SCC

Specialist Computer Centres plc

StrongerTogether

Annual Report and Financial Statements
for the Year Ended 31 March 2022

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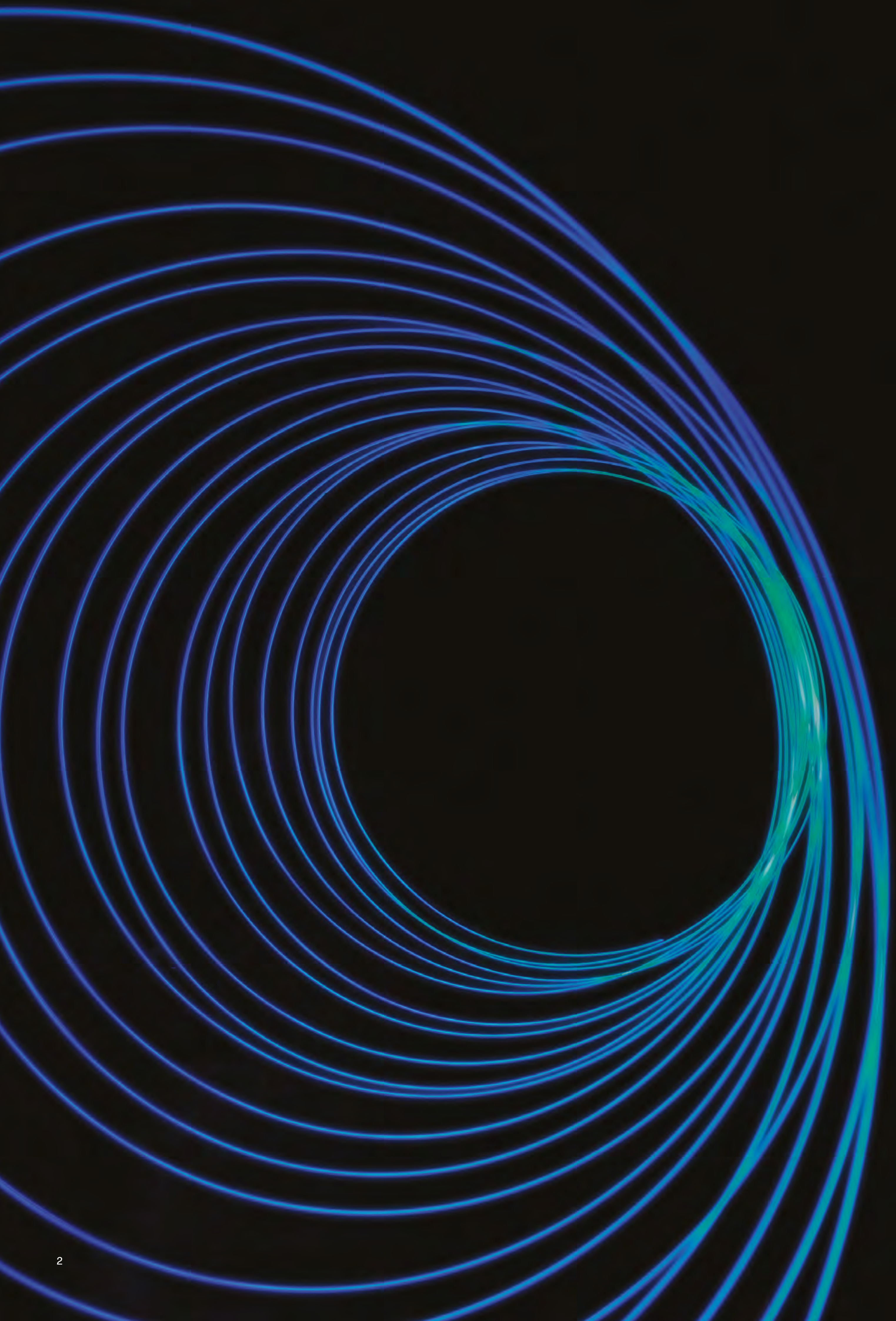

Annual Report and Financial Statements 2022
for the year ended 31 March 2022.

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succeeding through IT transformation and exceptional customer experiences

Annual report and financial statements for the year ended 31 March 2022.

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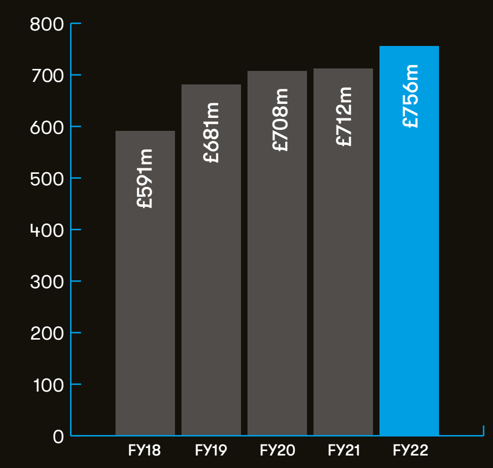
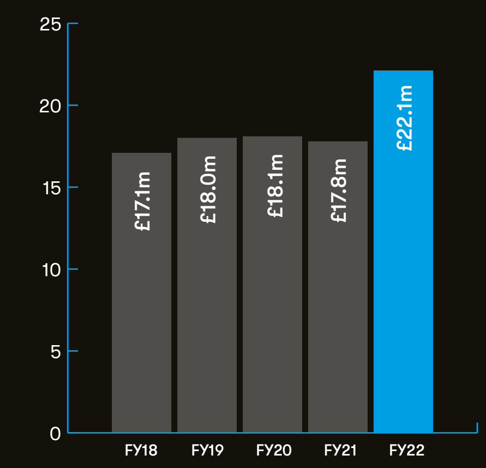
we power business.

2022 Financial Highlights

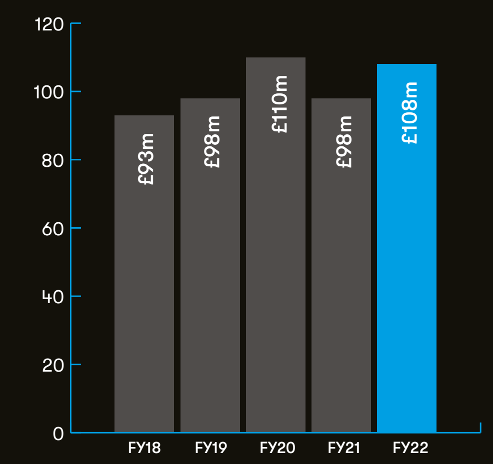
Total turnover



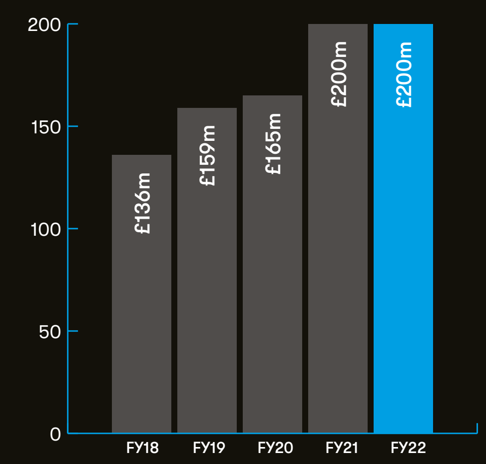
Operating profit

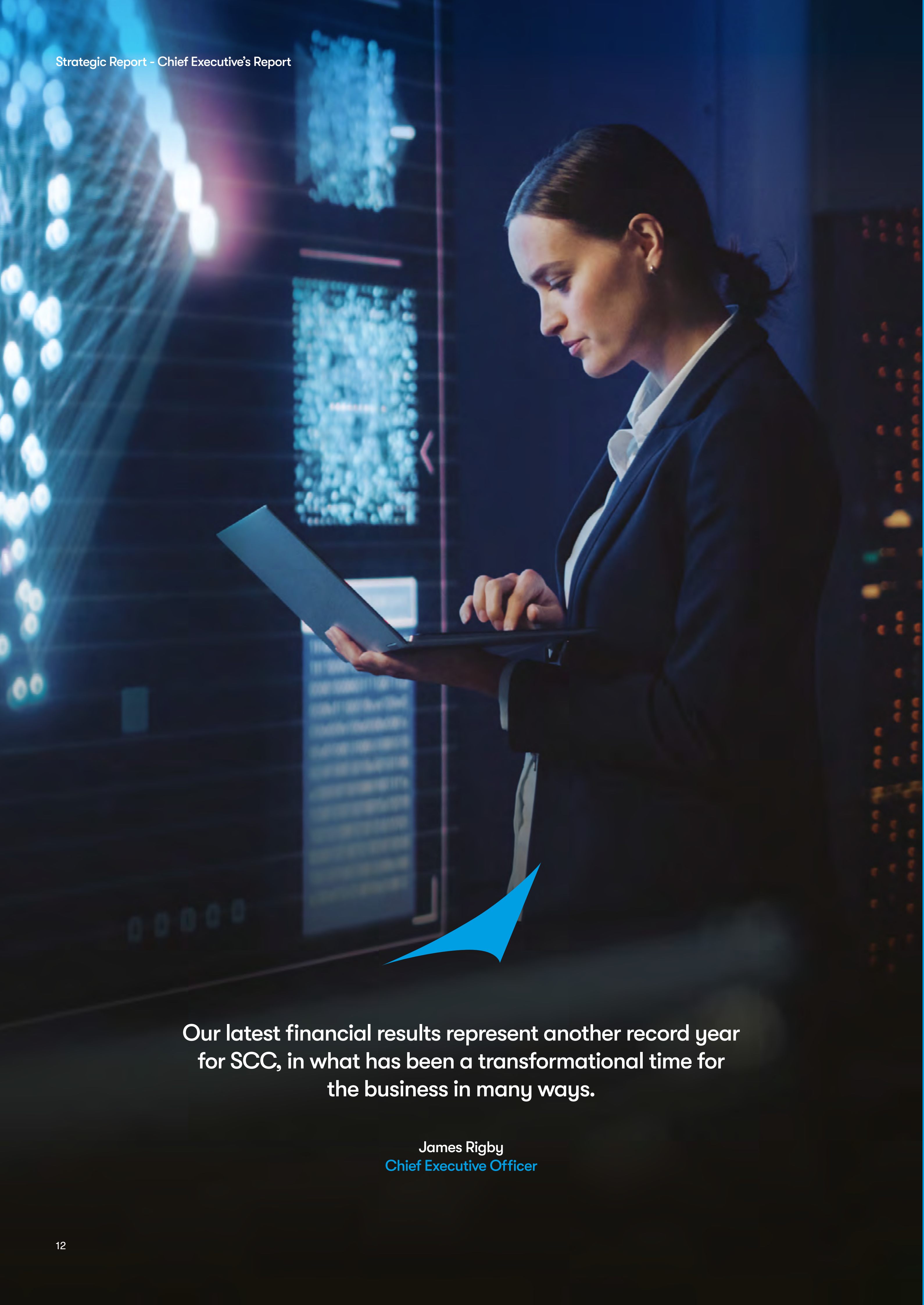


Gross profit



Cash





Our latest financial results represent another record year for SCC, in what has been a transformational time for the business in many ways.

James Rigby
Chief Executive Officer

Strategic Report - Chief Executive's Report

We have made significant management changes during the year, starting with me stepping back into the role of UK CEO and continuing with the appointment of several new leaders to our operational Executive Committee.

This, in addition to refreshing our strategy and making significant investment in people, facilities and growth areas of our business, has generated a renewed energy across our organisation which is already yielding terrific results.

People and culture

People are at the heart of SCC. At a time when attracting and retaining good talent in our industry is more challenging than it has ever been, it is more important than ever that SCC's culture visibly reflects our family values. With this in mind, we have undertaken multiple initiatives over the course of the year to reinforce our culture, starting with refreshing our corporate values to reflect our modern organisation. Our new values of Responsibility, Passion, Customer First, Agility, and Family truly reflect who we wish to be as an organisation and the way in which we do business.

Our people have demonstrated incredible agility throughout the pandemic as we have continued to deliver against our customer needs. This is something I am incredibly proud of. In recognition of this and the need for continuous improvement, during the year we refreshed our benefits package, put in place additional staff feedback mechanisms, and increased communication from senior management. We continue to operate a hybrid working model for the majority or our colleagues.

We have continued to invest in our facilities, with our newly refurbished global head office in Birmingham now fully operational. As well as new offices in London, we are currently centring our North West presence in Manchester.

Performance

As we entered the current financial year, there was still uncertainty in the market around the Covid-19 pandemic. In that context, it is even more pleasing that we delivered significant growth in FY22, with revenue increasing by 6% to £756m (2021: £712m). No government support has been taken this year.

Our product reselling business has performed particularly strongly, with strong growth in enterprise and security products. As with other companies in our sector, we have seen an impact from supply chain constraints and we carry a significant backlog into the next financial year. We expect constraints to continue for several months yet, with demand continuing to exceed supply. Our services business continued to see some challenges as temporary lockdowns returned, customers continued their recovery from Covid, and many continued to operate from home. With Covid restrictions having eased, we expect to see a rebound in our office-dependent services lines including print and certain professional services.

Customer and market

SCC's breadth of capability and product offering is market leading. Our customers have benefitted from this over the course of the last year and the strength and breadth of our relationships with many customers has increased, in particular in the public sector. As we move into the next financial year, our focus continues to be on extending our existing relationships and acquiring new customers.

We are placing focus on delivery excellence to our clients and have initiated several projects to improve processes, internal capability, and automation.

This is starting to yield benefits, for example in increasing the efficiency of our 24x7 service centres in Romania and Vietnam.

We have invested significantly in our sales management structure and sales coverage to strengthen our presence and get our message out into the market. We believe that there is significant opportunity to be seized.

The trends that we saw last year have continued, with digitisation continuing, collaboration tools becoming ever more important, and security forming a part of almost every conversation that we have with our customers. With that in mind, we have simplified our product offering to make it more accessible to customers. Under our new towers of Digital Workplace, Hybrid Infrastructure and Cyber security, our underlying strategy of focusing on all things digital remains the same. We will continue to deploy our expertise at a greater scale.

