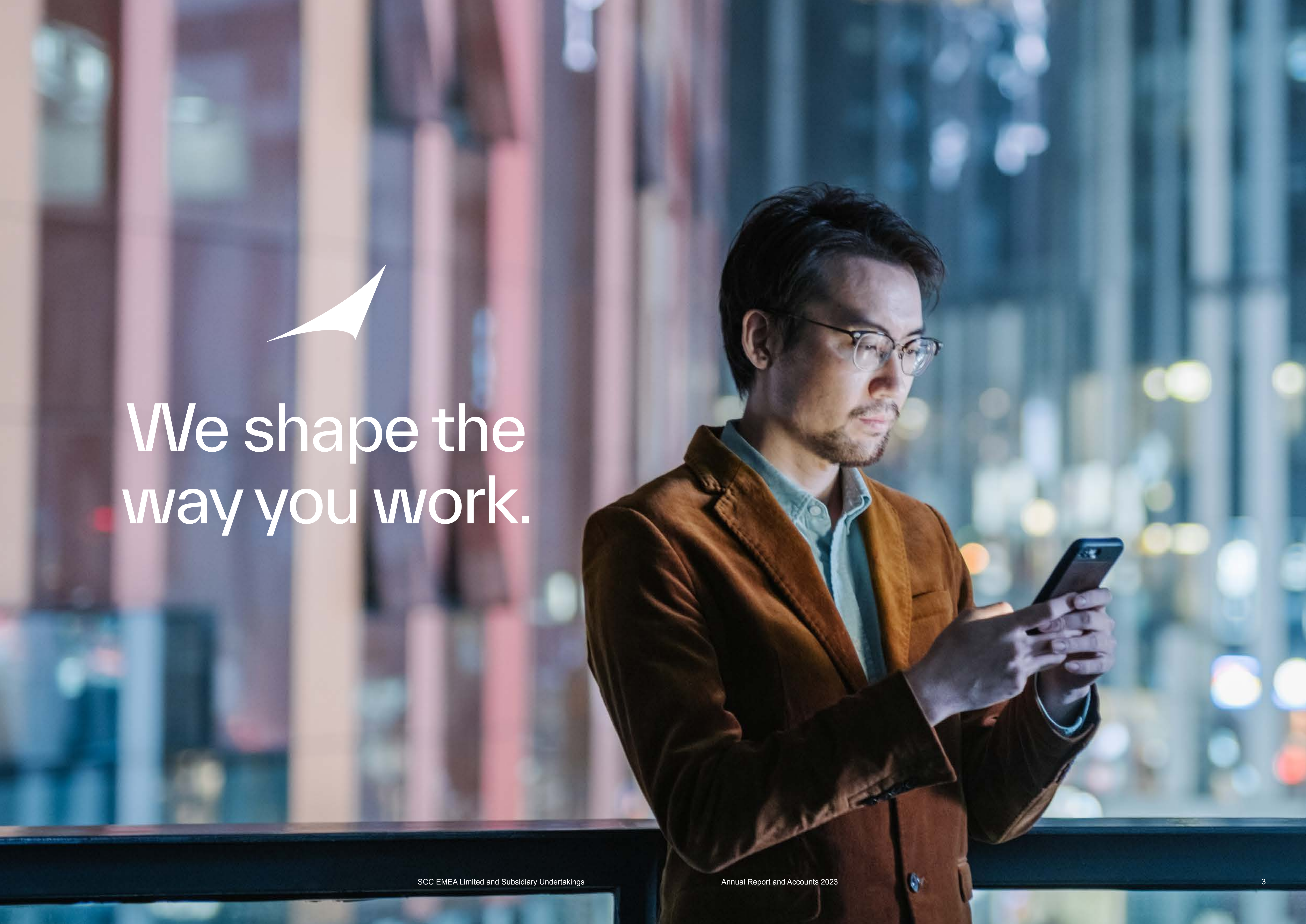
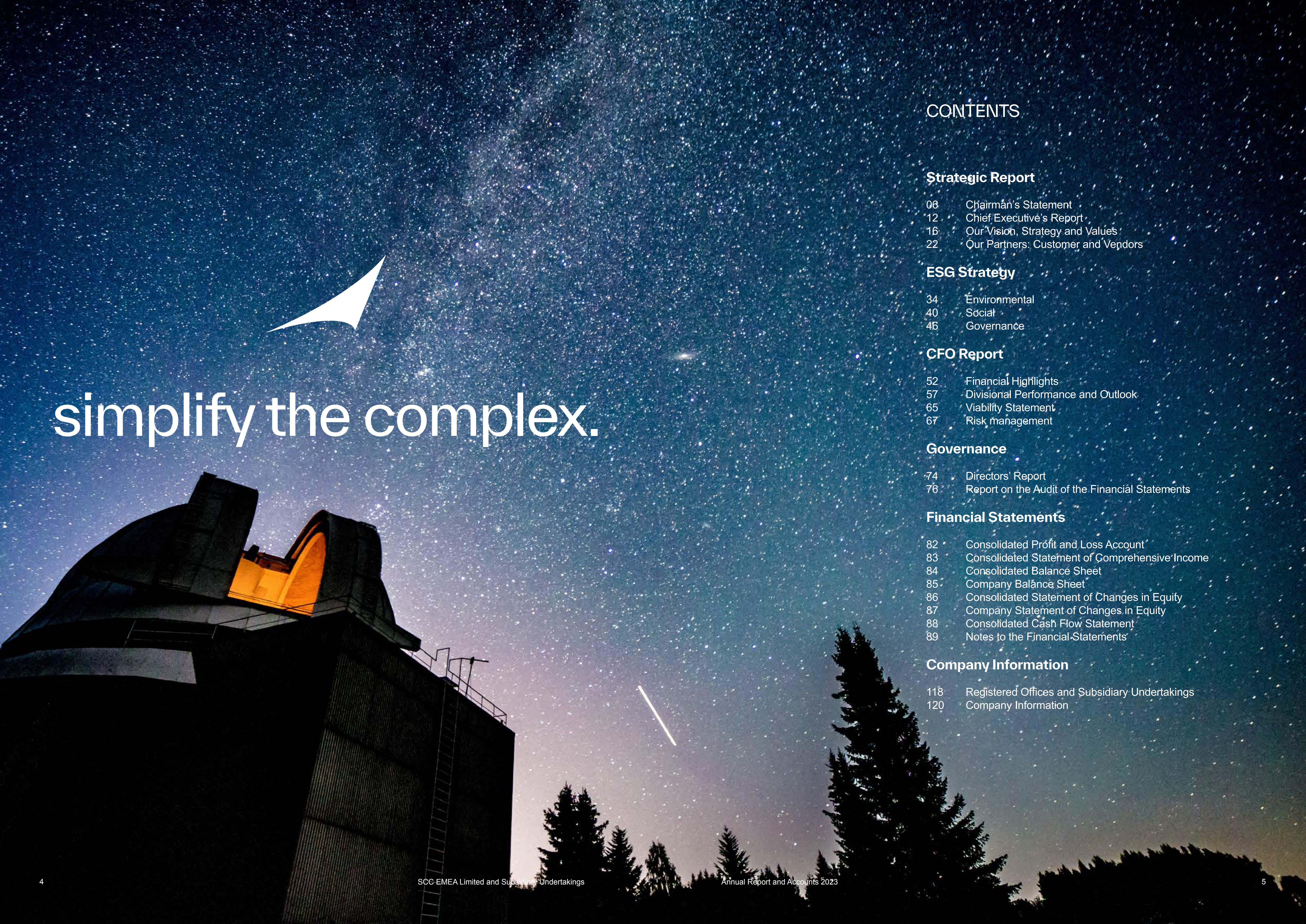
SCC EMEA Limited and Subsidiary Undertakings

