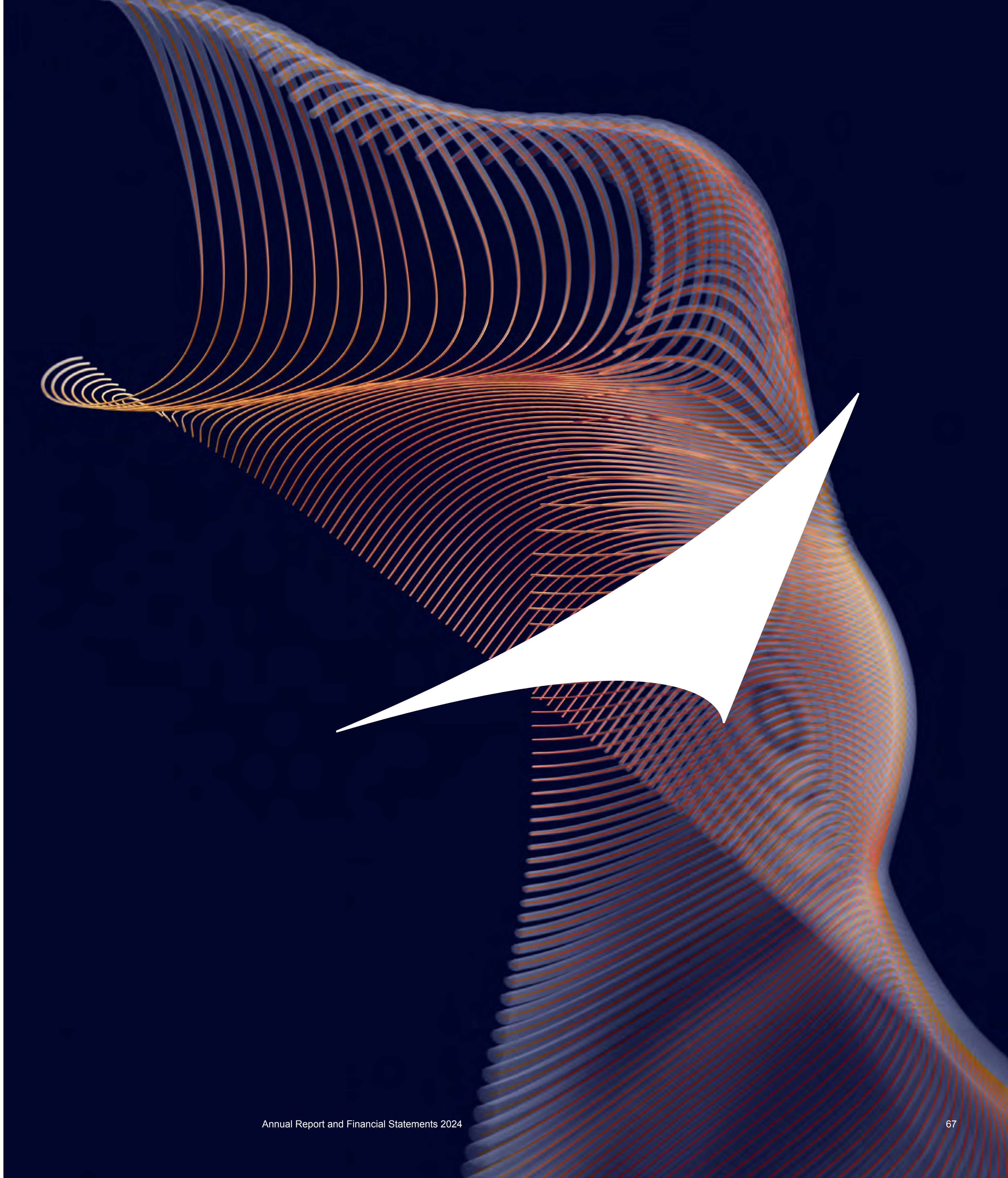
As the company elected to take the exemption from preparing consolidated financial statements under section 400 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for the comparative year.

Use of our report

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

ANDREW HALLS FCA
(SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF DELOITTE LLP
STATUTORY AUDITOR
BIRMINGHAM
UNITED KINGDOM

19th September 2024



FINANCIAL STATEMENTS

Annual Report and Financial Statements 2024

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for year ended 31 March 2024

	Note	2024 £'000	(Unaudited) 2023 £'000
Turnover	3	**915,743**	880,260
Cost of sales		**(788,854)**	(756,395)
Gross profit		**126,889**	123,865
Administrative expenses		**(129,781)**	(109,296)
Other operating income	5	**6**	138
Operating (loss)/profit		**(2,886)**	14,707
Finance costs (net)	4	**(983)**	(861)
(Loss)/profit before taxation	5	**(3,869)**	13,846
Tax on (loss)/profit	8	**(447)**	(3,856)
(Loss)/profit for the financial year		**(4,316)**	9,990

The notes form part of these financial statements.

All results in the current and prior financial year have been generated from continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for year ended 31 March 2024

	2024 £'000	(Unaudited) 2023 £'000
(Loss)/profit for the financial year	**(4,316)**	9,990
Currency translation differences on foreign currency net investments	**50**	-
Re-measurement of net defined benefit obligation (note 22)	**(434)**	963
	(384)	963
Tax relating to components of other comprehensive income (note 8)	**109**	(241)
Other comprehensive (expense)/income	**(275)**	722
Total comprehensive (expense)/income	**(4,591)**	10,712

CONSOLIDATED BALANCE SHEET

as at 31 March 2024

	Note	2024 £'000	(Unaudited) 2023 £'000
Fixed assets			
Intangible assets	11	**84,623**	68,024
Tangible assets	12	**49,853**	51,511
		134,476	119,535
Current assets			
Stocks	15	**11,855**	23,368
Debtors			
- due within one year	16	**236,567**	222,068
- due after more than one year	16	**2,042**	2,762
Cash at bank and in hand		**73,579**	98,614
		324,043	346,812
Creditors: amounts falling due within one year	17	**(323,759)**	(338,171)
Derivative financial liabilities	19	**(5)**	(126)
Net current assets		**279**	8,515
Total assets less current liabilities		**134,755**	128,050
Creditors: amounts falling due after more than one year	18	**(5,536)**	(2,885)
Provisions for liabilities	21	**(17,476)**	(8,831)
Net assets		**111,743**	116,334
Capital and reserves			
Called-up share capital	23	**1,158**	1,158
Share premium account	23	**143**	143
Profit and loss account	23	**110,442**	115,033
Shareholders' funds		**111,743**	116,334

Approved by the board of directors, authorised for issue on 19th September 2024 and signed on its behalf by:

James Rigby
Chief Executive
Company Registration Number: 01428210
Registered in England and Wales