Investment

As SCC's success continues, we have increased our investment in all areas, both internally and via acquisition. Alongside our investments in people and our office environments, investment in systems and processes continues at pace and we have bolstered our market offering through acquisition. In February 2022 we completed our acquisition of Civica's Licensing and Cloud Software Lifecycle business and in May 2022 we have completed the acquisition of the audiovisual specialist Visavvi. We see both areas as high-growth segments of the market and these acquisitions complement SCC's existing portfolio exceptionally well. We anticipate significant investment in our growth to continue. We have a strong balance sheet, significant access to cash, and a long-term vision that enables us to seize opportunities where and when we see them.

Investment also occurs in the form of our relationships with our key suppliers and vendors. During the course of the year SCC has invested heavily in its Dell capability and has seen reward from this through a significant increase in sales.

ESG

SCC takes its Environmental, Social and Governance responsibilities seriously. It is an increasing area of focus for us and 'Responsibility' forms one of our new values. We have in place a dedicated ESG committee and our strategy across a broad range of areas continues to evolve. We have placed particular focus on people this year, including the introduction of a diversity and inclusion group that many of our colleagues are now a part of. We have made several long-term environmental commitments this year which are articulated on page 44.

Outlook

The financial year ahead brings both opportunity and challenge. We exit from the year with optimism and momentum after an extremely successful period. Our new acquisitions are expected to be earnings accretive immediately and our focus on people and customers is already yielding success. However, we recognise the challenging inflationary environment and associated pressure on both cost of goods and the requirement to remain competitive in our remuneration packages. Overall, the market in which we are operating continues to grow and SCC is well placed to take advantage of this. We look forward to another successful year ahead.

James Rigby
Chief Executive Officer

After two extremely difficult years for every community, few expected the pandemic to be quickly followed by one of the most turbulent global economic periods in living memory, but once again the skills and resilience of our people continue to shine through, with the group making real strides despite the uncertainty that surrounds us.

Sir Peter Rigby
Chairman

Chairman's Statement: SCC UK

When I sat down to write my annual statement in 2021, it was to reflect on the agility of Rigby Group's executive teams, led by our Co-Chief Executives, James and Steve Rigby, had demonstrated in the face of an extremely testing economic backdrop.

A year on, I am delighted to be reporting that their early and decisive action over the course of the pandemic - combined with the efforts and perseverance of the remarkable SCC team - has carried us through to a point where we are now unveiling the best results in our company's history.

Our financial performance over the last year has been exceptional and I am extremely pleased that the decisive actions and strategic initiatives of recent years have delivered the best results ever in the group's history.

In a company where our people have always been and always will be at the heart of everything we do, it is heartening to see that the many extremely difficult decisions that had to be made during the pandemic, while often painful, have been proven to have served the long-term best interests and welfare of our staff. Just as while the global SCC team's adoption of virtual meetings and new technologies to work from home presented its own challenges, it has also revealed enormous opportunities for the business as a whole.

Investment has increased following the limitations of previous years and has seen us make great strides towards the completion of our committed work programmes.

We have also continued to develop and implement innovative new business initiatives and investment opportunities. A key project upgrading SCC's in-house systems in France is underway, while the €10m refurbishment of our French headquarters building in Nanterre is in progress.

We have meanwhile revamped the Lieusaint Warehouse & Distribution Centre, while also completing the transfer of our Spanish headquarters to new premises in Madrid.

Today, SCC UK is a significant part of the Rigby Group, a family of many different companies in 20 countries worldwide, with more than 8,500 people focused principally on technology led business. We see as much opportunity for growth and expansion today as we did when SCC was first established over 46 years ago.

Tomorrow, this will remain the case. 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.

The Group's core has always been technology innovation and we intend to focus future growth on these investments.

The 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. In recognition of many young people who now more than ever need help and support in developing their IT skills, SCC and the Foundation has launched The SCC Academy based in Birmingham.

Over the coming year, our developing ESG strategy 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.

My family and myself remain committed to 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.

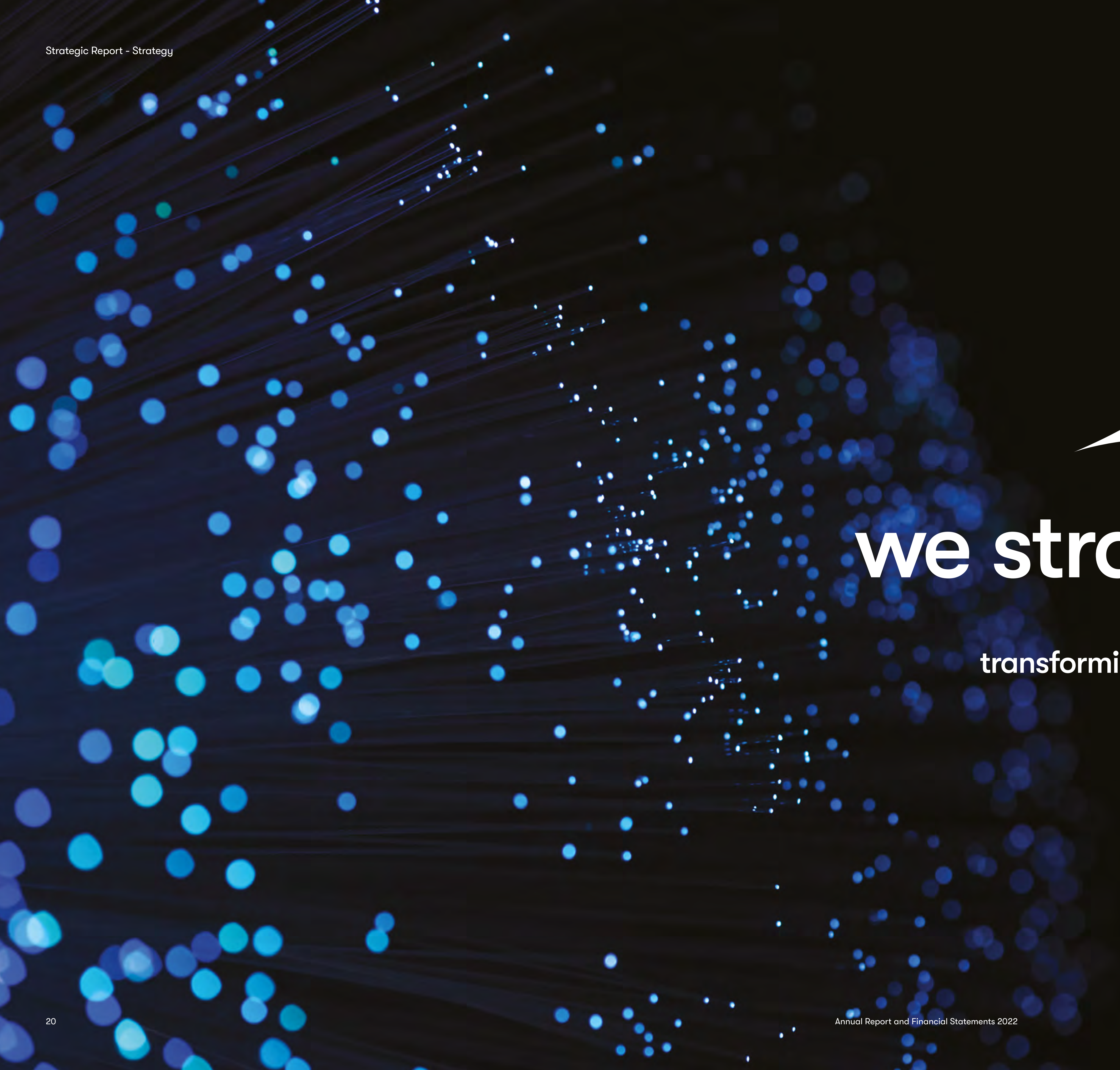
We also remain committed to being a UK based business, paying tax in the UK and other countries as appropriate. We will continue to support the UK economy as the UK government has supported us in the past, and we are proud of the work which we have done in supporting both the country and the NHS over 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. I would like to thank them for their exceptional support during what must feel like a very long period of difficulty and doubt, and promise them that our commitment as a company will also remain true to the personal and professional development of our people, and the importance of enabling them to unleash their potential.

As the economy slowly recovers, we are seeing improved performance across the board. The omens for our business are overwhelmingly positive, and while wider complex geopolitical and economic issues remain, that is something worth both celebrating and reflecting on.

For all these reasons, I am confident that whatever challenges the coming year brings, our strong business, culture and collective drive will continue to carry us through.

Sir Peter Rigby
Chairman



we strategise.

transforming. evolving.

Our UK 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
- Elevate the Digital Workplace
- Grow Cyber Security and Public Cloud
- Expand Hybrid Infrastructure

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 and 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

01

Acquire more customers

Expand our salesforce coverage into new verticalised customers across the 3 UK regions of Public Sector, Commercial and Business Partnering

Scale inside sales capability through training, tools and talent acquisition

Maintain product recovery momentum and build further through adoption of sales operations disciplines, partner management focussing on product margin improvement, aligned to solution areas and plans to address under-indexed vendors

Growth and development of services, incentivise and accelerators to commission plans, new service areas to be developed within public cloud, cyber security, hybrid infrastructure and digital workplace

02

Sell more to existing customers

Develop a clear understanding of our top existing customers' organisational challenges and sell more services to deliver their business outcomes

Implement new renewals tool to maximise client engagement, make us more efficient and improve margin

Provide operational excellence and improve our customer engagement to make it easier for customers to work with us with deployment and utilisation of new CRM

Ensure a consistent external message that aligns with our focussed approach to market

03

Elevate the Digital Workplace

Define and grow our Digital Workplace practice

Leading with consulting services we will focus on the user experience and better understand their needs, determine user personas, assess applications and virtual desktop requirements along with device strategy

With a focussed Product Management team aligned we will integrate all SCC user focussed services, secure their working environment, assuring user productivity through technology innovation and cost effective and flexible annuity support services

We will increase wallet share at every stage of the engagement Discover, Design, Supply, Implement, Manage, Optimise.

04

Grow Cyber Security & Public Cloud

Build and grow a leading Cyber Security and Public Cloud practice. Supporting clients with best of breed technologies, people and processes to fulfil their cloud and security strategies.

Cyber Security:
Create a leading Endpoint and Identity MDR Managed Service focused around the Microsoft Defender suite of technologies.
Help our clients with GRC advisory and consultancy services as they evolve their cyber strategy and needs
Expand our maturity around SOCaas and use of market leading SIEM tools and automation.

Public Cloud:
Help our customer, assess, plan and transform to a cloud operating model.

Gain more Microsoft and AWS recognition with competencies and accreditations

Migrate and re-architect more of our clients' workloads and applications to cloud native services

05

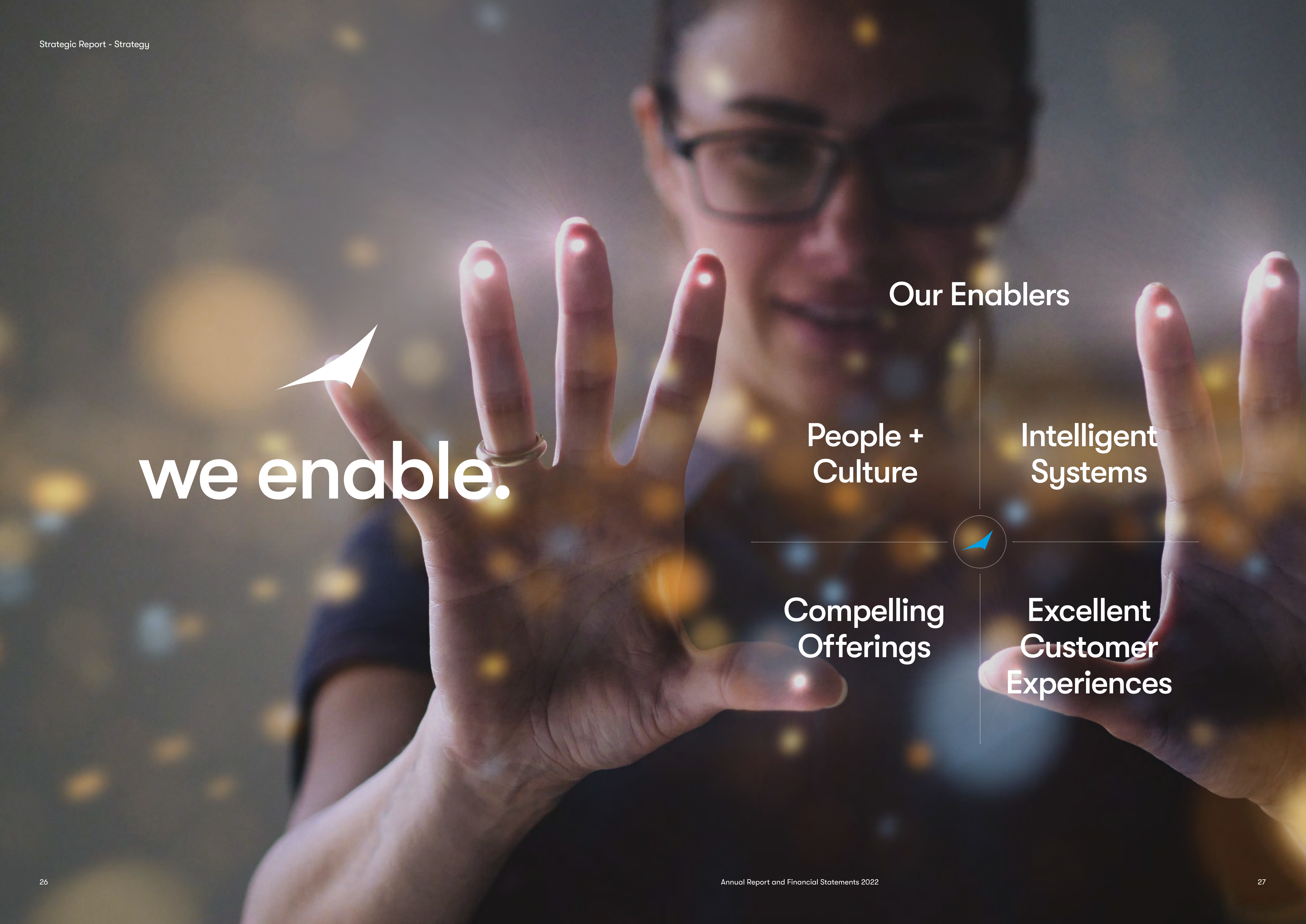
Continued expansion of Hybrid Infrastructure

Ensure a deep understanding of our customers business challenges and consult to produce innovative solutions that exceed current and future customer demands

Evolve our market leading capability and transform our clients from their current delivery capability to hybrid solutions including on-premise, hosted, private cloud and public cloud

Maintain sales enablement programmes and initiatives that maximise our opportunity to make our customers/prospects aware of our hybrid infrastructure capabilities to meet their IT priorities and deliver outcomes

Continue to innovate, leveraging technology to simplify processes and mitigate errors to improve the customer experience



we enable.