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
COMPANY NUMBER: 04279856



We shape the way you work.



simplify the complex.

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CHAIRMAN'S STATEMENT SCC EMEA LIMITED

Following another year of enormous macro-economic and geopolitical challenges, I am proud of the skills and resilience our people continue to demonstrate, with the group once again setting new records despite the ongoing uncertainty that surrounds us.

Last year, I reflected on the efforts and perseverance of the remarkable SCC EMEA Group team, combined with the leadership of James Rigby as CEO of the Group, in helping us to achieve record results for our company.

This year, despite stubborn challenges continuing to disrupt the global economy, I am delighted to once again be presenting the best results in the Group's history for the financial year ended March 2023.

This remarkable achievement and continued progress of SCC (SCC EMEA Group) has been marked by significant challenges and opportunities, and I am proud to say that our team has navigated through them with resilience, innovation, and unwavering commitment.

SCC France continues to lead the charge. This remarkable performance tops a record year in the previous year, this despite all of the current challenges that have presented themselves since the global pandemic eased.

SCC France is not alone in achieving record results over the previous 12 months, and our performance right across SCC is testament to a company that puts people at the heart of all we do, and continually reinvests in order to innovate and scale. SCC's leadership team has continued to demonstrate agile management, taking decisive action and delivering strategic initiatives that align with the long-term vision we have for the business in all territories.