COMPANY BALANCE SHEET

as at 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Intangible assets	11	**46,930**	39,861
Tangible assets	12	**49,472**	51,064
Investments	13	**45,623**	33,222
		142,025	124,147
Current assets			
Stocks	15	**10,441**	19,247
Debtors			
- due within one year	16	**218,485**	201,813
- due after more than one year	16	**1,978**	2,761
Cash at bank and in hand		**67,082**	92,511
		297,986	316,332
Creditors: amounts falling due within one year	17	**(301,153)**	(317,186)
Derivative financial liabilities	19	**(5)**	(126)
Net current assets		**(3,172)**	(980)
Total assets less current liabilities		**138,853**	123,167
Creditors: amounts falling due after more than one year	18	**(5,535)**	(2,186)
Provisions for liabilities	21	**(17,375)**	(9,057)
Net assets		**115,943**	111,924
Capital and reserves			
Called-up share capital	23	**1,158**	1,158
Share premium account	23	**143**	143
Profit and loss account	23	**114,642**	110,623
Shareholders' funds		**115,943**	111,924

The profit for the year of the parent company was £4,344,000 (2023: £12,727,000). The Company paid a dividend during the year of £nil (2023: £7,320,000). As permitted by section 408 of the Companies Act 2006 no separate profit and loss account is presented in respect of the parent company.

Approved by the board of directors, authorised for issue on 19th September 2024 and signed on its behalf by:

James Rigby
Chief Executive
Company Registration Number: 01428210
Registered in England and Wales

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31 March 2024

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 April 2022 (Unaudited)	1,158	143	111,641	112,942
Profit for the financial year	-	-	9,990	9,990
Re-measurement of net defined benefit obligation	-	-	963	963
Tax relating to items of other comprehensive income (note 8)	-	-	(241)	(241)
Total comprehensive income	-	-	10,712	10,712
Dividends declared to equity shareholders (note 10)	-	-	(7,320)	(7,320)
At 31 March 2023 (Unaudited)	1,158	143	115,033	116,334
Loss for the financial year	-	-	(4,316)	(4,316)
Currency translation differences of foreign current net investments	-	-	50	50
Re-measurement of net defined benefit liability (note 22)	-	-	(434)	(434)
Tax relating to items of other comprehensive income (note 8)	-	-	109	109
Total comprehensive income	-	-	(4,591)	(4,591)
At 31 March 2024	**1,158**	**143**	**110,442**	**111,743**

COMPANY STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31 March 2024

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 April 2022	1,158	143	104,494	105,795
Profit for the financial year	-	-	12,727	12,727
Re-measurement of net defined benefit liability (note 22)	-	-	963	963
Tax relating to items of other comprehensive income	-	-	(241)	(241)
Total comprehensive income	-	-	13,449	13,449
Dividends declared to equity shareholders (note 10)	-	-	(7,320)	(7,320)
At 31 March 2023	1,158	143	110,623	111,924
Profit for the financial year	-	-	4,344	4,344
Re-measurement of net defined benefit obligation (note 22)	-	-	(434)	(434)
Tax relating to items of other comprehensive income (note 21)	-	-	109	109
Total comprehensive income	-	-	4,019	4,019
At 31 March 2024	**1,158**	**143**	**114,642**	**115,943**

CONSOLIDATED CASH FLOW STATEMENT

for the Year Ended 31 March 2024

	Note	2024 £'000	(Unaudited) 2023 £'000
Operating (loss)/profit		**(2,886)**	14,707
Depreciation of tangible fixed assets		**7,425**	8,302
Amortisation of intangible fixed assets		**6,789**	5,298
Gain on sale of fixed assets		**189**	(46)
Adjustment for pension funding		**15**	42
Net movement in stocks		**11,512**	2,009
Net movement in debtors		**(9,411)**	(99,957)
Net movement in creditors		**(11,701)**	14,816
Cash generated from operations		**1,932**	(54,829)
Income tax received/(paid)		**1,619**	(2,066)
Net cash generated from operations		**3,551**	(56,895)
Investing activities			
Proceeds from sale of property and equipment		**41**	324
Purchase of software and equipment		**(14,905)**	(13,325)
Acquisitions	14	**(8,583)**	(24,058)
Payment of deferred contingent consideration	14	**-**	(2,080)
Interest received		**2,412**	551
Net cash flow used in investing activities		**(21,035)**	(38,588)
Finance activities			
Dividends paid to equity shareholders		**-**	(7,320)
New borrowings		**-**	926
Repayment of borrowings		**(3,946)**	-
Repayment of obligations under finance leases		**(143)**	(197)
Interest paid		**(3,461)**	(1,194)
Net cash flow used in financing activities		**(7,550)**	(7,785)
Net increase in cash and cash equivalents		**(25,034)**	(103,268)
Cash and cash equivalents at beginning of year (Unaudited)		**98,614**	201,885
Net decrease in cash and cash equivalents		**(25,034)**	(103,268)
Effects of foreign exchange rates		**(1)**	(3)
Cash and cash equivalents at end of year		**73,579**	98,614

1 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies in the Group 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 "the Company" is a private company limited by shares incorporated in England and Wales in 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 operations of Specialist Computer Centres Plc and subsidiary undertakings "the Group" and its principal activities are set out in the strategic report and directors' report.

The financial statements are prepared under the historical cost convention except for certain financial instruments which are measured at fair value and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

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

The Group 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 separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to preparing related party, shared based payments and financial instrument disclosures. As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent company. The profit attributable to the Company is disclosed in the Company's balance sheet. The Company meets the definition of a qualifying entity under FRS 102 and has taken advantage of the exemption to prepare a company cash flow statement.

1.2 Basis of consolidation

The Group financial statements consolidate the financial statements of Specialist Computer Centres Plc and its subsidiary undertakings drawn up to 31 March 2024. The Specialist Computer Centres Plc consolidated financial statements represent the smallest group for which consolidated financial statements are prepared.

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

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

1.3 Going concern

The Group's business activities, together with factors likely to affect its future developments, performance and position are set out within the strategic report and directors' report. The strategic report and directors' report describe the financial position of the Group; its financial risk management objectives and its exposure to credit risk and liquidity risk.

The Group has banking facilities in both the UK and Continental Europe in the form of receivable finance and overdrafts which are used to meet day to day working capital requirements.

The Group's medium term financial forecasts and projections consider the impact of market conditions and economic factors on the trading performance of the Group. A review of the factors concluded that the Group expects to be able to operate within the level of their current facilities and available cash resources. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a minimum 12 months after signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

1.4
Intangible assets - Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its expected useful economic life. The assessment of the economic life is undertaken by reference to the nature of the business acquired, the structure of the deal and the future intentions for the business. In the opinion of the directors the average expected useful economic life will be 10 years with a maximum of 20 years. Provision is made for any impairment.

1.5
Intangible assets – Software costs

Software costs are capitalised as intangible assets and amortised over the expected useful economic life on a straight line basis. Typically, this period is between two to fifteen years. Provision is made for any impairment.