Our Enablers

People + Culture

Intelligent Systems

Compelling Offerings

Excellent Customer Experiences

Market Offering

What we do and how we meet our customers' priorities.

The current landscape

We have seen huge changes in our working lives over the last two years, but the slowing down of the pandemic has not resulted in a return to the previous status-quo as organisations are still turning to the cloud, investing in security services and need new hardware and software deployments to meet their new remote workforce and ESG needs.

Customers depend on us more than ever before to keep business and public services running smoothly as well as meeting their business outcomes whether its improving operational efficiency and productivity, increasing business agility or modernisation.

The digital workplace, hybrid infrastructure and cyber remain at the top in terms of the growth areas that we expect to see continuing to increase.

We will continue to see the acceleration of new opportunities, new services, and new ways to respond to end user demand and the things that they're having to do to change their organisations to support a digital workplace.

Application availability is paramount in providing an excellent user experience. In order that organisations can provide optimised service delivery, availability at the most advantageous price point, organisations are opting for a hybrid infrastructure strategy, which uses a mix of on-premises, private clouds, and public clouds. Hybrid infrastructure strategies are increasingly popular due to scalability at a lower operational cost, expanding access to emerging technologies, greater security and regulatory compliance, remote data accessibility and lastly setting and achieving sustainability targets.

Organisations worldwide are facing sophisticated ransomware, attacks on the digital supply chain and deeply embedded vulnerabilities. The pandemic accelerated hybrid work and the shift to the cloud, challenging CISOs to secure an increasingly distributed enterprise – all while dealing with a shortage of skilled security staff.

Our Approach

SCC continually invests in our people, processes and technology to provide the most extensive services in the UK IT market. Our UK based distribution centre, data centre facilities and global delivery centres based in the UK, Romania and Vietnam support our customers across multiple sectors and countries.

We help clients succeed through IT transformation and exceptional customer experiences through our approach of discover, design, supply, implement, manage and optimise.

Digital Workplace

We support our customers in their digital workplace strategy to provide exceptional customer experiences, choice and enable outcomes whether it's productivity improvements, retain and attract talent or meet sustainability goals.

The end user, the ultimate customer, is at the heart of everything that needs to be delivered. To do their job, they require access to suitable devices, applications and data in a way which is secure and accessible regardless of the location they are in. Our relationships with our key vendors help us deliver the right technology to our customers.

Our Digital Workplace offering and service capability includes collaboration, document services, digital automation, service desk, field services, end user computing, supply chain, unified end point, applications and IT service management. It's all about the underlying network, security and integrations at the infrastructure layer that allows the user experience to be great.

Hybrid Infrastructure

Whether it is on-premises or in our UK data centres we can provide colo, private cloud including our own dedicated platforms Cloud+ and Sentinel, public cloud through our dedicated SCC Hyperscale practice and ensuring secure connectivity.

We work closely with our customers to ensure the right solution suits their IT requirements and ultimately achieves their business outcomes. Security, resilience, availability, agility and skilled resources are key to our success in supporting our hybrid infrastructure customers.

Cyber Security

We support our customers protect data, networks and systems. We start with understanding the maturity of the customers' security strategy which leads to the implementation of the right solutions and managed cyber services. With offering monitoring and reactive to automated and proactive services we mitigate legal and financial risk as well as brand reputation to our customers.

CFO review
'Investment underpins record performance'

Performance

All of our primary income statement metrics show growth in the last financial year. This, alongside our balance sheet strength and low leverage puts SCC in a great position to grow and enhance return on capital. Our key financial performance metrics are Revenue, Gross Profit and Operating Profit.

Revenue	FY22 £m	FY21 £m	Change
Product Revenue	552	512	7.8%
Services Revenue	204	200	2.0%
Total Revenue	**756**	**712**	**6.2%**

Overall revenue growth in the year was 6.2%, largely deriving from product sales. Product sales accounted for 73% of revenue in the year, up from 72% in the prior year. This shift towards product reflects a post Covid return to large Enterprise IT related to digital workplace. The growth in turnover was set against a challenging supply-side environment, tempered by continued semiconductor shortages and resulting supply chain backlogs which continue to impact the industry toaday. Turnover from Services also grew, up £4m at £204m, as demand returned for services that had previously been impacted by the pandemic and new business lines started to flourish.

Product

SCC provides a full end-to-end lifecycle of IT products to our customers. Our product business is analysed across enterprise products, software, networking, security, print and other end user compute products.

The growth in product revenue has largely been driven from our enterprise infrastructure business which grew 48% on the prior year, a continuation of the return to large-scale IT projects as seen towards the end of the prior year. Security and Software sales also saw an increase, both areas in which significant investment has been placed in prior years. As global supply chains strained to meet strong post-pandemic demand, order books increased, leading to a softening of turnover across some technology towers, most notably in our networking business unit.

Services

SCC manages IT services for the hybrid workplace through a number of services business units. Services turnover of £204m grew 2% when compared to the prior year.

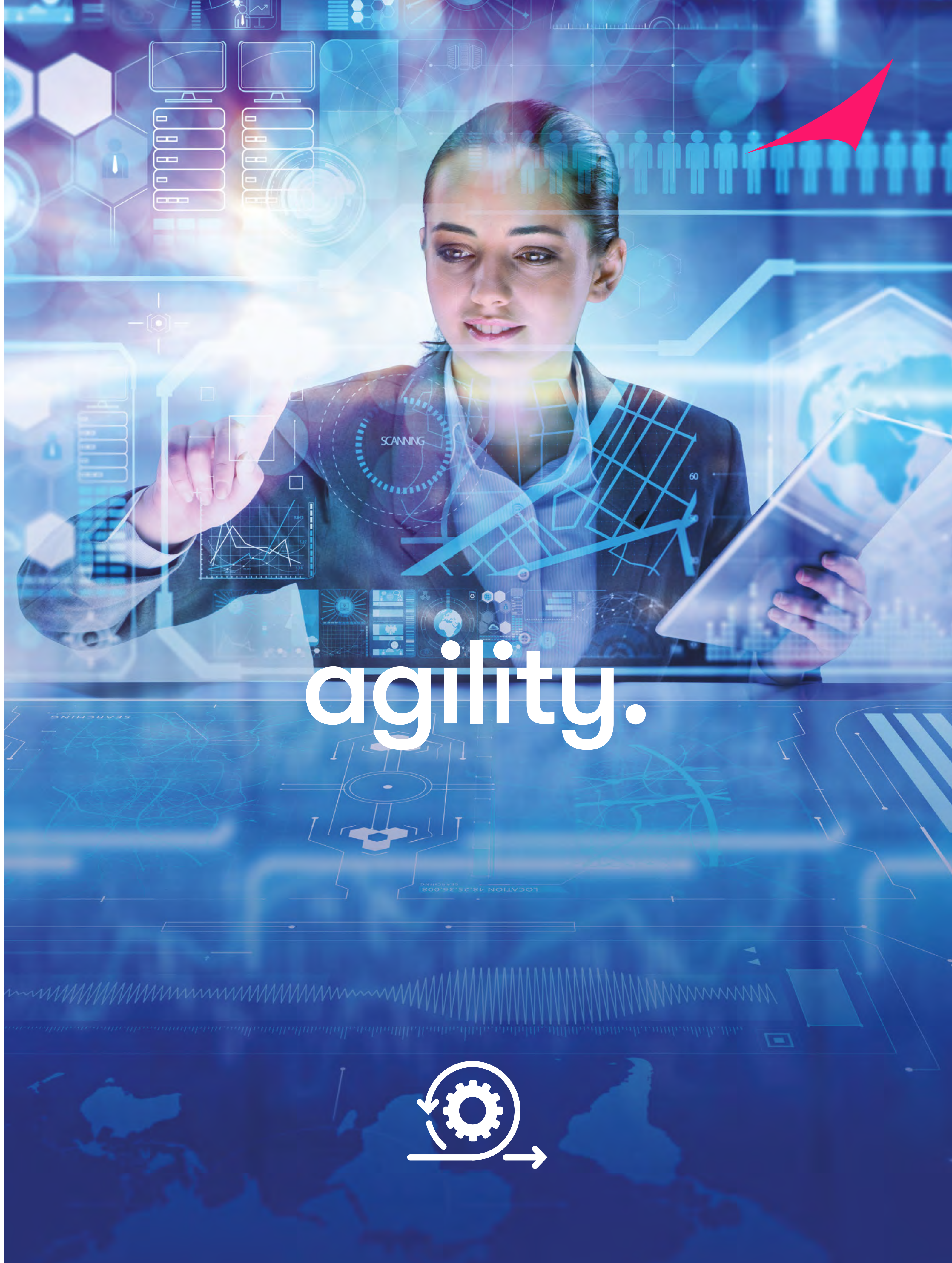
Our Professional Services business benefited from the reopening of client offices following the Covid lockdown and infrastructure projects that had been put on hold in the prior year were reignited. We also saw significant growth in our application led Business Automation and Public Cloud practices. Core Managed Services increased 2% and SCC Document Services further developed its document digitalisation and workflow automation offerings to provide services to on-site, off-site and near-site client workforces. Offsetting these growth services, our Data Centre business saw revenues decrease, largely as a result of a small number of long-term contracts coming to their natural conclusion. Clients continue to choose SCC for their cradle-to-grave IT needs, and SCC's Supply Chain Services division grew +14% with strong growth across both product provisioning and refurbishment and disposal services.

Profitability

We measure our performance in gross profit and operating profit. Annual growth is important as well as maintaining a consistent improvement over time, so we measure annual growth, profitability as a percentage of turnover and the growth in that rate on an annual compound basis (CAGR).

Gross Profit

Gross profit of £108m was 10% higher than prior year (2021: £98m) and also increased in percentage terms to 14.3% of turnover (2021: 13.8%). The increased margin rate reflected a change in mix of product revenue with a shift towards more complex Enterprise solutions from desktop product in the prior year. Our 5 year CAGR increased to 3% (2021:1%).



Operating Profit

Operating profit for the year of £22m was 22% higher than in the preceding year (2021: £18m) reflecting the improvement in Gross Profit, partially offset by the reduction in CJRS grant support. At the start of the year when there was some ongoing uncertainty, the company filed claims for CJRS amounting to £0.2m (£2021: £6m), but this support was repaid during the year.

Operating profit margin of 2.9% was 0.4% higher than in the previous year. Administrative expenses of £87m (2021: £87m) were slightly down on the previous year as operating costs remained under tight control.

Finance Costs

SCC has very little financial debt. A very successful history of cash generation means that the only debt on the company's 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. Overall finance costs (net) in the year were £465,000 (2021: £594,000). The decrease is as a result of lower drawings in the year on the company's facilities, partially offset by higher cost of accounting discount unwind on long term creditors.

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 an 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 transaction.

The company's effective tax rate for the year is 24.1% (2021: 21.9%). This includes a one-off adjustment, equivalent to 5.1%, to deferred tax balances as a result of the enaction of a change in corporation tax rate to 25% from April 2023, resulting in a revaluation of deferred tax balances. Excluding this impact, the primary drivers of the difference of the effective tax rate from the UK standard rate of corporation tax are capital allowances and non tax deductible costs incurred in the business.

Dividends

During the year, in consultation with our shareholders, we undertook a corporate simplification exercise that included a significant reduction in our capital employed via a one-off distribution. This has been planned for some time and puts SCC in a more comparable position with its peers in terms of capital employed. The company retains significant access to cash and has more than sufficient reserves to support its operations and future dividend plans.

Dividends paid in the year totalled £51m (2021: nil). In future periods, it is expected that the company will return to a more normal dividend policy of around 50% of profit after tax.

Cashflow

SCC continues to have a keen focus on working capital and cash availability to ensure it is able to support the expected levels of business growth and meet future capital investment demands, as well as providing sufficient reserves to fund its strategic acquisition and dividend goals. Cash generated from operations increased by £15m this year, due to the increase in Operating Profit and further improvements in working capital.

We closed the year with cash and cash equivalents of £200m, equivalent to the prior year, after the dividends of £51m during the year.

The working capital improvements in the year largely reflected improved cash collection performance on debtors, partially offset by an increase in stocks.

The invoice discounting and overdraft facilities in place, in addition to the company's cash reserves, provide considerable headroom and are more than adequate in supporting the cash requirements of SCC's business.

Investment

The company continued to invest heavily in its future, with cash outflows in investing activities of £12m (2021: £11m) In February 2022 we completed our acquisition of Civica's Licensing and Cloud Software Lifecycle business. The acquisition included Civica's team and its existing customer and partner relationships, increasing our presence in the Cloud Software Lifecycle market and strengthening our successful software licensing and software asset management business.

In May 2022 we completed the acquisition of the audiovisual specialist Visavvi. Visavvi is a global leader in communication and collaboration services, with a reputation that is second to none. With a corporate history dating back 140 years under the Saville Group brand, this is an excellent fit for SCC and we believe that the company's combined investments in SCC AVS and Visavvi can become the no.1 AV business in the UK within the next three years.

Our multi-year investment in internal systems also continues at pace. Our new ERP platform development program and replacement of legacy IT assets continued, as did our continued investment in our data centre assets.

Net Assets

Following the distribution of reserves during the year, partially offset by retained profit, Net Assets decreased by £34m at year-end, to £106m. The ongoing strength of the company's balance sheet is sufficient to meet the company's needs.

Future Investments

SCC's strong balance sheet and access to cash will continue to support its organic and acquisitive growth strategy. We continue to seek long term investments that will meet the company's strategic objectives and offer earnings accretive opportunities.