The global pandemic is becoming more of a distant memory, but its legacy and impact live on, particularly when it comes to technology. During the year we again witnessed profound transformations in the IT landscape, as digitalisation and technology became more integral to every aspect of our lives and businesses.

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

Investment has accelerated and we have also continued to develop and implement innovative new business initiatives and investment opportunities, including key acquisitions to help us scale and modernise our service offering.

SCC is the driving force behind 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 48 years ago.

This will remain the case as we look ahead to 2024 and beyond. 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.

During the year the Rigby Group launched a £300m technology investment programme to underpin SCC's continued growth, targeting significant purchases in a multi-year strategy aimed at consolidating the group's position as Europe's largest private investor in technology. With significant recent organic investments in new areas of operation already helping deliver record results, this five-year acquisition strategy will further cement SCC's position in the technology market.

Rigby Group's core has always been technology innovation and we intend to focus future growth on these investments. Innovation is the lifeblood of our industry, and SCC has continued to drive innovation at every turn. From artificial intelligence and machine learning to blockchain and Internet of Things (IoT), we are leveraging emerging technologies to provide our customers with a competitive edge.

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

Rigby Group's established charity, The Rigby Foundation, continues to proactively support sustainable charitable initiatives through donations and corporate social responsibility programmes in our operating businesses. In recognition of many young people who now more than ever need help and support in developing their IT skills, SCC and the Foundation launched The SCC Academy, based at our global headquarters in Birmingham, UK, last year. Since its opening, 300 people have enrolled on an Essential Digital Skills level 1,2 or 3 course.

In total, 500 people have used SCC Academy, with the centre hosting internal training sessions, higher level courses with Firebrand, and events dedicated to promoting digital skills and lifelong learning in partnership with The Princes Trust and Young Adults Foundation Trust. SCC Academy began offering apprenticeship programmes from Spring 2023 and is also working closely with SCC to train Field Engineers.

Looking ahead to the coming year, we are proud that SCC France is an official sponsor of the Paris 2024 Olympic and Paralympic Games, the biggest ever sporting event to be hosted in France. Aside from sponsoring, SCC France has also won the contract to provide and service all the technology for the event, including procurement and supply of IT, audiovisual, print and mobile equipment, with a full recycling service in line with the digital responsibility and circular economy.

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

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

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

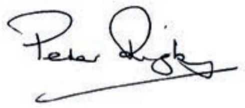
This year, we launched several initiatives aimed at reducing our carbon footprint, promoting ethical sourcing, and supporting local educational programs. By integrating sustainability into our business strategy, we are not only fulfilling our social responsibilities but also driving long-term value for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

My family and myself remain committed to the SCC EMEA Group for the long term 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 group and its management continue to evolve.

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

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

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



SIR PETER RIGBY
CHAIRMAN

FROM ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING TO BLOCKCHAIN AND INTERNET OF THINGS (IOT), WE ARE LEVERAGING EMERGING TECHNOLOGIES TO PROVIDE OUR CUSTOMERS WITH A COMPETITIVE EDGE.

2023 FINANCIAL HIGHLIGHTS.

TURNOVER

£3.3 BN
+24%

FY22 £2.6bn

OPERATING PROFIT

£68.3M
+6%

FY22 £64.4m

PROFIT BEFORE TAX

£66.5M
+5%

FY22 £63.6m

CASH GENERATED FROM OPERATIONS*

£131.3M
+20%

FY22 £109.1m

NET ASSETS

£196.3M
+21%

FY22 £161.8m

*Cash generated before income tax, refer to page 88.

CHIEF EXECUTIVE'S REVIEW

This has been another record year for SCC with 24% growth in revenues (2022: 6.5%) which now exceed £3.2bn, and 6% growth (2022: 40%) in operating profit for the group to £68.3m.

This performance is remarkable against the background of a record year in the prior financial period, the current global economic conditions, supply chain constraints which lasted for much of the year, the inflationary impact on our cost base, coupled with costs increases in areas like travel which returned after the end of the Covid pandemic.

Performance varied across our operating territories. In France, revenues are up 26% to over €2.6bn (2022: 11%) and we delivered a 32% growth in operating profit (2022: 57%) to €66.2m. Product revenues grew by 55% year on year (2022: 12%) with a pleasing mix of new customers across both public and private sectors and a reduced reliance on our largest major public sector customer. Our services business has also delivered a 5% growth over prior year (2022: 30%) and has more than doubled its contribution to operating profit.