1.6
Intangible assets – Other

Research and development
Research expenditure is written off as incurred. Software development expenditure is also written off as incurred except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases and provided they meet the criteria in accordance with Section 18 of the FRS 102, the identifiable expenditure is capitalised as an intangible asset. Amortisation is not provided on software development until the asset is complete and ready for its intended use.

Once development activity is complete and ready for its intended use expenditure is reclassified as software and will be amortised in line with the above policy.

1.7
Tangible fixed assets

Tangible fixed assets are stated at cost, 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 land and buildings	up to 50 years
Leasehold land and buildings	up to 50 years
Fixtures and fittings	3 to 20 years
Motor vehicles	3 to 6 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.

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.

1.8
Investments

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

1.9
Impairment of assets

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

Non–financial assets
An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable amount of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash generating unit (CGU) of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to the CGU and then to other assets within that CGU on a pro rata basis.

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

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

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

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

1.10
Stocks

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

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

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

1.11
Employee benefits

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

Specialist Computer Centres plc is the registered employer for a section of the Railway Pension Scheme, a closed defined benefit scheme with no active members such that no contributions are payable by the employer or the members. Specialist Computer Centres plc is also the registered employer for a section of the Federated Pension Plan, a closed defined benefit scheme in which there are 4 active members.

1.12
Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments which are readily convertible to a known amount of cash and are subject to insignificant risk of change in value.

1.13
Current asset investments

Current asset investments are measured at fair value through profit and loss.

1.14
Financial instruments

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

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

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.

In order to manage both liquidity requirements and credit risk, the group has banking facilities in the form of recourse and non-recourse receivable finance and overdrafts which are used to meet day to day working capital requirements. Under the non-recourse finance facility receivables are sold at book value and the bank charges a fee for use of the facility. Under the recourse facility, receivables are sold on a recourse basis and corresponding liability recognised for facility used. See note 20 for further details.

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.

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

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

1.15 Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between the taxable profits of the Group and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments for periods that are different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. When the amount that can be deducted for tax as an asset (other than goodwill) that is recognised in a business combination is less/(more) than the value at which it is recognised, a deferred tax liability/(asset) is recognised for the additional tax that will be paid/(avoided) in respect of that difference.

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

1.16 Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

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

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

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

1.17 Lease accounting

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

Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

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

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

1.18 Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

1.19 Investment income

Dividends shall be recognised when the shareholder's right to receive payment is established.

1.20 Rebates and marketing income

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

1.21 Government grants

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

1.22 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.

1.23 Turnover

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

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

2.1 Critical judgements in applying the Group's accounting policies

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

2.2 Key sources of estimation of uncertainty

There are no 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.

3. Turnover

	2024 £'000	(Unaudited) 2023 £'000
By geographical destination		
United Kingdom	891,043	865,118
Continental Europe	19,162	14,304
Rest of World	5,538	838
	915,743	880,260
By category		
Sale of goods	703,276	671,183
Rendering of services	212,307	208,974
Government grants	160	103
	915,743	880,260

The grant received represents amounts received in respect of our data centre operations and is being released to the profit and loss account over the useful economic life of those assets. There are no further conditions which need to be satisfied in respect of the grant received.

Notes to the Financial Statements

4. Finance costs (net)

	2024 £'000	(Unaudited) 2023 £'000
Interest payable and similar charges	3,507	1,192
Investment income	(710)	(573)
Interest receivable from Group undertakings	(1,789)	-
Other finance (income)/costs	(25)	242
Finance costs (net)	983	861

	2024 £'000	(Unaudited) 2023 £'000
Interest on bank loans and overdrafts	630	201
Interest on asset backed financing	2,377	809
Finance leases and hire purchase contracts	17	22
Other interest payable	483	160
Interest payable and similar charges	3,507	1,192

	2024 £'000	(Unaudited) 2023 £'000
Net fair value adjustments on derivative instruments	(120)	126
Net unwinding of discount on long term debtors/creditors	(46)	98
Net foreign exchange gains and losses	178	14
Net interest on defined benefit obligation (see note 22)	(37)	4
Other finance and investment (income)/costs	(25)	242

5. (Loss)/profit before taxation

(Loss)/Profit before taxation is stated after charging /(crediting):

	2024 £'000	(Unaudited) 2023 £'000
Depreciation of tangible fixed assets	7,425	8,302
Amortisation of intangible assets	1,821	1,309
Amortisation of goodwill	4,968	3,989
Research expenditure	1,245	1,258
Government grant income	(160)	(103)
Operating lease rentals	6,046	4,253
Fair value adjustment on derivative	(120)	126
Foreign exchange gains	(680)	(1,171)
Sublet rental income	(6)	(138)
Loss\(Gain) on disposal of fixed assets	189	(54)
Cost of stock recognised as an expense	647,462	615,035
Impairment of stock recognised as an expense	-	55
Reversal of impairment of stock	(143)	-

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

Impairment of stock and the reversal of impairment of stock is booked to cost of sales. Impairments of stock and reversal of impairments are made following the annual reassessment at year end of stock selling price less cost to complete.

The analysis of auditor's remuneration is as follows:

	2024 £'000	(Unaudited) 2023 £'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	403	273
Fees payable to the Company's auditor and their associates for the audit of the Company's subsidiaries pursuant to legislation	193	95
Total audit fees	596	368
Tax compliance services	18	13
Total non-audit fees	18	13

No services were provided pursuant to contingent fee arrangements.

Notes to the Financial Statements

6. Staff costs

The average monthly number of employees of the Group was:

	Group 2024	Group (Unaudited) 2023	Company 2024	Company 2023
Sales	426	405	385	378
Administration	443	314	351	262
Engineering	1,126	1,100	1,030	1,020
Warehouse	144	127	137	122
	2,139	1,946	1,903	1,782

Their aggregate remuneration comprised:

	Group 2024 £'000	Group (Unaudited) 2023 £'000	Company 2024 £'000	Company 2023 £'000
Wages and salaries	123,377	108,642	106,587	99,721
Social security costs	15,252	13,757	13,537	12,794
Pension costs	2,874	2,648	2,492	2,403
	141,503	125,047	122,616	114,918

Aggregate remuneration excludes redundancy payments for the Group of £2,785,000 (2023: £658,000) and redundancy cost in the Company of £2,559,000 (2023: £658,000).

Pension costs relate to contributions into defined contributions schemes, and the service cost in respect of defined benefit schemes.

7. Directors' Remuneration and Transactions

Remuneration

The remuneration of the directors was as follows:

	(Unaudited) 2024 £'000	2023 £'000
Emoluments	1,453	929
Company contributions to money purchase schemes	51	34
	1,504	963

No director exercised share options in the year (2023-none). During the year no share options were granted to the directors (2023 - none).

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

Total remuneration of directors paid by other Group Companies was £2,851,000 (2023: 2,169,000). No directors are accruing benefits under a Group pension scheme.

Pensions
The number of directors for whom retirement benefits are accruing under a defined contribution scheme is 5 (2023: 5).