Mark Nutter
Chief Financial Officer

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 central 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 principal 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 execs 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 Providing input to the design of our new Head Office	Developing our sustainability policy Employee volunteering days Support for the Rigby Foundation and for local charities Apprenticeship and graduate trainee programmes

People

We're a successful family business working in partnership with the world's best technology, and our global customers, to build a better digital world. It's all down to our people.

We value and reward our diverse, talented people, offer great learning and development opportunities, and the chance to build a lasting career with us. Our family values mean we've got a positive, friendly, inclusive culture, where we know that we're stronger together.

We are proud of our investment in people and we hold several accreditations that acknowledge our endeavour to present the best possible working environment for our people:

Engagement

Employee engagement is key to us and Evie (Everyday Increasing Engagement), our dedicated intranet, is a modern, dynamic platform that allows our people to better engage across the business.

With numerous office locations, Evie has helped to unite employees and build a sense of camaraderie amongst colleagues. The platform has served as a launchpad for several cultural initiatives designed to bring people together, including:

1) Meet Our New Starters

2) Diversity and Inclusion Working Group

3) Feedback Friday - a digital two-way conversation right across our UK business

4) Promoting people's success and rewarding them with various internal awards, including the Founder Awards that are directly related to success criteria articulated by our Founder, Sir Peter Rigby.

Our employee engagement survey allows us to measure people's experience, identify areas of most positive impact on our success and suggest actions for improvement across:

1) Engagement

2) Process

3) Structure

4) Team Environment

5) Strategy

6) Leadership

This enables us to action and invest in improvements in order to provide the best place to work.

Diversity and Inclusion

We are committed to providing equal opportunities and promoting diversity in all aspects of employment. All applicants and employees are treated equally. Furthermore, we recognise the importance of employing individuals based on their knowledge and skills and that different experiences and personalities can help build innovation and diversity.

We acknowledge our people's contribution and therefore promote a culture that equally values the contribution of everyone. We want to ensure SCC is a great place to work for everyone, and one where everyone feels equally respected.

With that in mind, during the year we set up a new Diversity and Inclusion working group that meets monthly to consider all aspects of the Diversity and Inclusion (D&I) agenda, suggest initiatives and provid thought leadership in this critically important area. The seven groups identified are

- REACH (Race, Ethnicity & Cultural Heritage)
- STEM
- Wellbeing
- Women's Network
- Accessibility
- LGBTQ+
- Young Professionals

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

Benefits

Our people are the reason for our success as a company. We therefore recognise the need to reward them for their hard work. During the year we have improved our benefits offering and created easier access to benefits through a dedicated portal called SCC Balance. The portal provides our people with benefits to have a healthy work-life balance, split into three areas:

1) People - Benefits designed to improve our work-life balance, job satisfaction and provide financial and healthcare protection for our people and family.

2) Places - Benefits tailored to the places our people love and visit the most. From the workplace to the city – travel in style and never pay full price.

3) Stash - The things our people love to have, available with discounts, or through salary sacrifice schemes.

Learning and Development

At SCC, we are committed to the personal and professional development of all our staff, ensuring that they have the skills necessary to fulfil their maximum potential. We emphasise "learning" as opposed to "training" – it assumes a broader and a more flexible approach not limited to classroom delivery.

By this, we operate on the 70:20:10 learning and development model, with the 70% of learning being experimental through support and feedback on the job aided by an effective Performance Development Review (PDR) process; 20% involvement with coaching, mentoring and collaborative learning with colleagues and subject matter experts, which includes an SCC Mentoring Scheme and shadowing activity. The remaining 10% is delivered through formal training interventions, e.g. online learning, classroom sessions and webinars.

We offer a variety of formal and informal training, available to all employees to develop people further so they are competent in their roles, investing in their future career. Some of these Learning and Development (L&D) solutions include:

- Industry Accredited courses and qualifications
- People development training
- Leadership and management development
- Working with Partners
- Mentoring Scheme
- Job shadowing
- Online learning

We also offer dedicated entry routes for individuals in the earlier stages of their career. We have a highly successful apprenticeship scheme, a graduate scheme and offer internships.

Customers

Our customers are at the heart of everything that we do and we build long term mutually beneficial partnerships where our customers trust us to deliver the right IT solutions to achieve their business outcomes with a customer first experience.

Consulting closely with our customers to understand their requirements means working not just with the CXO level, but increasingly their operational teams who are looking for new, better ways of working to meet their users' needs.

SCC's purpose is to help clients exceed through IT transformation and exceptional customer experiences. In order to deliver the exceptional experiences that we strive for, we have introduced five focus areas:

- Customer First Programme – Improving customer experience by demonstrating customer first values
- Voice of the Customer – Ensuring that SCC's future services and strategy reflect customer needs
- Centre of Excellence – Putting services excellence at the heart of SCC
- Automation – Driving predictability, efficiency and quality through appropriate tooling
- Focus Customs – Working with our customers to put it right where we need to

We operate across a broad range of public and commercial sectors. In the public sector, we are an approved supplier under many frameworks and support central and local government, healthcare, national security and defence, police, and education amongst other areas.

In the commercial sector, we operate in most industries, including financial services and insurance, energy and utilities, retail, manufacturing, travel, transport & logistics, legal and professional services amongst other areas.

We service the System Integrators through a dedicated Business Partnering team to provide complementary IT services that help augment the capabilities of our partners, reduce operational costs, share out risk, and support incremental business.

SCC have the scale, breadth of capability and heritage to support our business partners, and have the agility to design bespoke solutions which can meet and exceed their requirements and the requirements of their customers.

Some of the awards that we have won during the year demonstrate our commitment to our customers:

Managed Services Provider of the Year at CRN Channel Awards 2021

Corporate VAR of the Year at 2021 PCR Awards

MSP Specialist of the Year at 2021 PCR Awards 2021

Winner of the 'Green Award' at the AV Awards 2021

Public Sector Solution of the Year at The European IT & Software Excellence Awards 2021

Canal & River Tust

**Richard Parry,
CEO of Canal & River Trust, said:**

"Volunteers like SCC play a valuable role supporting us in looking after and bringing to life our waterways – and I was delighted to see the team in action in Birmingham today. We have established a strong partnership with SCC – both as a supplier of IT services to and as a valued supporter of the Trust. Improving a stretch of canal or river is a great way for businesses like SCC to improve team building. It's a way to put something back and benefits both your local community and the wildlife that lives along the waterways.

"I was pleased to see first-hand the great work SCC is doing in Birmingham through its community outreach, investments in its facilities, and the development of young talent through its apprenticeship scheme. This demonstrates the shared values between our organisations and strengthens our partnership. On behalf of the Trust, I want to thank SCC and its willing volunteers for their time and effort."

Central London Community Healthcare

**Andrew Chronias,
Chief Information Officer at CLCH, said:**

"Whilst carrying out a significant volume of video consultations, both the call quality and, crucially, the availability has been outstanding, without a single bit of downtime affecting the delivery of services to patients.

The collaboration between CLCH and SCC has been a really positive experience and we're grateful to SCC for its commitment to supporting and prioritising its NHS customers during this historic and challenging year."

Electoral Commission

**Esrar Ahmed,
IT Helpdesk Manager, at the Electoral Commission said:**

"The ability to scale our solution is a real game changer for the commission, as is the transition from multiple support contracts, each differing in length, with different vendors to one single vendor, all supported by SCC. We're confident we have selected the right partner in SCC and, so far, the project delivery has been outstanding. Both in terms of the technology and the service, including training for all our users, I have received lots of positive feedback and we're looking forward to developing the relationship with SCC."

Global Technology Operations, CGI

**Jeremy Archer,
Director UK, Global Technology Operations, CGI said:**

"The breadth and depth of the services that SCC provide to CGI empower both our own organisation, and those of our customers. They provide us with extensive support services that ensure the continued operation of large scale server installations, network infrastructure and SAN infrastructure within CGI and our customers' sites. Alongside this SCC, in association with their leading IT partners, have created a highly valued annual innovation event for us. This enables CGI to gain greater insight into the evolving IT landscape and how we can create new and innovative technology services for our extensive portfolio of clients."

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.

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 Plantronics & Polycom, Pure Storage, Red Hat, RingCentral, rubrik, Samsung, servicenow, Sophos, Tanium, tenable, Veeam Value-Added Reseller Platinum, Veritas, vmware

Awards

Our commitment to our partners is evidenced in no better way than the awards that SCC has received from its partners during the year: Two example of which we are particularly proud are being named Veritas EMEAI Partner of the Year and the Dell Technologies EMEA Channel Excellence in Marketing Award which we also achieved.

SCC named Veritas EMEAI Partner of the Year

Dell Technologies EMEA Channel Excellence in Marketing Award in the Partner of the Year Awards 2021!

"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

We are passionate about giving back to the community. In FY21/22, SCC has enabled capacity in its UK team to give back 3,700+ volunteer days of effort to our local communities.

Our employees get involved in a range of activities such as restoring disused sections of Britain's canal heritage, operating soup kitchens for homeless and disadvantaged people and supporting their communities by being Special Constables and Mountain Rescue workers.

SCC Academy

Founded in Birmingham we are proud to support the city and its residents. In May 2021, we founded the SCC Academy whose purpose is to introduce under-privileged over 18 years old individuals to the technologies used in the increasingly connected world.

The Academy provides a range of free, in-person interactive courses taught by qualified teachers. Through these courses, individuals can build their confidence and equip themselves with the digital skills required to access essential every day local services and progression routes to support their journey into further training or employment.

In addition to these essential digital skills, the Academy provides key employability skills such as teamwork, leadership and problem-solving. Individuals are also given support and guidance so they can create their own CVs and cover letters to further help them achieve their personal development and career aspirations.

United BY 2022 – the legacy charity for the Birmingham 2022 Commonwealth Games

Working alongside community partners is a key element of our community engagement. Using our partners knowledge, experience and expertise ensures our support and resources are used in the most efficient and effective ways. We are delighted to be involved with United By 2022 and have representation on their Trustee Board.

The Birmingham 2022 Commonwealth Games provides the opportunity to have a significant impact on the city, it's young people and communities long after the sporting events and achievements have finished.

United By 2022 is the legacy charity of the Games. It provides a dedicated community fund to support community led projects, events or initiatives helping those who are disadvantaged or socially excluded.

Charitable Support

As a family business, we have always held philanthropic values. SCC is an active supporter of The Rigby Foundation Charitable Trust, which was founded by our shareholders the Rigby family and operates on the principle that success in business goes hand-in-hand with putting back into society and communities. It is a registered charity that operates independently of SCC. The Foundation invests in causes relating to lifelong learning, health and education.

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£725,529 was donated by the Rigby Foundation during the year including a few examples below:

£200,000 was donated to support the SCC Academy providing quality, in-person training at our facility in Tyseley, Birmingham.

South Warwickshire NHS Foundation Trust (SWFT): SWFT provides hospital services and out of hospital community services. A donation of £129,558 has been made to support their charitable purposes.

Laptop donations for 1128 Crosby Squadron Air Cadets and the Coventry City of Culture.

Molly Olly's Wishes: Molly Olly's Wishes supports children with terminal or life threatening illnesses and their families to help with their emotional wellbeing. A charitable donation of £10,000 has been made to support their charitable purposes.

£150,000 was donated to the Fly Harrier Trust which is dedicated to bringing the BAE Harrier back once more to the British skies, and advancing the knowledge of the public to this most iconic British aircraft.

Further donations were made to a number of bodies to support ongoing charitable activities including the Royal British Legion, Cranfield University, The Reach Foundation, Coventry City of Culture Trust, Shakespeare Hospice, Royal Air Force Association, RAF 601 Squadron, Guild Estate, Smiling Families, the Falkland Islands Memorial Chapel Trust and Cotsford Primary school.

Shoe Aid donation

In September, with our colleagues' help, we donated over 140 pairs of shoes across our UK offices to Shoe Aid, a charity working to fight footwear poverty and shoe waste in landfill.

"Shoe Aid does amazing work and when people come together across a business the size and scale of SCC, together we can make a significant impact. We will keep supporting Shoe Aid as one of many charity partners, as we deliver on our promise to give back to people and our communities."

SCC Marketing Director, Tim Kenny

'Operation Christmas Child' volunteer day

Each year, the Samaritan's Purse charity runs the 'Operation Christmas Child' campaign where they send boxes filled with toys, hygiene products and school stationery supplies to children around the world who may not otherwise receive anything for Christmas.

In November, colleagues at SCC used their volunteering days to check boxes to ensure they were safe for the children and Customs approved. In addition, the volunteers raised £1,100 for the campaign.

"Packing boxes filled with toys and stationery knowing they will put a smile on children's faces on Christmas day who would otherwise go without was truly humbling. The work this charity does to bring the community together to help so many children around the world is incredible, and we look forward to working with them in future."

SCC Chief Revenue Officer, Adam Clark

Foodbank donation to The Trussell Trust

We hosted a food collection in offices across the UK in the weeks leading up to Christmas in aid of The Trussell Trust. Employees gave generously, demonstrating their #StrongerTogether spirit. In addition, 20 Christmas hampers were donated. The items were redistributed to members of the local community, ensuring balanced meals for those in need.

Environment

The world we live in, and the resources it holds, is not infinite. As individuals, communities, companies, and nations we have a collective moral obligation to future generations to protect and conserve our planet.

At SCC we take a "total impact" view of our business and its operation when we're considering our approach to tackling sustainability and where to focus our attentions. For us, the goal is to become a Carbon Net Zero business.

By whatever sustainability measure or criteria set, SCC should be statistically invisible. This is one of our "big rocks" and forms an immovable anchor from which key initiatives are brought to life. We are realists and appreciate such a dynamic goal may be practically unachievable, but our collective global sustainability challenge needs us all to be bold and strive to make changes that truly move the dial.

As an IT services company, that employs staff UK wide, who use travel and logistics to deliver goods and services to clients, we can map our total impact against three core categories of sustainability measurement: -

1. Consumption (energy, raw materials etc)
2. Conservation (energy, resources etc.)
3. Waste & Emissions (recycle, reuse, disposal)

In line with this we are currently developing a set of metrics which we will use to track progress against our targets in each of these areas.

1. Resource Consumption

Principally we consume two main types of resources: -

a. Energy in the form of electricity and gas (to heat and power our facilities), petrol and diesel to power our logistics and travel.