We have continued to invest in our French regional offices and the head office in Paris with refurbishment works nearly complete at a cost of €4.4m this year (total investment €6.2m). This has been essential to reflect our commitment to our people and provide them with modern, inclusive working environments.

Our UK SCC business enjoyed 19% growth in product revenues to £671.2m (2022: 8%), but services have seen a decline of 1% to £208.0m (2022: 2% growth) with continued pressure across all of our main revenue streams at the start of the financial year. The acquisition of Visavvi in May 2022 has contributed £22.1m of revenue and delivered £0.3m of operating profit for the 11 months which has been a pleasing start for this business which we hope will thrive under its new SCC ownership. Our Audio visual business is going from strength to strength with a 47% growth in revenue up to £29.4m (2022: 37%).

Gross profit for the UK has also grown by 10% overall to £123.9m (2022: 12%) albeit we have seen pressure on our Gross Profit % which has reduced by 0.4% compared to prior year due to both global macroeconomic price pressure and the weakening of sterling against the dollar.

Operating profit in the UK of £17.4m represented a 26% reduction on prior year and was somewhat disappointing, albeit we had benefited from high demand and a lower cost base during the earlier Covid-impacted periods. We also continue to invest heavily in launching new competencies and in transforming systems and processes which put pressure on our short-term profitability to deliver improved profitability in the longer term.

Spain, after a record year last year, has delivered another record year with 22% growth in turnover to €107m (2022: 12%) exceeding their key strategic goal of €100m. Operating profit of €3.2m is a 64% improvement over prior year and has been delivered by continued growth in both product and services as well as disciplined focus on overheads, despite the inflationary environment.

Our global delivery centres in Romania and Vietnam continue to support our customers across the UK, France and Spain, and employ approaching 1,500 people. Despite the continued pressure on wage inflation both have delivered stronger operating profits than in prior year and we continue to believe that our offshore centres provide a pivotal role in accessing skills and helping us to automate and provide exceptional customer service.

WE HAVE CONTINUED OUR MAJOR SYSTEMS INVESTMENT PROGRAMME, WITH A FURTHER £7.0M SPENT THIS YEAR.

Two important appointments during the year were that of a new head of our UK Services business, and a new head of Strategy and Corporate Development to help us on our journey of transformation, including the identification of future acquisition targets. These appointments, combined with our major investment in Hyperscale and Cyber Security capabilities will drive future improvement to our propositions, ensuring we remain aligned to our customers' requirements.

We have continued our major systems investment programme, with a further £7.0m spent this year. These investments will improve our interaction with customers with more efficient and cost-effective processes from customer enquiry to order to cash. The next major implementations of this programme will go live later this calendar year.

We are proud to support the SCC Academy which operates from our Group head office campus in Birmingham and has been established under the Rigby Foundation to support disadvantaged members of our community to improve their IT skills and employability.

All of this is only possible thanks to our people and I take this opportunity to thank them all for their enormous effort, commitment and contribution to our success.

Environmental, Social and Governance (ESG)

In October 2022 our parent company Rigby Group (RG) plc appointed a Head of Sustainability who has been reviewing the ESG strategy across the entire Rigby Group including SCC by engaging with our ESG committees in the UK and France. We have always taken our responsibilities seriously and are currently signed up to a number of initiatives impacting our business including Carbon Disclosure Project, EcoVardis, UN Global Compact and Science Based Initiative targets. These initiatives align closely with our "Responsibility" value and form the backbone of our emerging ESG strategy to reach net zero by 2050 as part of the UN Race to Zero Campaign. More details about our specific initiatives can be found in the ESG section of this report.