Remuneration of highest paid Director

	(Unaudited) 2024 £'000	2023 £'000
Emoluments	608	480
Company contributions to money purchase schemes	20	19
	628	499

The highest paid director has no share options.

8. Tax on (loss)/profit

	(Unaudited) 2024 £'000	2023 £'000
Current tax		
UK Corporation tax	902	935
Foreign tax	39	-
	941	935
Adjustments in respect of prior years		
UK Corporation tax	26	14
Foreign tax	57	-
Total current tax	1,024	949
Deferred tax		
Origination and reversal of timing differences	(549)	2,065
Adjustments in respect of prior years	(28)	205
Effect of changes in tax rate	-	637
Total deferred tax (note 16)	(577)	2,907
Total tax on (loss)/ profit	447	3,856

The standard rate of corporation tax in the UK is currently 25%. Deferred tax at the balance sheet date has been measured using this tax rate and reflected in these financial statements.

On 11 July 2023, the UK Finance (No. 2) Act 2023, enacted the Pillar Two income taxes legislation effective from 1 January 2024. The legislation will be effective for the Group's financial year beginning 1 April 2024. Under the legislation, the Group may be required to pay top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent.

The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes using data from the most recent tax filings, country-by-country reporting, and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. In jurisdictions this is not the case, other transitional safe harbour reliefs would apply, such as the de minimis or the substance-based reliefs. Therefore, the Group does not expect a material exposure to Pillar Two top up taxes.

The Group will continue to assess the full impact of the Pillar Two income taxes on its future financial performance.

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.

8. Tax on (loss)/profit (continued)

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:

	2024 £'000	(Unaudited) 2023 £'000
Factors affecting the tax charge for the year		
(Loss)/Profit before tax	(3,869)	13,846
Tax on group (loss)/profit at standard UK Corporation tax rate of 25% (2023: 19%)	(967)	2,631
Effects of:		
Expenses not deductible for tax purposes	1,776	1,024
Income not taxable for tax purposes	(250)	(719)
Share acquisition relief	(119)	-
Transfer pricing adjustments	-	43
Other deferred tax asset not recognised	-	20
Effect of overseas tax rates	(48)	1
Adjustment in respect of prior years	55	219
Effect of tax rate changes	-	637
Group total tax charge for year	447	3,856

9. Profit attributable to Specialist Computer Centres Plc

The profit for the financial year within the financial statements of Specialist Computer Centres Plc was £4,344,000 (2023: £12,727,000).

As permitted by section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the Company.

10. Dividends

Amounts recognised as distributions to equity holders in the period:

	2024 £'000	2023 £'000
Dividend of 0p per share (2023: 7.13p per share)	-	7,320

All prior year dividends were approved by the shareholders during the prior year, all of which were settled in cash during the prior year.

11. Intangible assets

Group	Goodwill £'000	Software costs £'000	Development costs £'000	Total £'000
Cost				
At 1 April 2023 **(Unaudited)**	55,806	28,891	21,565	106,262
Acquisitions	12,383	1,539	-	13,922
Additions	195	2,458	6,811	9,464
Reclassifications	-	76	(76)	-
At 31 March 2024	68,384	32,964	28,300	129,648
Amortisation				
At 1 April 2023 **(Unaudited)**	24,230	14,008	-	38,238
Charge for the year	4,968	1,821	-	6,789
Disposals	-	(2)	-	(2)
At 31 March 2024	29,198	15,827	-	45,025
Net Book Value				
At 31 March 2024	39,186	17,137	28,300	84,623
At 31 March 2023 **(Unaudited)**	31,576	14,883	21,565	68,024

Goodwill of £12,383,000 has been recognised in the year for the acquisition of Resonate-UCC Holdings Ltd, and subsidiary undertakings is being amortised over a period of 10 years. Goodwill also includes amounts relating to the acquisitions of Visavvi £9,623,000 (2023: £10,585,000) which is being amortised until Jul-32, Vohkus £9,958,000 (2023: £11,103,808) which is being amortised until Mar-33, £120,000 has been recognised in the year as an adjustment of goodwill for Sea Holdings (UK) Limited, and subsidiary undertakings and £75,000 for Vohkus Limited, and subsidiary undertakings, see note 14.

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

Included in intangible assets is an amount of £27,643,000 (2023: 20,818,000) relating to the development of the ERP system in Specialist Computer Centers Plc, which is considered material to the group and has not yet gone live so has not yet commenced amortisation.

Development costs have been capitalised in accordance with the requirements of FRS 102 and are therefore not treated, for dividend purposes, as a realised loss.

11. Intangible assets (continued)

Company	Goodwill £'000	Software costs £'000	Development costs £'000	Total £'000
Cost				
At 1 April 2023	8,227	27,778	21,564	57,569
Additions	-	2,293	6,811	9,104
Transfers	-	76	(76)	-
At 31 March 2024	8,227	30,147	28,299	66,673
Amortisation				
At 1 April 2023	4,335	13,373	-	17,708
Charge for the year	433	1,602	-	2,035
At 31 March 2024	4,768	14,975	-	19,743
Net Book Value				
At 31 March 2024	3,459	15,172	28,299	46,930
At 31 March 2023	3,892	14,405	21,564	39,861

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

Included in intangibles is an amount of £27,643,000 (2023: £20,818,000) relating to the development of the ERP system in Specialist Computer Centers Plc, which is considered material to the group and has not yet gone live so has not yet commenced amortisation.

Development costs have been capitalised in accordance with the requirements of FRS 102 and are therefore not treated, for dividend purposes, as a realised loss.

12. Tangible assets

	Land and Buildings				
Group	Freehold £'000	Leasehold £'000	Fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2023 **(Unaudited)**	21,988	21,668	101,023	2,443	147,122
Acquisitions	-	-	28	-	28
Additions	-	2,828	3,132	-	5,960
Disposals	-	(215)	(1,474)	(411)	(2,100)
Exchange differences	-	-	(1)	-	(1)
At 31 March 2024	21,988	24,281	102,708	2,032	151,009
Depreciation					
At 1 April 2023 **(Unaudited)**	7,043	11,370	75,506	1,692	95,611
Charge for the year	456	863	5,865	241	7,425
Disposals	-	(182)	(1,474)	(222)	(1,878)
Exchange differences	-	-	(2)	-	(2)
At 31 March 2024	7,499	12,051	79,895	1,711	101,156
Net Book Value					
At 31 March 2024	14,489	12,230	22,813	321	49,853
At 31 March 2023 **(Unaudited)**	14,945	10,298	25,517	751	51,511

Included above are motor vehicles held under finance lease and hire purchase contracts which are held as securities against finance lease liabilities and their carrying values are £320,000 (2023: £562,000).

Within the financial year a proportion of additions comprises of costs of £520,000 not yet cash settled.