Energy Sourcing and use are key measures we are tracking to reduce our dependency on fossil fuels. We source 100% of our electricity from renewable sources and continue to invest in our own solar production capacity. Our data centre customers also benefit from this.

Our fleet of vehicles is transitioning to be fully eV by the end 2023, and our logistics and distribution contracts now require suppliers to meet eV fleet quotas to retain or bid for new SCC business. The electricity used to power our eV fleet is generated on site from our solar generation scheme or sourced from renewable providers to the grid.

Energy Conservation in our data centres and technical operations is constantly evolving with trials and proof-of-concept works to identify and extract continuous efficiency gains.

b. Raw materials that go into the products that we resell to clients

We do not manufacture or produce products, but the products we procure and supply to our clients contain components and raw materials which can have a sustainability impact across their life span from extraction to refinery to production to use and disposal. We have a responsibility to continually assess how we can minimise any environmental impacts a product we sell has during its lifetime.

We work with our vendor partners to assess and evaluate supply chain compliance with standards such as the United Nations Global Compact to assure ourselves as far as possible that we operate in a sustainable manner.

2. Resource Conservation

If we accept the world's resources are finite, limiting how much of them we use at any given time is critical. We are constantly seeking ways to reduce our resource consumption, adopting smart metering and switching technologies to remove dormant and zombie consumption of power.

We have introduced water metering and flow control to reduce our domestic water consumption (we do not use water in the operation of our business), together with water catchment and distribution to harness natural weather events.

As part of our investment in solar generation and eV fleet transformation, we are implementing energy storage technologies to harvest surplus power from our own generation activities.

3. Waste & Emissions

SCC have committed to a 5% annual reduction in CO2 emissions, based on FY20, with a target reduction of 50% by 2030. We have also committed to a 5% annual reduction in waste that is not recycled or reused. We are working towards achieving ISO 50001 accreditation during the next 12 months.

SCC has been a Carbon Neutral business since 2018 and has committed to be Carbon Net Zero by 2050.

We have begun the transition to electric vehicles for our fleet, and our logistics contracts are being renewed with commitments requiring our suppliers and partners to commence or accelerate their own transition to environmentally sustainable business operations.

We ask our suppliers to make commitments in respect of their Carbon Disclosure and share details of their Plan to Zero as we are members of Carbon Disclosure Project (CDP).

Whilst the benefit and value of technology is unequivocal, the world produces 53.6 million tonnes (2019) annually of Waste Electrical and Electronic Equipment. The WEEE directives (2013) aim to control the impact of this waste. SCC processes over 100 tonnes of WEEE every year, and we send zero to landfill. Our state-of-the-art facilities grade waste for resale, reuse or recycling and sends recovered materials back into the production ecosystem.

We're also adapting our working practices to account for the UK "Plastic Tax", removing tonnes of plastic packaging and wrapping from our end-to-end supply chain. We continue to invest in our recycling capabilities and seek out local opportunities to champion recycling and reuse schemes within our own offices.

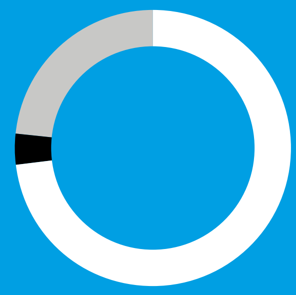
Since 2010, we have been working with carbon management company co2balance, to calculate and offset the carbon dioxide emissions created from our Scope 1, market based Scope 2 and business travel Scope 3 emissions.

Greenhouse gas (GHG) emissions (metric tonnes CO2)

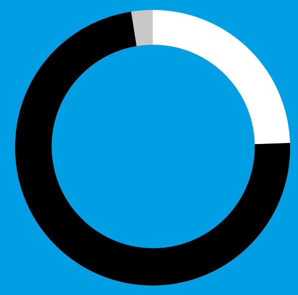
	FY22	FY21
Electricity	4,616	5,517
Gas	230	250
Travel	1,461	1055
Grand Total	6,307	6,822

	FY22	FY21
Scope 1	1,547	1,195
Scope 2	4,616	5,517
Scope 3	144	110
	6,307	6,822

GHG emissions tCO2

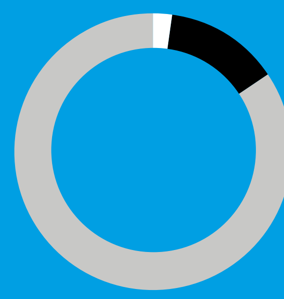


GHG emissions by scope



The GHG Protocol methodology has been used to calculate our emissions values. Our GHG emissions for Scope 1, Scope 2 and business travel scope 3 on the location based method amount to 6307 tCO2e (2021: 6,821 tCO2) including electricity use of 21,739,376 kWh (2021: 23,736,900 kWh), this equates to 8.34 tCO2e per £m of revenue (2021: 9.58 tCO2e/£m).

Market based GHG



	FY22	FY21
Electricity	42.1	93.1
Gas	230.1	250.3
Travel	1461.1	1,054.7
Grand Total	1733.3	1,398.2

James Rigby, SCC CEO said:

"We are proud to be leading the way in setting science-based targets to reduce our carbon emissions and reach net zero by 2050 as part of the UN Race to Zero Campaign."

BUSINESS AMBITION FOR 1.5°C

The location based GHG emissions values are primarily driven by Electricity consumption which falls under scope 2 Indirect emissions and which we continue to purchase from 100% renewable sources. As a result our market based equivalent GHG emissions amount to 1,733.3 tCO2e compared to 1398.3 tCO2e. The increase year on year is entirely due to travel emissions in 2021 being reduced as a result of Covid 19. On the market based approach the largest emitting part of SCC's footprint continues to be from vehicle emissions, including company owned vehicles and from fuel purchased on fuel cards.

Our emissions have reduced 7.5% on a location based method, This reflects a 16% reduction in electricity and gas offset by a 39% increase in travel. The net reduction exceeds our 5% annual reduction target.

Shareholders

SCC is part of the Technology Group of Rigby Group (RG) plc ("Rigby Group"). Rigby Group is a family owned, multinational, service-based holding company for a portfolio of businesses.

Since its inception in 1975, it has built a distinguished reputation as both an investor and business operator. Rigby Group is currently comprised of six key divisions: Technology, Airports, Hotels, Real Estate, Aviation, and Finance.

Our shareholders are closely involved in the management of the business, hold executive positions and ensure the business and shareholder goals are closely aligned. As part of a long standing financially strong group SCC benefits from shareholder commitment to the long term future of the business.

In normal circumstances, we aim to return to our shareholder a maximum of 50% of the profit after tax generated by the group in every financial year without increasing our leverage. Setting targets for operating businesses to deliver cash dividends is a strong motivation to management teams and a policy which we expect to maintain in the future.

During the year, in consultation with our shareholders, the company undertook a corporate simplification exercise that included a significant reduction in our capital employed via a one-off distribution. This has been planned for some time and puts SCC in a more comparable position with its peers in terms capital employed. This years dividend also includes an element related to prior years profit when no dividends were paid. The company retains significant access to cash and has more than sufficient reserves to support its operations and future dividend plans.

Dividends paid in the year were therefore significantly in excess of our usual distribution policy and totalled £51m (2021: nil). In future periods, it is expected that the company will return to a more normal dividend policy of 50% of profit after tax.

We will continue to monitor the suitability to pay dividends, taking into consideration the long-term returns required to our Shareholders and also the need for sufficient cash reserves within the Company.

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

James Rigby
Director
26 September 2022

Governance Report

Board of Directors

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

Sir Peter Rigby
Rigby Group
Chairman

James Rigby
Rigby Group
Co-Chief Executive Officer and SCC EMEA Chief Executive Officer

Steve Rigby
Rigby Group
Co-Chief Executive Officer

Mark Nutter
SCC plc
Chief Financial Officer

Patricia Rigby
Rigby Group
Director

Adam Clark
SCC plc
Chief Revenue Officer

Paul Dove
SCC plc
Chief Solutions Officer

The Board of Directors holds overall responsibility for the stewardship and governance of the company. Shareholders of the 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 88%.

Certain matters are reserved for the Board, including

- Approval of company strategy and budgets
- Acquisitions and Disposals
- Share issuances and dividends
- Financial Guarantees and new Borrowings
- Material contractual arrangements

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 of the business.

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 delivers the execution of our corporate maturity plan, managing assurance audits and risk planning to drive a continuous improvement approach.

Governance principles

We take our obligations to our stakeholders seriously.

Under the current regulatory regime, we are not required to follow a formal Corporate Governance Code, but we strongly 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.

Since the last Annual Report, we have significantly strengthened the Executive Committee. James Rigby stepped back in as CEO and additional expertise was brought onto the Committee, with dedicated Executives responsible for People, Information, Customer Experiences and Operations. We have also appointed a senior Executive to lead two of our strategic development areas, Public Cloud and Security. Overall the Board of Directors are pleased with the progress that has been made, ensuring that the operational management of the company develops in line with changing requirements from our industry, environment and people.

At SCC, the term "governance" covers all aspects of the control and oversight of what we do and how we do it. It's a broad term covering how we structure our teams and business processes, how we behave and conduct our business, and how we measure and control our business to ensure our outcomes meet our collective corporate responsibilities.

We believe we have a portfolio of responsibilities on behalf of several stakeholders, from our customers to our colleagues and to our shareholders. Our commitments to these stakeholders are enshrined in our ESG (environmental, social and governance) Commitments – which are updated annually to reflect our evolving response to a dynamic world.

How we materialise and demonstrate our commitments is just as important to all our stakeholders, which means it is important to us as a business. Our clients, and their customers, are demanding higher levels of evidence and scrutiny when it comes to both qualifying for new business and maintaining the privilege of operating a contract.

Our valued colleagues and potential new talent demand levels of ethics and accountability across socially relevant and wide-ranging topics, without which they would not choose to invest their skills and talents with us. Recognising this need for collective "Digital Trust" has inspired us to new levels of focus and delivery of our commitments.

These commitments, targeted to achieve even greater levels of transparency, accountability, and maturity, cover 10 pillars of excellence: -

1. Human Rights & Labour Conditions
2. Equality, Diversity, and Inclusion
3. Health & Safety
4. Environmental Sustainability
5. Business Ethics (governance & behaviours)
6. Business Continuity
7. Social Value & Community
8. Wellbeing & prosperity
9. Cyber & Information Security
10. Data Protection & Privacy

From each of these pillars we have identified several tangible and measurable commitments that we strive to achieve.

We hold ourselves to the highest standards, and constantly seek to improve our controls and business management practices. We maintain our mandatory compliance accreditations and challenge ourselves to achieve voluntary compliance accreditations that demonstrate our ethics, values, and behaviours. We assess the achievement of our goals, our delivery of our commitments and the impacts of our business on an ongoing basis.

The realisation of our goals and objectives is assessed through collection and interpretation of key performance information from across our enterprise. We use this performance data to inform business decision making, set priorities, and adjust planning horizons.

Supply Chain Ethics

The companies we operate with and how they operate must conform to a transparent and accountable set of principles. We believe we have a responsibility to our colleagues, our suppliers, and our customers to ensure that our business practices are controlled and to manage any inherent or residual risks we encounter. This includes our suppliers and supply chain partners.

We believe that business should operate in an ethical manner, free from bribery, corruption and other anti-competitive behaviours or conflicts of interest. The protection and maintenance of human rights is unassailable, and we hold ourselves to the highest moral standards. We protect the rights of our colleagues and candidates and expect our suppliers to do the same.

It's our belief that workers should be unencumbered in how they seek regular work, treated equally and without discrimination and they should not have to surrender identity documents, or pay holding deposits to work. They should expect to be paid a fair wage, for working hours which are not excessive and be provided safe, clean environments to work in together with appropriate training. No forced or child labour will ever be tolerated, and workers should have the freedom to associate and whistle-blow without fear of recriminations. Maintaining these ethical practices in technology sourcing and management requires constant vigilance to the sources and indicators of bad practice. At SCC we use the Ethical Trade Initiative as a reference standard against which we model our sourcing and supply chain management practices. This is especially important for an international business such as SCC, as it is aligned to several United Nations Declarations and International Labour Organisation (ILO) conventions on human and labour rights which covers all 174 member states.

A. Modern Living Wage

We believe that everyone has the right to earn a living wage. SCC is proud to be a member of the Living Wage Foundation. We are clear in our preference for working with like-minded suppliers and partners – compliance to Living Wage is a mandatory requirement for SCC.

B. Freedom of Association

It is vital to SCC that our workers understand their freedoms and rights will not be interfered with. Workers should not be expected to surrender identification papers or be prevented from free association. We work with our supply chain to ensure workers are not in debt bondage, or other forms of coercive control forcing them to work.

C. Whistle-blowing

Freedom of speech and the right to speak out are fundamental worker rights. We make sure that our colleagues, suppliers, and clients have an anonymous 'no consequence' reporting channel to raise concerns about safety, business practices, behaviours or any other aspect which requires further scrutiny.

D. Modern Slavery

we assess our end-to-end supply chains to ensure compliance with local and international laws, global and regional internal trade standards, and regulations. At SCC we don't want to our business to be associated with human rights abuses, suppression of worker rights, enforced labour or any other form of human exploitation. Our annual statement can be accessed on our website at scc.com

E. Ethical Trade Initiative

We use the ETI base code as the de facto minimum standard regarding our assessment of suppliers or partners. As a global enterprise this standard is the most relevant as in encompasses all the of the countries with whom we do business or that play a constituent role in our end-to-end supply chains.

F. UN Sanctions

Unfortunately the IT supply chain has been the target of exploitative companies, regimes and criminal groups seeking to make money from poor enforcement of labour standards and vulnerable communities. We comply with all international trade sanctions, and never engage with countries or entities with proven or alleged human rights abuses.

Internal Control & Risk Management

The Board adopts the conventional three lines of defence approach to risk management. Operational Management accept primary responsibility for identifying and managing risks, with Board Oversight and Independent Assurance ensuring that Risk Management is effective.

1st	Operational Management	- ownership of day to day risk - application of controls to mitigate risk
2nd	Board Oversight	- establish risk appetite - develop risk management framework
3rd	Independent Assurance	- internal audit assessment of risk matrix

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

Internal Audit

The Rigby Group internal audit function provides the Board with assurance over the financial controls of the Company. Identification and documentation of risks and controls is an important aspect of the relationship with the internal audit function. Internal audit staff benefit from the oversight and involvement of senior finance and non-executive resource within the shareholder organisation but independent of the SCC group.