Looking to the Future

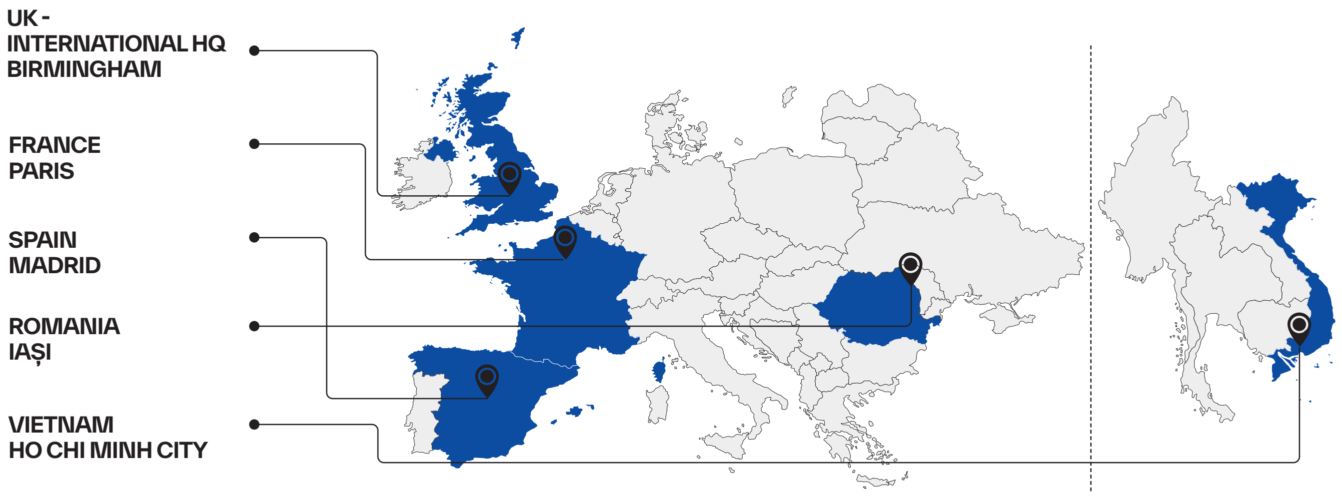
The prevailing economic climate for our next financial year remains challenging with our customers under pressure, and a constant need for us to help them by staying focused and executing strongly. We're focused heavily on providing excellent customer experiences, on our people, on efficiency and on driving strong commercial performance.

In March 2023 SCC acquired Vohkus Limited, a UK-focused Value Added Reseller, which provides us with more exciting opportunities to expand our capabilities and customer offerings presenting an additional platform for growth in the UK.

Continued strong demand from our customers to modernise and digitise their businesses, coupled with the investments we are making in people, systems and capability make us optimistic that the coming year will be one of progress and I am excited about what the group can achieve for the future.

JAMES RIGBY
SCC EMEA GROUP
CHIEF EXECUTIVE
OFFICER

SCC AT A GLANCE



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

SCC EMEA Limited Group (SCC) is an independent family run IT services business partnering with industry leaders to deliver world class solutions.

We enable people to do business by planning, supplying, integrating and managing IT for leading public and private sector businesses across our operations in the UK, France and Spain. We are the technology division of Rigby Group (RG) plc, a diversified private group with interests in technology, airports, hotels, property development and financial services.

Our global headquarters is in the UK at our Birmingham Technology Campus and is complemented by regional head offices in Paris, Madrid, Iasi and Ho Chi Minh City.

Following the successful refurbishment of our Global Headquarters in Birmingham in January 2021, our French headquarters is currently undergoing a major refurbishment.

Our Operations

Our capability across IT Infrastructure extends from Data Centre Services through the network to the PC and printer devices at the edge. We help our customers with our expertise in newer areas of technology such as the Digital Workplace, Hybrid Cloud, Security, as well as in considering the impact of Data and Artificial Intelligence. We offer Hyperscale and Cyber Security services to support customers in these important areas. Working with our people, customers and partners to help champion sustainable IT, we help to deliver competitive advantage through reduced costs, improved efficiency and enhanced brand value and reputation.

The Global Delivery Centres in Romania and Vietnam provide our customers with 24x7 access to over 1,000 staff dedicated to flexible support solutions to meet their needs. These centres complement our in-country delivery centres in the UK and in France enabling national and global support solutions.

SCC Always Evolving

Our portfolio of services spans from supply through to Fully Managed Services, Infrastructure Optimisation, Unified Communications and Data Centre services

We support our customers in seven key areas: Enterprise Infrastructure; Data Centre Hosting and Cloud Infrastructure; IT Outsourcing; Digital Workplace; Software and Software Asset Management; Network and Security and Flexible Resourcing.

Our SCC UK business has been enhanced by investments in Visavvi Group and Vohkus Group with both acquisitions completing during 2023 financial year.

Our continued success comes from our ability to develop lasting partnerships with our customers and partners, as well as being able to think ahead and invest strategically. We help companies and government organisations optimise their IT infrastructure to reduce cost and increase organisational agility.

We have been trusted to run IT infrastructure services for leading businesses for over 45 years. SCC has a comprehensive end to end service offering through to the cloud and is a long-term business with a strong and stable long-term investor.

STRATEGY

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, France and Spain

STRATEGIC INITIATIVES

- Acquire more customers
- Sell more to existing customers
- Elevate the Digital Workplace
- Cyber Security and Public Cloud
- Expand Hybrid Infrastructure

ENABLED BY

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

OUR VALUES

We help clients succeed through IT transformation and exceptional customer experiences. That's our purpose. The reason we exist.