12. Tangible assets (continued)

Company	Land and Buildings Freehold £'000	Leasehold £'000	Fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2023	17,511	20,896	89,809	2,189	130,405
Additions	-	2,828	3,074	-	5,902
Disposals	-	(128)	(696)	(222)	(1,046)
At 31 March 2024	17,511	23,596	92,187	1,967	135,261
Depreciation					
At 1 April 2023	2,567	10,601	64,547	1,626	79,341
Charge for the year	456	860	5,751	241	7,308
Disposals	-	(69)	(571)	(220)	(860)
At 31 March 2024	3,023	11,392	69,727	1,647	85,789
Net Book Value					
At 31 March 2024	14,488	12,204	22,460	320	49,472
At 31 March 2023	14,944	10,295	25,262	563	51,064

Included above are motor vehicles held under finance lease and hire purchase contracts which are held as securities against finance lease liabilities and their carrying values are £320,000 (2023: £562,000).

13. Investments

	Shares in subsidiary undertakings £'000
Cost and net book value	
As at 1 April 2023	33,222
Acquisitions (note 14)	15,157
Impairment (note 14)	(400)
Reduction in investments from dividends received (note 14)	(2,356)
As at 31 March 2024	45,623

Specialist Computer Centres Plc directly and indirectly holds investments of the ordinary share capital in the following subsidiaries

Company subsidiary undertakings	Country of incorporation	Nature of Holding	Holding	Principal activity
SCC Capital Limited	England and Wales	Direct	100%	Dormant
SCC (UK) Limited	England and Wales	Direct	100%	Dormant
SCC AVS Limited	England and Wales	Direct	100%	Audio visual services
Visavvi Limited	England and Wales	Indirect	100%	Audio visual services
Quadra Concepts (UK) Limited	England and Wales	Indirect	100%	Manufacture of furniture
Sea Holdings (UK) Limited	England and Wales	Direct	100%	Holding company
Sea Holdings Limited	England and Wales	Indirect	100%	Holding company
Quadra AV Furniture Limited	England and Wales	Indirect	100%	Dormant
Saville Audio Visual Group Limited	England and Wales	Indirect	100%	Dormant
The Saville Group Limited	England and Wales	Indirect	100%	Dormant
Vohkus Limited	England and Wales	Direct	100%	Systems integration
E-Plenish Limited	England and Wales	Indirect	100%	Systems integration
Meggha Technologies SRL	Romania	Indirect	100%	Systems integration
Meggha Private Ltd	Singapore	Indirect	100%	Systems integration
Meggha Technologies Private Ltd	India	Indirect	100%	Systems integration
Meggha Technologic Services SL	Spain	Indirect	100%	Systems integration
Meggha Limited	England and Wales	Indirect	100%	Dormant
Azure Factory Limited	England and Wales	Indirect	100%	Dormant
M2 Digital Limited	England and Wales	Indirect	100%	Dormant
M2 Smile Limited	England and Wales	Direct	100%	Dormant
Oworx Limited	England and Wales	Direct	100%	Dormant
Resonate-UCC Consultancy LLC	USA	Indirect	100%	Technology services
Resonate Services s.r.o.	Slovakia	Indirect	100%	Technology services
Resonate Benelux B.V.	Netherlands	Indirect	100%	Technology services
UCC Resonate India Private Limited	India	Indirect	100%	Technology services
Resonate Consultancy Ltd	England and Wales	Indirect	100%	Technology services
Resonate-UCC Holdings Ltd	England and Wales	Indirect	100%	Technology services

See Page 108 for the registered addresses of all subsidiaries of Specialist Computer Centres Plc.

14. Acquisitions

Visavvi
During the year ended 31 March 2024, a repayment of £128,000 was received from the sellers following the finalisation of the acquisition, and in addition there were FV adjustments to the opening balance made of £248,000 which resulted in an increase in goodwill of £120,000.

Vohkus
During the year ended 31 March 2024, fees paid were adjusted by £12,000, and FV adjustments were made to the opening balance sheet of £64,000 which resulted in an increase to goodwill of £76,000.

Resonate
On 19 February 2024 Specialist Computer Centres plc acquired the entire share capital of technology consultancy and services provider Resonate-UCC Holdings Limited (incorporated in the UK), which included subsidiary undertakings of Resonate Consultancy Ltd (incorporated in the UK), Resonate Services s.r.o. (incorporated in Slovakia), Resonate Benelux B.V. (incorporated in the Netherlands), Resonate-UCC Consultancy LLC (incorporated in the USA) and UCC Resonate India Private Limited (incorporated in India). Total consideration was £14,800,000, of which £5,300,000 was deferred and expected to be paid by July 2026. Cash balances acquired totalled £748,000.

In the year ended 31 March 2024 turnover of £1,211,000 and a loss of £39,000 was included in the consolidated profit and loss account since the date of acquisition.

The fair value of the assets and liabilities acquired in each acquisition are given in the table below.

	Resonate £'000	Total £'000
Fixed assets		
Intangible	1,539	1,539
Tangible	28	28
Current Assets		
Debtors	1,642	1,642
Cash at bank	748	748
Total Assets	**3,957**	**3,957**
Creditors		
Trade creditors	(193)	(193)
Accruals	(1,326)	(1,326)
Deferred tax liability	(39)	(39)
Total Liabilities	**(1,558)**	**(1,558)**
Net Assets	**2,399**	**2,399**
Goodwill	12,383	12,383
	14,782	**14,782**
Satisfied by		
Cash consideration	8,813	8,813
Legal and other fees	646	646
Deferred consideration	5,323	5,323
	14,782	14,782
Summary of cash impact		
Cash consideration	(8,813)	(8,813)
Legal and other fees	(646)	(646)
Cash acquired	748	748
Cash repayment - Visavvi	-	128
	(8,711)	(8,583)

Notes to the Financial Statements

14. Acquisitions (continued)

On 31 March 2024, the trade and assets of SCC AVS Limited were sold to Specialist Computer Centres Plc for consideration of £2,356,000, equivalent to the net book value and fair value of the trade and assets. This was settled in cash during the year. A dividend in specie was applied to the investment balance in Specialist Computer Centres Plc, of this same value, and an impairment was recognised on the investment in SCC AVS Limited of £400,000 under residual value which is no longer supportable business transferred into Specialist Computer Centres Plc.

	SCC AVS Limited £'000	Total £'000
Fixed assets		
Tangible	5	5
Current Assets		
Cash at bank	2,791	2,791
Corporation Tax	34	34
Deferred tax	4	4
Total Assets	**2,834**	**2,834**
Creditors		
Accruals	(46)	(46)
Group Relief	(432)	(432)
Total Liabilities	**(478)**	**(478)**
Net Assets	**2,356**	**2,356**

15. Stocks

	Group		Company	
	2024 £'000	(Unaudited) 2023 £'000	2024 £'000	2023 £'000
Goods held for resale	5,229	16,075	3,815	12,158
Print consumables	4,749	4,995	4,749	4,995
Maintenance stock	1,877	2,298	1,877	2,094
	11,855	23,368	10,441	19,247

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

16. Debtors

Amounts falling due within one year:

	Group		Company	
		(Unaudited)		
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade debtors	144,160	132,276	121,655	114,476
Amounts owed by Group undertakings	45,746	50,529	53,360	50,631
Other debtors	15,453	11,087	14,560	10,450
Corporation tax	2,998	3,647	3,070	3,630
Prepayments	16,917	18,921	15,388	17,343
Accrued income	7,465	5,576	6,879	5,283
Deferred taxation	3,828	32	3,573	-
	236,567	222,068	218,485	201,813

The Group has amounts owed by group undertakings consisting of £423,000 (2023:69,000) owed by the ultimate parent Rigby Group PLC, £25,515,000 (2023:39,530,000) owed by the immediate parent SCC EMEA LTD and £19,808,000 (2023:10,930,000) owed by other fellow subsidiaries.