External Audit

Our external auditor is a valuable source of independent assurance of our control framework. We, therefore, work closely with our auditors to ensure that we support them in providing an annual audit which is as effective as possible in providing assurance to our stakeholders. We are committed to supporting greater value to our shareholder from our external audit.

Regular engagement through the year as part of formal Audit Committee arrangements and informal business updates are designed to keep our auditor fully appraised of changes within the business and to support improvements in the quality of assurance our stakeholders receive from our annual audit.

Enterprise Risk

At SCC we consider risk through several different lenses to understand the impact of our Operational risks, but also the trend of our Enterprise risks. Our Enterprise risks are broadly defined as threats to those things without which we could not operate, or which could result in an irrecoverable loss for the business if they occurred. Enterprise risk mapping is a "top-down" exercise which extrapolates our corporate vision into our strategic intent, business imperatives and delivery commitments, then maps the potential causalities and impacts. Causality and impact mapping generates two-phase risk mitigation planning, addressing both the likelihood and severity of a risk event.

We have assessed six principal enterprise risks.

Enterprise Risk	Context	Parameter
Asset Protection	Protection of Assets refers to the preservation of asset integrity, availability and capacity. Failure to protect an asset could lead to an irrecoverable loss	Asset integrity, performance and availability should be protected in a proactive manner
Business Controls	Business Controls refers to the procedures and processes which protect the outcomes of the business. Lack of, or failure of, business controls can lead to irrecoverable loss	Business Controls should not cost more to implement and run than the protection they afford
Human Capital	Human Capital refers to the availability and performance of suitably experienced and qualified people. Lack of Human Capital can lead to irrecoverable loss of revenues or customer trust	Talent availability and performance is fundamental to SCC success
Financial Management	Liquidity refers to the available cash flow to pay staff and suppliers. Insufficient Liquidity can be terminal for the company	Our financial management strategy must deliver the required liquidity
Reputation	Reputation refers to the value the SCC brand carries to prospective clients and employees. Damage to our Reputation can lead to an irrecoverable loss of brand value	Growth and development of our services business depends on our brand strength
Sustainable Growth	Sustainable Growth refers to the long term economic health and prosperity of the company. Failure to adapt to market forces can lead to an irrecoverable loss of market share	The continued growth and well-being of the company must be sustainable in all aspects

Enterprise Risk Map

Asset Protection	Business Controls	Human Capital	Financial Management	Reputation	Sustainable Growth
Asset Availability	Missing Controls	Talent Retention	Capital Managament	Brand Damage	Limited Commercial Growth
Asset Performance	Ineffective Controls	Talent Attraction	Liquidity	Brand Awareness	Mergers & Acquisitions
Asset Integrity	Licenses, Compliances, Accredations	Talent Performance	Taxation	Brand Persona	Market Conditions
System Maintenance	Laws & Regulation	Talent Availability	Operational Cost	Third Party Relations	Macro Factors
	Health & Safety	Change Readiness	Liability Funding	Digital Trust	Increased Competition
	Environmental, Social, Governance				

Principal risks and mitigation

People

Impact

- Failure to attract and retain our talented colleagues may impact our ability operating the company to the desired service level or meet its obligations
- Attrition rates cause knowledge drain and limit availability of resources
- Poor productivity adversely impacts business performance

Mitigation

- Investment in our recruitment capability and processes
- Continuous professional development of colleagues to develop skills and offer career progression
- Enhanced rewards and benefits packages launched
- Investment in wellbeing
- Succession planning for key roles

Update

- Labour shortages in the market are making it more difficult to recruit people with the desired skills
- Market dynamics are increasing salary rates and presenting additional challenges on retaining core talent
- SCC has increased its engagement with colleagues and enhanced benefit packages

Trend

Asset protection

Impact

- Lack of availability of assets may results in an inability to deliver services or meet contractual requirements
- Asset performance issues may result in failure to deliver service to the desired level or impact on performance
- If assets are compromised through unauthorised access, misuse or accidental disclosure, this may impact on performance, misappropriation of assets or unauthorised disclosure of data

Mitigation

- Appropriate security controls, detection and monitoring is in place
- Incident Response and Business Continuity protocols are in place
- Asset management tools and automated maintenance protocols are utilised

Update

- Continued investment in long term systems replacement
- Security responses have been updated
- External threat actors continue to target service providers

Trend

Reputation

Impact

- Damage to the SCC or Rigby Group Brand, such as through a negative event, bad publicity, a malicious actor or legal proceedings, may result in customers not wanting to do business with the company.
- Poor brand penetration may limit sales opportunities and financial performance

Mitigation

- Incident and event handling processes, including PR management, are in place to aid communication and react rapidly to developing situations
- Company ambition and values represent how we behave and ensure people and customers come first
- Clear ESG strategy

Update

- New company strategy has been launched
- Clear escalation and communications plans created in the event of an incident
- Development of ESG strategy

Trend

Sustainable growth

Impact

- Changes in demand for our services or knowledge, or increased competition, may result in income declining
- Supply chain constraints may limit our ability to sell products and services
- Poor understanding of customer needs may result in more limited opportunities
- Underperforming contracts may result in fines or penalties for performance

Mitigation

- Innovation team dedicated to identifying technology trends
- Long-term forecasting is in place, alongside detailed backlog management, to ensure that viable alternatives are identified for our customers where required
- Customer First programme focusing on understanding our customer needs
- Senior management review major opportunities for commercial risk

Update

- Supply chain challenges are having an impact across the industry
- Demand has increased as customer activity returns post the Covid-19 pandemic
- Strategic Review completed looking at developing market areas

Trend

Going concern and ongoing viablity statement

The directors have assessed the prospects of the Company 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 company 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 Company'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:

Viability Indication Factors

Current Performance

- Growth in operating profit whilst maintaining a good cash profile
- Growth and focus on annuity revenues
- Diversified product and solution sets in our key market
- Customers diversified between markets and sectors
- Tight financial control
- Adequate banking facilities

Strategy and Market Knowledge

- Over 40 years of market knowledge
- Experienced executive teams
- Selective acquisition policy focussed on expanding capabilities around our core business
- Long term investment programmes
- Long standing partnerships with market leading vendors

Risks and Mitigations

- Regular risk assessment responsive mitigation actions
- Infrastructure security maintained through expert internal resources and knowledge base
- Technology change managed through market knowledge and executive experience
- Commercial and financial risks mitigated through strong internal controls
- Appropriate resource skill set managed through regular reviews

Strategic and Financial Planning

A medium term plan is in place which brings the projections of each business together with the long term goals and expectations from shareholders. In support of this plan a rigorous annual planning and forecasting cycle is in place to maintain shorter term focus.

Whilst forecasting in detail over a long time frame is more difficult detailed plans are developed over a 3 year horizon extended at a higher level to provide a 5 year view which the directors consider reflects their viability time horizon.

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 company 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 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 Company will not be reliant on the wider Rigby Group to deliver these results. Current planning takes these expectations into account.

Viability

The Company 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 Company to maintain strong operating profitability over many years despite economic uncertainty and fluctuations in the economic cycle.

Uncertainties continue around the impact of Covid-19 on the business and for our customers. However, over the past two years the Company has demonstrated its ability to respond to these risks. Action has been taken to reduce costs and improve liquidity.

Our Executive team has been working closely with customers to provide continuity of support during the lockdown period and in anticipation of the future. 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 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 budgetary expectations for the coming financial year continue to be achievable.

A strong balance sheet, supported by long term shareholder investment, provides additional confidence in the viability of the Company 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 2022 the Company had net assets of £105.8m, as well as demonstrated growth in turnover, and gross profit. The directors believe the Company is well placed to manage its business risks successfully and the Company's projections show that the Company 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.

Directors report

The directors present their directors report, of the Company for the year ended 31 March 2022.

Strategic Report

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

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

The Communities section of the Strategic Report covers the 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 and ongoing viability statement is presented separately within the Governance report.

Summary Performance and Dividends Declared

The Company's activities during the year generated turnover of £756m compared to £712m in the prior year. Profit before tax for the year was £21.6m compared to £17.2m in the prior year.

Dividends of £50.7m were declared and paid during the year (2021: £nil), with the balance offset against an intercompany account. No further dividends have been proposed after the year end.

Net Assets of the business at the year end are £106m, a reduction of £34m over previous year (2021: £140m) as a result of dividends paid in the year.

Research and Development Expenditure

£3.1m has been spent on research and development activity during the year (2021: £2.2m) to develop innovative solutions to meet our customers' needs, £1.2m of which has been capitalised. The year's expenditure is in line with our annual investment levels which exceed £2.5m per year on average over the last five years.

Directors and Directors' Indemnities

The following directors have held office since 1 April 2021 and up to the date of signing: Sir Peter Rigby, Ms PA Rigby, Mr JP Rigby, Mr SP Rigby, Mr MJ Swain (resigned 4 November 2021), Mrs PA Swain (resigned 1 November 2021), Mr A Clarke, Mr PM Dove, Mr MT Nutter.

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

Branches

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

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 and of the profit or loss of the Company for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approval of Reduced Disclosures

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 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 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 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
26 September 2022

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Specialist Computer Centres plc (the company):

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of it's profit 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 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 profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 26.

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 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 company's ability to continue as a going concern for a period of at least twelve months from when the f inancial 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context 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 company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team, including 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 to product revenue cut-off. There are significant levels of transactions that occur immediately prior to the year-end and management could record fictitious sales in order to meet performance expectations. With the sig-nificant increase in volume of sales towards the end of the year, especially in the week immediately prior to 31 March, there is a risk that errors in cut-off of recognition of product sales could result in a material error in revenue. In order to assess that revenue was recognised in the correct period, we performed the following procedures:

- tested the design and implementation and operating effectiveness of management's controls over the over accuracy, completeness, cut-off and occurrence of revenue; and
- tested of 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 shipments.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report has 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 its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report and directors' report.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

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

Statutory Auditor
Birmingham
United Kingdom

26 September 2022

financial statements.

Annual Report and Financial Statements 2022

Profit and Loss Account

for year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Turnover	3	**756,088**	712,372
Cost of sales		**(648,145)**	(614,443)
Gross profit		**107,943**	97,929
Administrative expenses		**(86,506)**	(86,545)
Other operating income	5	**619**	6,371
Operating profit		**22,056**	17,755
Finance costs (net)	4	**(465)**	(594)
Profit before taxation	5	**21,591**	17,161
Tax on profit	7	**(5,194)**	(3,755)
Profit for the financial year		**16,397**	13,406

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

The notes form part of these financial statements.

Statement of Comprehensive Income

for year ended 31 March 2022

	2022 £'000	2021 £'000
Profit for the financial year	**16,397**	13,406
Re-measurement of net defined benefit obligation (note 19)	**590**	(303)
Tax relating to items of other comprehensive income (note 18)	**(114)**	65
Other comprehensive income / (expense)	**476**	(238)
Total comprehensive income	**16,873**	13,168

Balance Sheet

as at 31 March 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Intangible assets	10	**32,721**	26,960
Tangible assets	11	**54,930**	59,890
Investments	12	**2,757**	2,157
		90,408	89,007
Current assets			
Stocks	14	**20,672**	12,281
Debtors			
- due within one year	15	**100,164**	134,020
- due after more than one year	15	**3,995**	5,124
Cash at bank and in hand		**200,426**	200,433
		325,257	351,858
Creditors: amounts falling due within one year	16	**(295,778)**	(288,300)
Net current assets		**29,479**	63,558
Total assets less current liabilities		**119,887**	152,565
Creditors: amounts falling due after more than one year	17	**(7,231)**	(8,724)
Provisions for liabilities	18	**(6,861)**	(4,216)
Net assets		**105,795**	139,625
Capital and reserves			
Called-up share capital	20	**1,158**	1,158
Share premium account	20	**143**	143
Profit and loss account	20	**104,493**	138,324
Shareholders' funds		**105,795**	139,625

Approved by the board of directors, authorised for issue on 26 September 2022 and signed on its behalf by:

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

Statement of Changes in Equity

for the Year Ended 31 March 2022

	Called-up share capital £'000	Share premium account £'000	Share based payment reserve £'000	Profit and loss account £'000	Total Shareholders Funds £'000
At 1 April 2020	1,158	143	100	125,056	126,457
Profit for the financial year	-	-	-	13,406	13,406
Re-measurement of net defined benefit liability (note 19)	-	-	-	(303)	(303)
Tax relating to items of other comprehensive income (note 18)	-	-	-	65	65
Total comprehensive income	-	-	-	13,168	13,168
Settlement of equity share-based payments (note 20)	-	-	(100)	100	-
At 31 March 2021	1,158	143	-	138,324	139,625
Profit for the financial year	-	-	-	16,397	16,397
Re-measurement of net defined benefit obligation (note 19)	-	-	-	590	590
Tax relating to items of other comprehensive income (note 18)	-	-	-	(114)	(114)
Total comprehensive income	-	-	-	16,873	16,873
Dividends paid/declared (note 9)	-	-	-	(50,704)	(50,704)
At 31 March 2022	**1,158**	**143**	**-**	**104,493**	**105,795**

Cash Flow Statement

for the Year Ended 31 March 2022

	Note	2022 £'000	2021 £'000
Net cash flows from operating activities	21	63,038	47,791
Cash flows from investing activities			
Proceeds from sale of software and equipment		62	35
Purchase of software and equipment		(7,276)	(10,785)
Interest received		13	21
Acquisitions		(4,325)	-
Net cash flow used in investing activities		(11,526)	(10,729)
Cash flows from financing activities			
Dividends paid		(50,704)	-
Repayment of obligations under finance leases		(438)	(694)
Interest paid		(377)	(630)
Net cash flow used in financing activities		(51,519)	(1,324)
Net (decrease) / increase in cash and cash equivalents		(7)	35,738
Cash and cash equivalents at beginning of year		200,433	164,695
Net (decrease) / increase in cash and cash equivalents		(7)	35,738
Cash and cash equivalents at end of year		200,426	200,433
Reconciliation of cash at bank and in hand			
Cash at bank and in hand at end of year		200,426	200,433
Cash and cash equivalents at end of year		200,426	200,433

1 Significant accounting policies

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

1.1 General information and basis of accounting

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

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The amendments of accounting standards in the year that are effective for the year-ended 31 March 2022 have had no material impact on the financial statements of the Company.