Our ambition is to be the most customer and employee centric IT systems integrator in the UK.

RESPONSIBILITY

We take responsibility for our customers, each other, our community, and environment. We take accountability and lead by example. We can all make a difference independently, and collectively, and always bring solutions to problems with a can-do attitude.

PASSION

We're passionate and excited about what we do, and how we do it. We nurture ideas and inspire excellence.We find creative solutions to challenges – and have fun doing it.

CUSTOMER FIRST

We always put our customers first. We make decisions, and measure outcomes, based on providing exceptional customer service. We work hard to establish long-term, trusted partnerships.

AGILITY

We think broadly, act quickly, and thrive on change. We're agile and responsive to the needs of customers and our business. As a family-owned business, we're both measured and decisive.

FAMILY

Our business is built on family values, entrepreneurship, and togetherness. We're open, honest, supportive and inclusive. Our people are our family and we know that we're stronger together.

OUR SOLUTIONS

CLOUD SERVICES

Growth through innovation

CYBER SECURITY

Creating cyber confidence

DIGITAL WORKPLACE

Unlocking the potential of your workforce

SOFTWARE

Save time. Save money. Maintain control

OUR BRANDS

VOHKUS an SCC business

visavvi an SCC business

RIGBYCapital

SCC Recyclea

Altimancea

SAFRAN

A leading equipment supplier in the fields of Aeronautics, Space and Defence, Safran chose SCC as the right partner combining know-how, maturity, size and adequate organisation, to set up a certain number of functions and introduce its new devices and new ways of working.

SCC started its activity with Safran in the delivery of equipment. Having become the group's largest outsourcing and IT provider, SCC has also implemented a number of innovative IT transformation projects.

"SCC in 3 words : Responsiveness, Agility and the ability to Listen."
Thierry Milhé, Director of international production of IT services

INSTITUTO VALENCIANO DE ONCOLOGÍA FOUNDATION (VALENICA INSTITUE OF ONCOLOGY)

The Valencian Institute of Oncology Foundation (IVO) is a private non-profit entity whose assets and resources are fully allocated to the fight against cancer in all its aspects.

IVO partnered with SCC Spain. The main difficulty faced by the IVO was how to properly scope the resources that are going to be needed over time without incurring extra costs.

A lack of definition in the planning of resources meant that, in order not to overscale infrastructure which would remain underutilised, SCC recommended opting for a pay-per-use proposal, specifically, HPE GreenLake.

IVO began its digital transformation process by transferring its server infrastructure to HPE GreenLake.

"HPE GreenLake offers companies a cloud experience for their applications and data, in a modality that combines the advantages of the public cloud with those of an on-premises infrastructure, in a pay-per-use program."
Artur Gradolí
Account Manager
Hewlett Packard Enterprise

ivo

10X BANKING

10x Banking deliver Banking as a Service to client banks and providers of financial services, utilising 10x' SuperCore™ platform to enable the radical simplification of their technology stacks, allowing organisations to focus on becoming more customer-centric, and giving them the ability to easily scale with market growth.

Since launching in 2015, 10x has seen significant growth, with the platform now being accessed by millions of users every day. As the platform scaled, the technical support requirements increased and this led 10x to consider the most efficient way to deliver support services at scale.

10x signed contracts with SCC to provide a dedicated 24/7/365 Service Support function, delivered via SCC's International Service Centre in Romania. The Service Support Team actively monitors 10x' platform and provides first and second line support for platform issues, as well as supporting the major incident process. Using the SCC Service Support Team allows 10x to focus on driving innovation, while we help them scale by managing the platform they've built.

"This is a service which was tailored and created for us as a business. So being able to have input in what we want, around the teams and the structures and the way the shifts are going to work, can actually create something that is unique for 10x. It doesn't necessarily feel like an SCC Service Centre, it feels like a 10x/ SCC Service Centre."

Vic Sharma
Global Head of Service Operations
10x

CANNES HOSPITAL (HOPITAL DE CANNES)

Cannes Hospital sought to renew its aging infrastructure and secure the hospital information system, whilst improving user experience and finding suitable financing for this project.

To meet these challenges, SCC proposed to simplify and modernise the IT architecture and reduce the complexity of managing environments to provide high availability and to be able to predict system scalability.

Nutanix's hyperconvergence solution proved to be the most relevant, as it made it possible to simplify technical administration and rationalise all the silos whilst increasing maintenance in operational conditions.

Rigby Capital's financing solution enabled the project to be financed over 5 years.