The company has amounts owed by group undertakings which consist of the above group numbers plus, £7,614,000 (2023: £102,000) owed by directly owned subsidiaries of the company.

Amounts owed by group undertakings also include an interest-bearing loan of £25,221,000 to SCC EMEA Limited which is the parent company (2023: £40,406,000) which is unsecured, has no fixed date of repayment and is repayable on demand; however, we do not anticipate needing to recall any funds in the next 12 months.

All other amounts owed by group undertakings to the Company are as a result of normal trading activities.

Amounts falling due after more than one year:

	Group		Company	
		(Unaudited)		
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade debtors	32	540	32	539
Prepayments and accrued income	1,567	1,431	1,567	1,431
Defined benefit pensions (note 22)	379	791	379	791
Deferred taxation	64	-	-	-
	2,042	2,762	1,978	2,761

17. Creditors: amounts falling due within one year

	Group		Company	
		(Unaudited)		
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Obligations under finance leases and HP contracts (note 20)	123	118	123	118
Bank loans and overdrafts (note 20)	-	3,571	-	-
Other loans (note 20)	-	375	-	-
Trade creditors	222,480	239,458	206,750	226,508
Corporation tax	56	616	-	-
Group relief creditor	1,292	273	403	166
Amounts owed to Group undertakings	8,088	6,869	10,279	11,817
Other taxation and social security	27,214	24,228	25,535	22,537
Other creditors	7,445	6,770	6,219	5,940
Government grants	46	103	46	103
Accruals	28,131	24,584	27,413	22,346
Deferred income	28,884	31,206	24,385	27,651
	323,759	338,171	301,153	317,186

The Group has amounts owed to group undertakings which consist of £nil (2023:88,000) owed to the ultimate parent Rigby Group PLC and £8,088,000 (2023: £6,781,000) owed to other fellow subsidiaries.

The company has amounts owed to group undertakings which consist of the above group numbers plus £2,191,000 (2023: £4,948,000) owed to the directly owned subsidiaries of the company.

The full balance of the amounts owed to group undertakings are attributable to ordinary trading activities with Group companies, these are not subject to interest and are payable on demand.

There are no securities over creditors except for those disclosed in note 20.

Within Trade creditors a balance of £520,000 relates to fixed assets additions yet to be cash settled.

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

	Group		Company	
		(Unaudited)		
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Obligations under finance leases and HP contracts (note 20)	71	172	71	172
Accruals and deferred income	5,113	983	5,112	286
Government grants	-	46	-	46
Trade creditors	352	1,684	352	1,682
	5,536	2,885	5,535	2,186

19. Derivative financial liabilities

	2024 £'000	2023 £'000
Group and Company		
Liabilities - Forward foreign currency contracts	5	126

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

The Company entered into contracts with suppliers to buy goods in US Dollars and supply goods to customers in Sterling. The Company entered into forward foreign currency transactions to hedge the exchange rate risk arising from those anticipated future transactions, which were considered by management as hedges of foreign exchange risk in a highly probably forecast transaction.

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

			Nominal value		Market value	
	2024 Rate	2023 Rate	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Buy US Dollar						
Less than 3 months	1.263	1.210	12,818	4,602	12,813	4,476
			12,818	4,602	12,813	4,476

There are no significant terms and conditions that may affect the amount, timing and certainty of future cash flows.

20. Borrowings

	Group		Company	
	2024 £'000	(Unaudited) 2023 £'000	2024 £'000	2023 £'000
Asset backed recourse debt	-	3,571	-	-
Other loans	-	375	-	-
Obligations under finance leases and HP contracts	194	291	194	290
	194	4,237	194	290

Borrowings are repayable as follows:

	Group		Company	
	2024 £'000	(Unaudited) 2023 £'000	2024 £'000	2023 £'000
On demand or within one year	123	4,064	123	118
Between one and two years	34	112	34	112
Between two and five years	37	61	37	60
	194	4,237	194	290

Finance Leases

	Group		Company	
	2024 £'000	(Unaudited) 2023 £'000	2024 £'000	2023 £'000
Due within one year	123	118	123	118
In more than one year but no more than two years	34	112	34	112
In more than two years but no more than five years	37	60	37	60
	71	172	71	172

The Group's divisions have a range of borrowing facilities in place that are adequate to finance their requirements, which fluctuate during the year. The facilities are approved by the Group's core relationship banks and the agreements are entered into by subsidiary companies. Where applicable the facilities are secured on the assets within those businesses without recourse to the ultimate parent.

Borrowing Class	Rate	Term	Currency	Facility Value
Overdraft	BOE Base Rate +1.65%	Rolling	GBP	20,000,000
	BOE Base Rate +3.00%	Rolling	GBP	30,000
	BOE Base Rate +3.45%	Rolling	GBP	300,000
	BOE Base Rate +1.70%	Rolling	GBP	4,000,000
Non-Recourse Facility	BOE Base Rate +1.25%	Rolling	GBP	80,000,000
Recourse Facility	BOE Base Rate +2.50%	Rolling	GBP	10,000,000

Other loans relates to a Coronavirus Business Interruption Loan Scheme (CBILS) loan, which is unsecured and is subject to a rate of 2.18% over Bank of England base rate.
The obligations under finance leases and hire purchase contracts are secured over motor vehicles and print equipment.

21. Provisions

	Deferred contingent consideration £'000	Deferred tax £'000	Other £'000	Total £'000
Group				
At 1 April 2023 **(Unaudited)**	1,300	7,499	32	8,831
Acquisitions	5,323	39	-	5,362
Charged to the profit and loss account	141	3,283	-	3,424
Credited to other comprehensive income	-	(109)	-	(109)
Utilisation of provision	-	-	(32)	(32)
At 31 March 2024	6,764	10,712	-	17,476

	Deferred contingent consideration £'000	Deferred tax £'000	Total £'000
Company			
At 1 April 2023	1,300	7,757	9,057
Acquisitions	5,323	4	5,327
Charged to the profit and loss account	141	2,959	3,100
Credited to other comprehensive income	-	(109)	(109)
At 31 March 2024	6,764	10,611	17,375

The Group and Company had opening deferred consideration of £1,300,000 which arose on the acquisition of Vohkus Limited and subsidiary undertakings, this increased by £141,000 during the year due to unwinding of discount rates. This is expected to be paid by 31 July 2024. Deferred consideration of £5,323,000 arose in the year on the acquisition of Resonate-UCC Holdings Limited and subsidiary undertakings and is expected to be fully settled by 31 July 2026.