The functional currency of the Company is considered to be pound sterling because that is the currency of the primary economic environment in which the Company operates. As a wholly owned subsidiary of SCC EMEA Limited it has taken advantage of the exemption under section 400 of the Companies Act 2006 from preparing consolidated financial statements.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of certain disclosure exemptions available to it in respect of its financial statements in relation to preparing related party, shared based payments and financial instrument disclosures.

1.2 Going concern

The Company's business activities, together with factors likely to affect its future developments, performance and position are set out within the strategic report.

The strategic and governance reports describes the financial position of the Company; its financial risk management objectives and its exposure to credit risk and liquidity risk.

The Company is part of the SCC EMEA Limited Group, which has secured banking facilities in both the UK and Continental Europe used to meet its day to day working capital requirements.

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

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

1.3
Intangible assets - Goodwill

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

1.4
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.

1.5
Intangible assets – Development costs

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.

1.6
Tangible fixed assets

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

Freehold land and buildings	50 years
Leasehold land and buildings	up to 40 years
Fixtures and equipment	3 to 20 years
Motor vehicles	3 to 5 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.

1.7
Investments

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

1.8
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.

1.9
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.

1.10
Employee benefits

The Company makes contributions to various 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.

The Company 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. The Company is also the registered employer for a section of the Federated Pension Plan, a closed defined benefit scheme in which there are 3 active members.

Service costs arising during the period are charged to the profit and loss account. The net interest cost is charged to the profit and loss account and included within finance costs. Re-measurement comprising actuarial gains and losses arising from changes in assumptions are recognised immediately in other comprehensive income.

1.11
Share based payments

The Company has issued equity-settled share based payments to certain employees.

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

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

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

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

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

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

1.12
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 with original maturities of three months or less.

1.13
Financial instruments

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

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

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.

1.14 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 Company 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 Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

1.15 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.

1.16 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.

1.17 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.

1.18 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.

1.19 Government grants

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

1.20 Contractual obligations under preferred vendor schemes

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

1.21 Provisions

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

1.22 Interest income

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

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

2.1 Critical judgements in applying the Company's accounting policies

There were no critical judgements made by the directors during the year in applying the Company'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

	2022 £'000	2021 £'000
By geographical destination		
United Kingdom	744,600	705,008
Continental Europe	11,449	7,326
Rest of World	39	38
	756,088	712,372
By category		
Sale of goods	552,257	512,466
Rendering of services	203,728	199,803
Government grants	103	103
	756,088	712,372

Government grants represent amounts received in respect of our data centre operations and are being released to the profit and loss account over the useful economic life of those assets. No further conditions need to be satisfied in respect of the grants received.

4. Finance costs (net)

	2022 £'000	2021 £'000
Interest payable and similar charges	377	632
Investment income	(14)	(17)
Other finance costs/(income)	102	(21)
	465	594

	2022 £'000	2021 £'000
Interest payable and similar charges		
Interest on finance facilities	344	551
Finance leases and hire purchase contracts	33	50
Other interest payable	-	31
	377	632

	2022 £'000	2021 £'000
Interest receivable and similar income		
Other interest receivable	(14)	(17)
	(14)	(17)

	2022 £'000	2021 £'000
Other finance costs		
Unwinding of discount on long term debtors/creditors	87	(29)
Net interest on defined benefit obligation (note 19)	15	8
	102	(21)

5. Profit before taxation

Profit before taxation is stated after charging /(crediting) the following amounts:

	2022 £'000	2021 £'000
Depreciation of tangible fixed assets	8,246	8,193
Amortisation of intangible assets	1,640	1,095
Amortisation of goodwill	-	205
Research expenditure	1,900	1,542
Government grant income	(103)	(103)
Operating lease rentals	4,603	4,782
Foreign exchange gains	(616)	(299)
Gain on disposal of fixed assets	(59)	(20)
Cost of stock recognised as an expense within cost of sales	509,142	479,496
Impairment of stock recognised as an expense within cost of sales	260	51
Other operating income - CJRS Government Grants*	(162)	(5,862)
Other operating income - Rental Income	(457)	(509)

The analysis of auditor's remuneration is as follows:

	2022 £'000	2021 £'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	244	236
Other taxation advisory services	10	-
Total non-audit fees	10	-

*CJRS grants received were repaid in full during the year.

No services were provided pursuant to contingent fee arrangements.

6. Staff costs

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

	2022 Number	2021 Number
Sales	309	330
Administration	204	195
Engineering	979	1,101
Warehouse	121	124
	1,613	1,750

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	85,005	84,248
Social security costs	9,877	9,939
Pension costs	2,148	2,291
	97,030	96,478

The above remuneration excludes redundancy payments of £2,153,323 (2021: £1,489,008).

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

7. Tax on profit

	2022 £'000	2021 £'000
Current tax		
Corporation tax	3,051	3,292
Adjustments in respect of prior years	(350)	(73)
Total current tax	2,701	3,219
Deferred tax		
Origination and reversal of timing differences	969	308
Adjustments in respect of prior years	414	228
Effect of changes in tax rate	1,110	-
Total deferred tax (note 18)	2,493	536
Total tax on profit	5,194	3,755

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:

	2022 £'000	2021 £'000
Factors affecting the tax charge for the year		
Profit before tax	21,591	17,161
Tax on profit at standard UK corporation tax rate of 19% (2021: 19%)	4,102	3,261
Effects of:		
Expenses not deductible for tax purposes	146	170
Income not taxable for tax purposes	(232)	(5)
Transfer pricing adjustments	5	174
Adjustment in respect of prior years	63	156
Effect of changes in tax rate	1,110	-
Total tax charge for year	5,194	3,755

The standard rate of corporation tax in the UK is currently 19%. An increase to the main rate of corporation tax in the UK to 25% from April 2023 was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. Deferred tax at the balance sheet date has been measured using these enacted tax rates and reflected in these financial statements.

8. Directors' Remuneration and Transactions

The remuneration of the directors was as follows:

	2022 £'000	2021 £'000
Emoluments	3,133	1,528
Company contributions to money purchase schemes	61	67
	3,194	1,595

Included within the emoluments disclosed above is compensation for loss of office of £794,000 (2021: £nil).

The above amounts do not include any gains made on the exercise of share options or the value of any shares or share options received. 1 director exercised share options in the year (2021 - One). During the year, no share options were granted to the directors (2021 - None).

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

The total remuneration of directors paid by other Group Companies was £2,156,000 (2021: £342,000). In addition some of these directors are accruing benefits under a Group pension scheme with total contributions of £nil (2021: £6,000) paid on their behalf.

In the current year £nil (2021: £1,337,000) was paid to a director of the company by the parent company under a long term incentive plan which was not repeated in the current year.

Pensions
The number of directors for whom retirement benefits are accruing under a defined contribution scheme is 5 (2021: 5).

Remuneration of highest paid Director

	2022 £'000	2021 £'000
Emoluments	1,154	618
Company contributions to money purchase schemes	19	30
	1,173	648

9. Dividends

	2022 £'000	2021 £'000
Dividends have been paid of £49.39 per share (2021: £nil)	50,704	-

10. Intangible fixed assets

	Goodwill £'000	Software costs £'000	Development costs £'000	Total £'000
Cost				
At 1 April 2021	3,902	26,108	11,279	41,289
Acquisitions	4,325	-	-	4,325
Additions	-	374	2,702	3,076
At 31 March 2022	8,227	26,482	13,981	48,690
Amortisation				
At 1 April 2021	3,902	10,427	-	14,329
Charge for the year	-	1,640	-	1,640
At 31 March 2022	3,902	12,067	-	15,969
Net Book Value				
At 31 March 2022	4,325	14,415	13,981	32,721
At 31 March 2021	-	15,681	11,279	26,960

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

Development costs have been capitalised in accordance with the requirements of FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

The intangible assets include the company's ERP system. The capitalised costs relate to development of the software for the company's specific requirements. The elements of the ERP system which have been completed have been transferred into Software Intangible assets with a carrying value of £12,424,000 (2021: £13,265,000) and has an average remaining amortisation period of 13 years (2021:14 years).

The ERP development costs for those elements not yet completed are within development costs as an asset in the course of construction, at a value of £13,716,000 (2021: £11,184,000). The software will begin depreciation once it has been brought into use and will be depreciated over 15 years.

There are no other individually material intangible assets.

Acquisitions are set out in Note 13.

11. Tangible fixed assets

	Land and Buildings				
	Freehold £'000	Leasehold £'000	Fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2021	16,945	21,234	83,827	2,491	124,497
Additions	-	552	2,582	155	3,289
Disposals	-	(11)	(2)	(324)	(337)
At 31 March 2022	16,945	21,775	86,407	2,322	127,449
Depreciation					
At 1 April 2021	1,722	9,213	51,848	1,824	64,607
Charge for the year	378	909	6,721	238	8,246
Disposals	-	(11)	-	(323)	(334)
At 31 March 2022	2,100	10,111	58,569	1,739	72,519
Net Book Value					
At 31 March 2022	14,845	11,664	27,838	583	54,930
At 31 March 2021	15,223	12,021	31,979	667	59,890

Included above are assets held under finance lease and hire purchase contracts which are held as securities against finance lease liabilities and their carrying values are as follows:

	Land and Buildings				
	Freehold £'000	Leasehold £'000	Fixtures and equipment £'000	Motor vehicles £'000	Total £'000
At 31 March 2022	-	-	-	572	572
At 31 March 2021	-	-	180	630	810

12. Investments

	Shares in subsidiary undertakings £'000
As at 1 April 2021	2,157
Additions	600
As at 31 March 2022	2,757

Subsidiary undertakings

On 31 March 2022 and 31 March 2021 the Company directly held investments in 100% of the ordinary share capital of the following subsidiary undertakings, except SCC AVS Limited where it held 80% of the ordinary share capital:

Company subsidiary undertakings	Country of incorporation	Principal activity
SCC AVS Limited	England and Wales	Audio visual services
SCC (UK) Limited	England and Wales	Dormant
SCC Capital Limited	England and Wales	Dormant
M2 Smile Limited	England and Wales	Dormant
Oworx Limited	England and Wales	Dormant

The registered offices of all entities are the same as the registered office for the Company, this is provided in the Company Information section of this annual report.

On 31 March 2022, a reassessment was made of the deferred contingent consideration to acquire the remaining 20% of SCC AVS Limited under a put or call option exercisable in 2022. As a result the Company has increased the deferred contingent consideration to be paid by £600,000.

On 28 April 2022 the Company exercised its call option and acquired the remaining 20% of SCC AVS Limited.

13. Acquisitions

On 14 February 2022 the Company acquired Civica UK's Licensing and Cloud Software Lifecycle (LCSL) business. The acquisition included Civica's LCSL team and its existing customer and partner relationships. No net assets were acquired and the total consideration of £4,325,000 has been recognised within goodwill which will be amortised on a straight-line basis over a useful life of 10 years. The consideration was cash settled in full during the year from existing cash reserves.

In the year ended 31 March 2022 turnover of £413,000 and operating loss of £57,000 have been included within the results of the Company in respect of the LCSL business. The acquisition is expected to be earnings accretive from the next financial year.

14. Stocks

	2022 £'000	2021 £'000
Goods held for resale	13,956	5,735
Print consumables	4,765	4,989
Maintenance stock	1,951	1,557
	20,672	12,281

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

15. Debtors

Amounts falling due within one year:

	2022 £'000	2021 £'000
Trade debtors	66,462	98,843
Amounts owed by Group undertakings	4,906	5,171
Other debtors	9,353	9,830
Group relief debtor	-	1
Corporation tax	1,227	340
Prepayments and accrued income	18,216	19,835
	100,164	134,020

In the UK, the Company has a rolling facility with HSBC Invoice Finance (UK) Limited providing a combination of recourse and non-recourse financing. The facility is reviewed on an annual basis and has been maintained at £80m for the year. This facility provides capacity for the Company to be adequately financed to meet peak borrowing requirements which fluctuate during the year in line with the normal variability of transaction activity.

Within amounts owed by Group undertakings is an intercompany loan issued to a subsidiary entity of £nil (2021: £1,650,000). The loan is unsecured, non-interest bearing and repayable on demand.

All other amounts owed by Group undertakings arise from normal trading activities, are unsecured, non-interest bearing and repayable on demand. These are all subsidiary undertakings of Rigby Group (RG) plc.

Amounts falling due after more than one year:

	2022 £'000	2021 £'000
Trade debtors	1,757	2,392
Prepayments and accrued income	2,238	2,732
	3,995	5,124

Notes to the Financial Statements

16. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Obligations under finance leases and HP contracts	110	402
Trade creditors	215,374	216,223
Group relief creditor	186	-
Amounts owed to Group undertakings	3,673	3,832
Other taxation and social security	22,816	15,735
Other creditors	7,006	6,615
Government grants	103	103
Deferred revenue	22,348	23,355
Accruals	24,162	22,035
	295,778	288,300

All amounts owed to Group undertakings arise from normal trading activities, are unsecured, not subject to interest and are repayable on demand. These are all subsidiary undertakings of Rigby Group (RG) plc.

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

	2022 £'000	2021 £'000
Obligations under finance leases and HP contracts	96	79
Deferred income	4,174	4,472
Government grants	149	252
Trade creditors	2,812	3,921
	7,231	8,724

Net obligations under hire purchase contracts

	2022 £'000	2021 £'000
Repayable within one year (note 16)	110	402
Repayable between one and five years	96	79
	206	481

The obligations under finance leases and hire purchase contracts are secured over motor vehicles. There are no restrictions imposed by lease arrangements.

18. Provisions for liabilities

	Deferred contingent consideration £'000	Defined benefit obligation (note 19) £'000	Deferred tax £'000	Total £'000
At 1 April 2021	1,480	717	2,019	4,216
Acquisitions	600	-	-	600
Charged to the profit and loss account	-	68	2,493	2,561
(Credited)/charged to other comprehensive income	-	(590)	114	(476)
Utilisation of provisions	-	(40)	-	(40)
At 31 March 2022	2,080	155	4,626	6,861

The deferred contingent consideration has arisen on the acquisition of SCC AVS Limited and is based on the performance of the company in the years ending 31 March 2020 and 31 March 2022. This deferred consideration has been settled post year end.