"SCC supported us in designing this new architecture , provided us with the necessary technological advice and enabled us to move forward with hyperconvergence."
Jérôme Gouaux, IS Manager of Cannes Hospital

HÔPITAL DE CANNES
SIMONE VEIL

LONDON SOUTH BANK UNIVERSITY

Originally the Borough Polytechnic Institute, London South Bank University (LSBU) was established in South London in 1892 and has been improving the lives of students, businesses and the local community ever since.

The University has around 20,000 students, 2,500 employees and tens of thousands of endpoints UK and internationally.

With a complex and vast IT estate across multiple sites, London South Bank University's IT team needed specialist help to stay ahead of constant and growing security threats. They turned to SCC and Sophos for a 24 hour, 365 days a year service.

SCC Cyber Security Experts worked with LSBU to review their security stack and migrate their Sophos solution from an on-premise solution to Sohpos Central solution. This enabled LSBU to invest in their MTR (Managed Service Threat) capability.

“The use of the MTR service has allowed us to free up significant underlying operational hours that have enabled our teams to focus on real-time student initiatives and increase student satisfaction.“
Alex Denley, Director of IT Innovation and Transformation London South Bank University

EST 1892 LSBU

EXCEPTIONAL ALLIANCES

SCC relies on an exceptional network of the biggest IT players to offer innovative, reliable and competitive solutions. Our experts benefit from the highest levels of certification on solutions and technologies of excellence.

SCC is a preferred Titanium Black Partner of DELL Technologies, the highest level of certification.

This status recognizes Dell Technologies' most strategic partners, those who are best equipped to navigate the next "decade of data" by bringing their expertise to customers in their digital transformation process.

First partner of Dell Technologies in France, our teams (sales, architects and engineers, sales development) are trained and certified in Dell Technologies solutions and add their expertise and skills to solutions designed by Dell Technologies. The architects work with their technical contacts to define the most suitable solution both in terms of service level and functionalities. They also evaluate among the possibilities offered by Dell Technologies products, the most economically relevant solution.

Dell Technologies combines the strengths of seven IT industry leaders: Dell, Dell EMC, Pivotal, RSA, SecureWorks, Virtustream and VMware.

SCC has been a key Microsoft partner for over 15 years.

We have the highest levels of approvals and certifications that allow us to provide advanced advice and expertise with our customers.

This expertise is reinforced by our role as "Distributor", which offers our customers the opportunity to have an end-to-end vision of the choice of their license and equipment during the definition of their Microsoft technological solution.

With annual revenues of more than €500 million associated with Microsoft, SCC creates world-class development potential.

SCC's commercial teams are supported by a team of experts, including:

- +100 certified Microsoft specialists working on projects
- Experts on infrastructure and cloud solutions
- Service centers familiar with Microsoft technologies in Romania and Lieusaint in France
- 5 Microsoft Solution Partner Competency Areas
- 4 Microsoft Advanced Specialisations
- Microsoft Surface Authorised Reseller

A partnership of excellence delivering the strongest, most agile solutions.

As the first UK IBM Platinum Business Partner and Red Hat Premier Partner, SCC enables people to do business by planning, supplying, integrating, and managing their IT. Our 40+ year partnership with IBM has resulted in the delivery of world-class solutions, by bridging the gap between business needs and technology. We work with IBM's technology, people, and vision, to help our customers leverage the strongest, most agile solutions.

"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

SCC are HPE's third Largest Platinum Partner in EMEA and are recognised as a 'value' partner for our ability to position and deliver a full end-to-end solution to our customers.

SCC's Cloud+ offering is powered by over 3,000 HPE racks in our own UK based Data Centres and in 2020, SCC won the Global Solution Provider of the year award at the HPE Global Partner Summit.

ServiceNow is one of the fastest growing cloud enterprise software companies in the world.

Dedicated to making the world of work, work better for people, ServiceNow has 6,900 customers who rely on Now – its intelligent, intuitive cloud platform – for their digital transformation.

- Proactively manage security, risk, and cost
- Create engaging employee experiences
- Reduce customer time to relief
- Build cross-enterprise workflow apps fas

We are proud to announce that SCC are a HP Amplify Impact partner, demonstrating commitment to our customers and employees who increasingly care about sustainable business practices.

As well as training our employees to leading our sales with sustainability, we are helping customers make an impact too!

The #HPAmplifyImpact program has helped us make meaningful commitments towards circular, low-carbon economy, whilst accelerating the focus on diversity and inclusion and helping bridge the digital divide.