Other provisions of £32,000 relating to an acquired supplier purchase agreement in SEA Holdings (UK) Limited was settled in full during the year.

21. Provisions (continued)

Deferred Taxation

The Group's net deferred taxation asset comprises:

	2024 £'000	(Unaudited) 2023 £'000
Deferred taxation asset		
- recoverable within one year	3,828	32
- recoverable after more than one year	64	-
Deferred taxation liability		
- payable within one year	(2,879)	(786)
- payable after more than one year	(7,833)	(6,713)
	(6,820)	(7,467)

	Group £'000	Company £'000
At 1 April 2023	(7,467)	(7,757)
Credit to profit and loss account (See note 8)	577	606
Amount credited to other comprehensive income	109	109
Movement arising from the acquisition of business	(39)	3
At 31 March 2024	(6,820)	(7,039)

The deferred taxation asset is made up as follows:

	Group		Company	
	2024 £'000	(Unaudited) 2023 £'000	2024 £'000	2023 £'000
Depreciation in excess of capital allowances	(10,567)	(7,816)	(10,514)	(7,724)
Deferred tax arising in relation to retirement benefits	(98)	(201)	(98)	(201)
Tax losses available	3,513	254	3,376	-
Other timing differences	332	296	197	168
	(6,820)	(7,467)	(7,039)	(7,757)

The net deferred taxation liability is made up as follows:

Group and Company	2024 £'000	2023 £'000
Tax losses available	324	324

A deferred taxation asset amounting to £324,000 (2023: £324,000) in respect of non-expiring UK capital losses has not been recognised due to limited opportunities to relieve future expected capital gains.

The expected net reversal of deferred tax assets and liabilities in the next 12 months to 31 March 2025 is £(949,000). This is expected to arise due to the reversal of short term timing differences and utilisation of brought forward tax losses less reversal of deferred tax liabilities on fixed asset timing differences (as a result of depreciation anticipated to be higher than available capital allowances).

Further reversals (or further increases in deferred tax balances) may arise as a result of changes in the defined benefit pension or retirement provisions. As future deferred tax balances, if any, will be dependent on future changes in fair values of assets and liabilities, it is not possible to estimate any further future reversals.

22. Employee benefits

Defined Benefit Schemes

Specialist Computer Centres Plc is the employer under two defined benefit pensions schemes described below.

(i) the Specialist Computer Centres Section of the Railway Pension Scheme, a shared cost final salary pension scheme which is closed to new members. The scheme has no remaining active members and as such there will be no future contributions to the scheme made by the members or the employer. A formal actuarial valuation was undertaken as at 31 December 2019, an actuarial valuation on the scheme at 31 December 2022 is currently ongoing, the next valuation being due as at 31 December 2025.

(ii) the Specialist Computer Centres Section of the Federated Pension Plan, a shared final salary pension scheme which is closed to new members. The scheme has 3 active members (2023: 3 members) and the best estimate of the contributions payable by the Company for the next financial year is £31,000. A formal actuarial valuation was undertaken at 5 April 2022, the next valuation being due as at 5 April 2025.

For the purposes of these financial statements and in order to account for both schemes under the provisions of Section 28 of Financial Reporting Standard 102 (FRS 102), the Company, where material, has engaged the services of an external actuary to undertake a FRS 102 valuation as at 31 March 2024 and 31 March 2023.

Key assumptions used in the assessment of the liability of both schemes at the balance sheet date are as follows:

	2024 %	2023 %
Inflation	3.2	3.4
Future pension increases	2.9	3.0
Discount rate	4.9	4.8

Mortality assumptions

The assumed average additional life expectancy in years for male and female members aged 65 years now and 65 in 20 years time is as follows:

	2024	2023
Male currently aged 65	20.1	20.2
Male currently aged 45	21.7	21.8
Female currently aged 65	23.1	23.2
Female currently aged 45	24.9	25.1

Amounts recognised in the statement of comprehensive income in respect of these obligations are as follows:

	2024 £'000	2023 £'000
Current service cost	21	24
Net interest (income)/cost	(37)	4
Expenses	25	18
Total amount charged in profit and loss account	9	46
Actuarial losses/(gains)	434	(963)
Total charge/(credit) relating to defined benefit obligation	443	(917)

22. Employee benefits (continued)

Amount included in balance sheet arising from the Group's obligations

	2024 £'000	(Unaudited) 2023 £'000
Present value of defined benefit obligations	3,642	3,585
Fair value of scheme assets	(4,021)	(4,376)
Net asset recognised in the balance sheet	(379)	(791)

Movements in the defined benefit obligations were as follows:

	£'000
At 1 April 2023	3,585
Current service cost	21
Interest cost	140
Contributions	4
Actuarial gains	10
Actual benefit payments	(118)
At 31 March 2024	3,642

Movements in the fair value of scheme assets were as follows:

	£'000
At 1 April 2023	4,376
Interest income on assets	177
Loss on plan assets	(424)
Contributions	35
Actual benefit payments	(118)
Administration costs	(25)
At 31 March 2024	4,021

The analysis of the scheme assets at the balance sheet date was as follows:

	2024 £'000	2023 £'000
Growth assets	1,318	1,535
Government bonds	2,099	2,317
Non-government bonds	602	183
Cash	2	341
Total asset value	4,021	4,376

23. Called-up share capital and reserves

	2024 Number	2023 Number	2024 £'000	2023 £'000
Allotted, called-up and fully-paid				
Ordinary shares of £1 each	1,026,671	1,026,671	1,026	1,026
A Ordinary Shares of £1 each	132,000	132,000	132	132
	1,158,671	1,158,671	1,158	1,158

Ordinary shareholders have full rights to receive dividends and capital distributions and each share confers upon the holder one vote. Ordinary shares are not redeemable. A Ordinary shareholders are entitled to receive notice and vote at general meetings of the Company. They confer no right to receive dividends. The A ordinary share have a par value of £1, and a share premium of £1.08.

The Company's reserves comprise the following:

- Profit and loss account which comprises the accumulated profits and losses of the Company net of any dividends paid.

- Share premium account of £143,000 which represents the premium on the shares issued under a long term incentive plan.