Deferred Taxation

The Company's net deferred taxation liability comprises:

	2022 £'000	2021 £'000
Deferred taxation asset		
- recoverable within one year	-	367
- recoverable after more than one year	231	125
Deferred taxation liability		
- payable within one year	(544)	(21)
- payable after more than one year	(4,313)	(2,490)
	(4,626)	(2,019)

	£'000
As at 1 April 2021	(2,019)
Charged to profit and loss account	(2,493)
Charged to other comprehensive income	(114)
As at 31 March 2022	(4,626)

The net deferred taxation liability is made up as follows:

	2022 £'000	2021 £'000
Depreciation in excess of capital allowances	(4,857)	(2,511)
Other timing differences	231	492
	(4,626)	(2,019)

At 31 March 2022, there are no deferred tax assets which have not been provided for (2021: None).

19. Employee benefits

Defined Benefit Schemes

Specialist Computer Centres Plc is the employer under two defined benefit pension 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, the next valuation being due as at 31 December 2022.

(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 (2021:3 members) and the best estimate of the contributions payable by the Company for the next financial year is £42,000. A formal actuarial valuation was undertaken at 5 April 2019, an actuarial valuation on the scheme at 5 April 2022 is currently ongoing, with the next valuation being due as at 5 April 2025.

For the purposes of these financial statements the company has engaged external actuaries to undertake Financial Reporting Standard 102 (FRS102) valuations on the Specialist Computer Centre section of the Railway Pension Scheme, which accounts for £4.2m of the gross defined benefit obligations.

The Specialist Computer Centre section of the federated pension plan sits in a small unrecognised asset position. Disclosures for this scheme have been provided by the schemes administrators but have not subject to an actuarial review since 2021.

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

	2022 %	2021 %
Inflation	3.6	3.2
Future pension increases	3.2	2.8
Discount rate	2.7	2.1

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:

	2022	2021
Male currently aged 65	20.5	20.2
Male currently aged 45	22.3	21.8
Female currently aged 65	23.5	22.9
Female currently aged 45	25.3	24.5

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

	2022 £'000	2021 £'000
Current service cost	29	35
Net interest cost	15	8
Expenses	24	50
Total amount charged in profit and loss account	68	93
Actuarial (gains) / losses	(590)	303
Total (credit)/charge relating to defined benefit obligation	(522)	396

19. Employee benefits (continued)

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

	2022 £'000	2021 £'000
Present value of defined benefit obligations	4,749	4,923
Fair value of scheme assets	(4,594)	(4,206)
Net liability recognised in the balance sheet	155	717

Movements in the defined benefit obligations were as follows:

	£'000
At 1 April 2021	4,923
Current service cost	29
Interest cost	93
Expenses	11
Contributions	3
Actuarial gains	(271)
Actual benefit payments	(39)
At 31 March 2022	4,749

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

	£'000
At 1 April 2021	4,206
Interest income on assets	78
Gain on plan assets	319
Contributions	43
Actual benefit payments	(39)
Administration costs	(13)
At 31 March 2022	4,594

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

	2022 £'000	2021 £'000
Growth assets	3,691	3,362
Government bonds	445	546
Non-government bonds	137	276
Cash	321	22
Total asset value	4,594	4,206

20. Called-up share capital and reserves

	2022 Number	2021 Number	2022 £'000	2021 £'000
Allotted, called-up and fully-paid	1,026,671	1,026,671	1,026	1,026
Ordinary shares of £1 each	132,000	132,000	132	132
A Ordinary Shares of £1 each	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 shares have a par value of £1, and a share premium of £1.08.

On 27 July 2020 one director exercised his put option resulting in 72,000 of the A ordinary shares being sold to SCC UK Holdings and a director loan of £150,000 being repaid.

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 A-share issuance.

21. Net cash flows from operating activities

	2022 £'000	2021 £'000
Operating profit	22,056	17,755
Adjustment for:		
Depreciation of tangible fixed assets	8,246	8,193
Amortisation of intangible fixed assets	1,640	1,300
Profit on sale of tangible fixed assets	(59)	(20)
Service cost and expenses on defined benefit obligation	53	85
Operating cash flow before movement in working capital	31,936	27,313
(Increase)/decrease in stocks	(8,391)	990
Decrease in debtors	35,871	3,617
Increase in creditors	7024	19,379
	66,440	51,299
Income tax paid	(3,402)	(3,508)
Cash generated by operations	63,038	47,791

A separate note on the changes in net debt is not presented within these financial statements. The only non cash element of net debt relate to hire purchase obligations which are detailed in note 17 and have a total closing value of £206,000 (2021: £481,000).

22. Contingent liabilities

The Company is party to a cross guarantee on the overdrafts and bank facilities of certain UK companies owned directly or indirectly by SCC EMEA Limited. At 31 March 2022, the indebtedness of these UK group undertakings amounted to £Nil (2021: £46,697,654).

23. Related party transactions

As a 100% indirectly owned subsidiary undertaking of Rigby Group (RG) Plc, the Company has taken advantage of the exemption in FRS102 from disclosing transactions with other wholly owned companies within the Group headed by Rigby Group (RG) Plc.

The Company own 80% of the issued share capital of SCC AVS Limited. In the year ended 31 March 2022:
Sales of services to SCC AVS Limited were £1,453,986 (2021: £3,569,213) and purchase of goods by SCC from SCC AVS Limited were £85,529 (2021: £169,954)

Amounts receivable from SCC AVS Limited were £nil (2021: £1,650,000). Amounts payable to SCC AVS Limited were £457,991 (2021: 985,717). The amounts outstanding are unsecured and will be settled in cash. All amounts owed to SCC are non-interest bearing and payable on demand.

24. Financial commitments

	2022 £'000	2021 £'000
Capital commitments contracted but not provided for:		
- Property, non-finance leases	234	-
- Software development	-	38

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

	2022		2021	
Group	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Within one year	2,136	595	2,364	388
Between two and five years	6,157	974	5,337	565
In over five years	6,606	-	6,704	-
	14,899	1,569	14,405	953

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.

25. Controlling party

Ultimate parent undertaking

The Company is a subsidiary undertaking of SCC UK Holdings Limited, a company registered in England and Wales. The results of SCC UK Holdings Limited are consolidated into those of SCC EMEA Limited, registered in England and Wales, being the smallest group for which consolidated financial statements are prepared. Consolidated financial statements are available at James House, Warwick Road, Birmingham, B11 2LE, which is its registered office.

The largest group of which the Company is a member, and for which consolidated financial statements are drawn up, is that headed by Rigby Group (RG) plc. Consolidated financial statements are available at Bridgeway House, Stratford Upon Avon, Warwickshire, CV37 6YX, which is its registered office.

Ultimate controlling body

Sir Peter Rigby, a director of Rigby Group (RG) plc, controls the Company as a result of holding 52.02% of the issued ordinary share capital and 60% of the voting rights of Rigby Group (RG) plc, the ultimate parent undertaking.

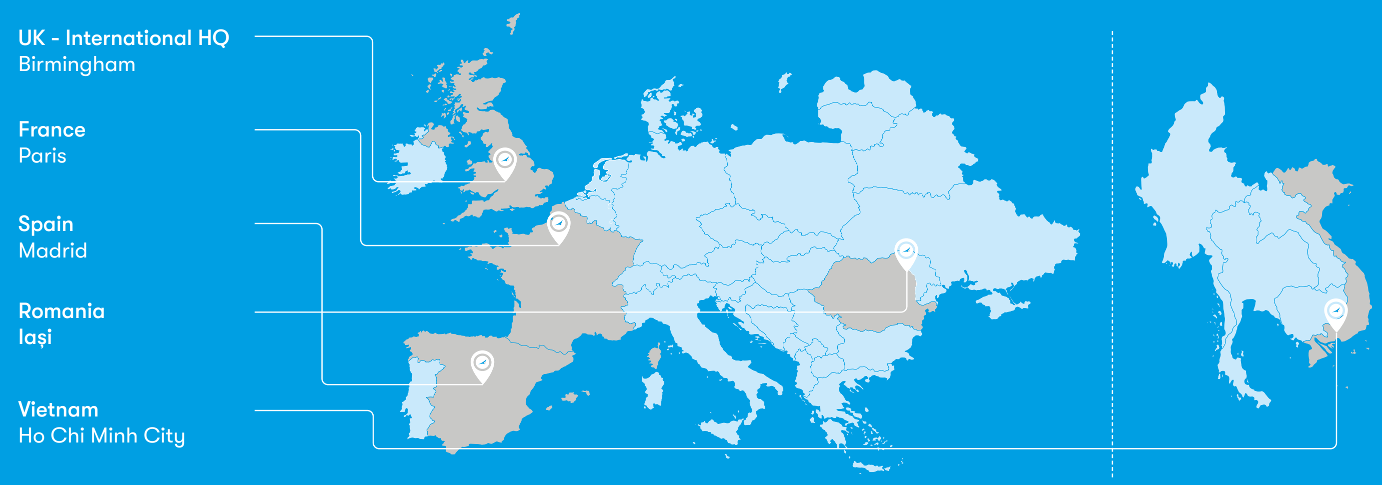
26. Post balance sheet events

On 29 April 2022 the Company exercised its call option to acquire the remaining 20% shares in SCC AVS Limited for £2.1m.

On 6 May 2022 the Company completed the acquisition of 100% of SEA Holdings (UK) Limited group. The consideration is subject to completion accounts and the outcome of certain future events which are not yet finalised. Further detail will be provided in the financial statements to 31 March 2023.

SCC EMEA Group - unaudited

Specialist Computer Centres plc is a part of the SCC EMEA Limited Group of companies.



Specialist Computer Centres plc is a key part of the SCC EMEA Group, which trades in UK, France, and Spain and has Global Delivery Centres providing support to SCC customers and internal operations from Romania and Vietnam.

Specialist Computer Centres plc is reported within the UK segment of the Group which has delivered a combined turnover of £777.0m and Operating Profit of £21.2m

	UK GBP		France EUR		Spain EUR		GDC GBP	
Turnover	£777.0m 2021 £728.5m	6.7%	£2,088.9m 2021 £1,866.6m	11.9%	£86.4m 2021 £77.3m	11.7%	£21.9m 2021 £21.5m	1.7%
Operating Profit	£21.2m 2021 £15.5m	37.0%	£46.8m 2021 £29.4m	59.0%	£1.9m 2021 £1.0m	85.5%	£1.2m 2021 £1.6m	-21.3%
Profit before tax	£20.7m 2021 £14.9m	39.3%	£46.2m 2021 £28.7m	61.3%	£2.0m 2021 £1.0m	97.0%	£1.2m 2021 £1.5m	-20.9%
Cash Generated by Operations	£63.2m 2021 £105.4m	-40.0%	£29.8m 2021 £64.7m	-53.9%	£9.3m 2021 (£17.1m)	-154.2%	£0.6m 2021 £2.4m	-74.8%

Supporting customers across Europe

Leading strategic partner to 50+ leading vendors

Multi-award winning Managed Services & Data Centres

Multi lingual global delivery centres

More than 5,500 employees

45+ offices in the UK, France, Spain, Romania & Vietnam

Turnover	£2,626m 2021 £2,465m	+7%	Operating Profit	£64.4m 2021 £45.9m	+40%
Services Revenue	£383m 2021 £346m	+11%	Gross Profit	£286m 2021 £257m	+11%
Cash Generated by Operations	£93m 2021 £103m	-10%	Net Cash	£455m 2021 £390m	+17%
Net Assets	£162m 2021 £197m	-18%	Profit Before Tax	£63.6m 2021 £44.5m	+43%

Consolidated Financial Highlights of SCC EMEA Limited

2022 has been both a successful year for the SCC EMEA group, with the UK, France and Spain divisions all reporting a record Operating Profit.

The business has responded positively to the challenges of the global pandemic despite the impact it has had on our customers, partners and our employees.

Full year financial performance reflects the strength of our French business and its focus on supporting the government sector along with strong product revenue in the UK and Spain. Decisive management action taken in 2021 along with the government support available put the business in good shape for 2022.

The UK division made an acquisition in Q4 of the year of Civica's Licensing and Cloud Software Lifecycle, which will be integrated into the Group in 2023. This will increase SCC UK's presence in the Cloud Software Lifecycle market and strengthen its successful software licensing and software asset management (SAM) businesses

Turnover

Group revenues grew to £2.6bn from £2.4bn, driven by a continued increase in demand from our customers for software and assets to facilitate remote working in both the UK and France.

The mix of our group remains unchanged with France turning over 68% of revenue and the UK operations 30%. With large, strong and stable operations in these key territories no change is expected in the future.

Performance in our French business has been particularly strong with our public sector and software practices leading growth in country revenues of 11%. Our operations continue to be led by our supply business which accounts for 92% of total revenue.

In Spain, revenue grew by 12% as the business recovered strongly from the impact of Covid-19 in 2021. Operating profit grew by 86% to €1.9m, due to the growth in business as well as a continued focus on costs.

Profitability

Both EBIT and EBITDA grew by 40% at £64.4m and £81.1m respectively.

Net Assets

At £161m, consolidated net assets reduced by -18%. This was due to a one-off distribution of £45.5m that was declared in the financial year to our parent company Rigby Group (RG) plc, to settle an historic intercompany position. In addition to this, £35.4m of dividends were declared, of which £15.6m were settled in cash during the year and £19.8m settled after the year end. No dividend was declared or paid in 2021.

Headcount

Average headcount decreased from 5,946 in the prior year to 5,861 and the average cost per head reduced by 2.0% in the year.

01	Directors	Sir Peter Rigby Ms PA Rigby Mr JP Rigby Mr SP Rigby Mr MJ Swain (resigned 4 November 2021) Mrs PA Swain (resigned 1 November 2021) Mr A Clarke Mr PM Dove Mr MT Nutter
02	Company Secretary	Mr MT Nutter
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 120 Edmund Street Birmingham West Midlands B3 2QZ United Kingdom
06	Solicitors	Gowling WLG (UK) LLP 2 Snowhill Birmingham West Midlands B4 6WR United Kingdom
07	Company Number	01428210

Registered offices of subsidiary entities are the same as for the Company.

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