24. Net cash/(debt) statement

	2024 £'000	(Unaudited) 2023 £'000
Net cash/(debt) at beginning of year	**94,378**	201,680
Net cash generated by operations	**3,551**	(56,895)
Capital expenditure	**(14,905)**	(13,325)
Proceeds from sales of assets	**41**	324
Interest received and paid	**(1,047)**	(643)
Dividends paid	**-**	(7,321)
Acquisitions	**(8,583)**	(29,158)
New finance leases	**(46)**	(281)
Net decrease in net cash/(debt)	**(20,989)**	(107,299)
Effects of foreign exchange rates	**(5)**	(3)
Net cash/(debt) at end of year	**73,384**	94,378
Components of net cash/(debt)		
Cash at bank and in hand	**73,579**	98,614
Finance facilities (note 17)	**-**	(3,571)
Bank loans and overdrafts (note 20)	**-**	(375)
Obligations under finance leases and HP contracts (note 20)	**(195)**	(290)
	73,384	94,378

25. Contingent liabilities

There is a cross guarantee between certain companies within the group in relation to their overdrafts with HSBC (UK) Limited
At 31 March 2024, total overdraft positions of these accounts amounted to £nil (2023: £119,409).

26. Financial commitments

Group	2024 £'000	(Unaudited) 2023 £'000
Capital commitments contracted but not provided for:		
- Software development	-	127
- Property, non-finance leases	295	531

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

	2024		(Unaudited) 2023	
Group	**Land and buildings £'000**	**Other £'000**	**Land and buildings £'000**	**Other £'000**
Within one year	2,752	1,923	1,725	1,068
Between two and five years	10,056	4,166	6,207	2,037
In over five years	12,012	3	7,926	-
	24,820	6,092	15,858	3,105

	2024		2023	
Compmany	**Land and buildings £'000**	**Other £'000**	**Land and buildings £'000**	**Other £'000**
Within one year	2,388	1,923	1,725	1,068
Between two and five years	8,932	4,166	6,207	2,037
In over five years	11,718	3	7,926	-
	23,038	6,092	15,858	3,105

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.

27. Related party transactions

The Group has taken an exemption from disclosing transactions and balances with other wholly owned subsidiaries of Rigby Group (RG) Plc.

Other transactions with related parties

Sales of £65,000 (2023: £65,000) were made during the year by Specialist Computer Centres plc to The SCC Academy Limited. A major shareholder of The SCC Academy Limited is also a director of Specialist Computer Centres plc. All transactions were conducted on an arm's length basis on normal trading terms. At 31 March 2024, £19,500 (2023: £19,500) was owed to Specialist Computer Centres plc.

Specialist Computer Centres plc purchased £85,000 (2023: £84,000) during the year from The SCC Academy Limited. All transactions were conducted on an arm's length basis on normal trading terms. At 31 March 2024, £nil (2023: £nil) was owed by Specialist Computer Centres plc.

Sales of £nil (2023: £3,000) were made during the year by Specialist Computer Centres plc to The Rigby Foundation. Two trustees of The Rigby Foundation are also directors of Specialist Computer Centres plc. All transactions were conducted on an arm's length basis on normal trading terms. At 31 March 2024, £nil (2023: £nil) was owed to Specialist Computer Centres plc.

28. Controlling party

Ultimate parent undertaking

The Company is a subsidiary undertaking of Rigby Group (RG) plc, a company registered in England and Wales. Rigby Group (RG) plc, is the largest group of which the Company is a member that prepares consolidated financial statements including the results of the Company. Copies of the financial statements of Rigby Group (RG) plc are available from its registered office being Bridgeway House, Bridgeway, Stratford Upon Avon, Warwickshire, CV37 6YX.

The results of the Company, Specialist Computer Centres Plc, registered in England and Wales, are consolidated into those of Specialist Computer Centres Plc Group, being the smallest group for which consolidated and financial statements are prepared and whose principal place of business is at James House, Warwick Road, Birmingham, B11 2LE, which is its registered office.

Ultimate controlling body

The Rigby Family control the Company as a result of being members of the group of trustees and the only beneficiaries of trusts which own 100% of the issued ordinary share capital and control 100% of the voting rights of Rigby Group (RG) plc.

29. Post balance sheets

There are no post balance sheet events.

COMPANY INFORMATION

01	Directors	Sir Peter Rigby PA Rigby (Resigned 1 April 2024) JP Rigby SP Rigby (Resigned 1 April 2024) DA Badman A Clark M Nutter (Resigned 1 August 2023) D Plowman (appointed 11 September 2023)
02	Company Secretary	D Plowman (appointed 11 September 2023)
03	Registered Office	James House Warwick Road Birmingham West Midlands B11 2LE United Kingdom
04	Auditors	Deloitte LLP Statutory Auditor Four Brindleyplace Birmingham West Midlands B1 2HZ United Kingdom
05	Bankers	HSBC UK Bank plc 1 Centenary Square Birmingham West Midlands B1 1HQ United Kingdom
06	Solicitors	Gowling WLG (UK) LLP 2 Snowhill Birmingham West Midlands B4 6WR United Kingdom
07	Company Number	01428210

ENTITY	REGISTERED OFFICES
SCC AVS Limited **SCC (UK) Limited** **SCC Capital Limited** **Oworx Limited** **M2 Smile Limited** **Resonate Consultancy Ltd** **Resonate-UCC Holdings Ltd**	James House, Warwick Road, Birmingham, West Midlands, B11 2LE United Kingdom
Vohkus Limited **E-Plenish Limited** **Meggha Limited** **Azure Factory Limited**	Centurion House, Barnes Wallis Road, Fareham, Hampshire, England, PO15 5TT
Meggha Technologies SRL	Str. DIMITRIE BOLINTINEANU, Nr. 26, Apartament 2, Județ Cluj, 400062 Municipiul Cluj-Napoca, Romania
Meggha Private Ltd	112 Robinson Road, Singapore
Megha Technologies Private Ltd	Purva Premiere, Residency Road, Ward NO 76, Bengaluru (Bangalore) Urban, Karnataka, 560025
Meggha Technologic Services SL	Carrer Del Pallas 193, Barcelona, 08005, Espana
Visavvi Limited **Quadra Concepts (UK) Limited** **Sea Holdings (UK) Limited** **Sea Holdings Limited** **Quadra AV Furniture Limited** **Saville Audio Visual Group Limited** **The Saville Group Limited**	Unit 5 Millfield Lane, Nether Poppleton, York, YO26 6PQ
Resonate-UCC Consultancy LLC	1209 Orange Street, Corporation Trust Center, Wilmington, Delaware, United States 19801
Resonate Services s.r.o.	Štúrova 50, 040 01 Košice, Slovak Republic
Resonate Benelux B.V.	Blaak 520, 3011TA Rotterdam
UCC Resonate India Private Limited	NO 2/3 MES Road, Flexi, Tumkur Road, Yeswanthpura, Bangalore North, Bangalore-560022, Karnataka

The above companies have been included in the scope of Specialist Computer Centres Plc consolidation. SCC EMEA Limited parent company of Specialist Computer Centres Plc approved the resolutions to exempt its subsidiaries SCC AVS Limited (company number 05371995) from the requirements of the Companies Act 2006 related to the audit of individual accounts by virtue of article 479A (2) (a) of the said Act for the financial year ended 31 March 2024.

SCC.COM

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