PROJECT SEQUOIA

Project Sequoia is named after the giant Sequoia tree, which is amongst the oldest and largest tree species on earth.

Sequoias are tolerant of harsh conditions, and flourish because of the root connections they build.

They are critical to the ecosystem for the diversity of life they support.

PROJECT SEQUOIA

SUSTAINABILITY UPDATE

An ongoing challenge for SCC EMEA is how we can deliver the very best services for our customers, remaining at the forefront of innovation whilst supporting our employees and the wider community, and doing all this in a sustainable way.

We have always believed that doing what is ethically right is the best foundation for our future success.

On top of maintaining our reputation for deploying the highest standards of governance, we work hard to look after our customers, attract and retain the best people, and create an environment where everyone can flourish.

Doing everything we can to tackle climate change and the need to become more sustainable is a priority for the group. For a large international business like ours it is particularly challenging, however we are making good progress. We certainly don't have all the answers today, but we are committed to acting, listening, and learning and revising our approach if required. This critical work will remain a key strategic initiative and we will continue to report on our progress each year.

To achieve our sustainability goals, our parent company Rigby Group (RG) plc launched Project Sequoia, a Group-wide initiative, which will be at the heart of our long-term strategy and desire to drive a more sustainable future for our business. It takes a principle-led approach, with three sustainability pillars: planet, people and prosperity. The Rigby Group Head of Sustainability, appointed in the year, is leading this work in conjunction with the SCC Sustainability Committee.

During the year, despite facing macro-economic challenges, we have made great headway, and we thank all our amazing colleagues across the business for their support in helping us achieve this.

Guided by global standards and frameworks.

Adopting a structure that works for us and our stakeholders is critical and determines our priorities. We have adopted the United Nations Sustainable Development Framework and started with a detailed maturity assessment.

This assessment has allowed us to identify how we can take meaningful action across the business. We established that of the 17 United Nations Sustainable Development Goals, 8 are relevant to our business and have been aligned to our action plan for positive change. These are detailed below:

- 3 GOOD HEALTH AND WELL-BEING — By ensuring our employees feel safe and protected in the workplace and promoting physical and mental well-being
- 5 GENDER EQUALITY — By continuing to work towards a balanced gender mix across our organisation
- 10 REDUCED INEQUALITIES — By ensuring equal opportunity and reducing inequality
- 13 CLIMATE ACTION — By continuing to reduce the impact of our operations on the environment
- 4 QUALITY EDUCATION — By ensuring our employees have access to learning opportunities and by promoting continued improvement
- 8 DECENT WORK AND ECONOMIC GROWTH — By promoting inclusive and sustainable economic growth
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION — By continuing to collaborate with our value chain to ensure sustainable technology sourcing
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS — By continuing to operate with the highest levels of ethical standards

Across the business, our sustainability strategy is aligned to the below global standards and frameworks.

Standard / Framework	**UN global compact**	**Task Force on Climate-related Financial Disclosures (TCFD**	**Carbon Disclosure Project (CDP)**	**Science Based Targets initiative (SBTi)**	**EcoVadis**
Progress	SCC UK & SCC France are proud to be a signatory of the United Nations Global Compact and we are committed to their Ten Principles where relevant to our business	Mandatory for FY24. We are currently planning the climate modelling elements of the disclosures	We have progressed to level C in FY23 and are targeting level B in FY24	We have committed to this standard for carbon reduction, and we will make our submission in FY24	France is EcoVadis platinum accredited, and we will make our UK submission in FY24. We are engaging with our value chain to standardise this framework

Planet

Climate change is a very real threat and operating sustainably is no longer a choice, it's an imperative. Achieving meaningful progress to address climate change means doing things differently, making changes that will impact everyone's life, both inside and outside of work.

The path to decarbonisation is also reliant on the public and private sector working together. This is especially true for a business of the scale and broad scope of the SCC EMEA Group with our international operations in the technology sector.

Whilst identifying opportunities for greater efficiencies in some parts of the business has been easy, others are more carbon intensive, such as data centres. However, by reducing their carbon footprint through investment and innovation, there are opportunities to pass on efficiencies and deliver more-sustainable choices to our customers.

We have already successfully reduced emissions from some operations, but we are only at the start of transforming and developing processes to monitor others. Some actions and investments have immediate carbon savings, while others will take longer to yield results.

Our Goals

During the year we revisited our environmental goals:

- Accelerating our target to become Net Zero from 2050 to 2040,
- To achieve Grade B within the Carbon Disclosure Project (CDP).

Planet Progress

A workplan is now in place to track progress towards our new Net Zero targets, including refined processes to collect the data.

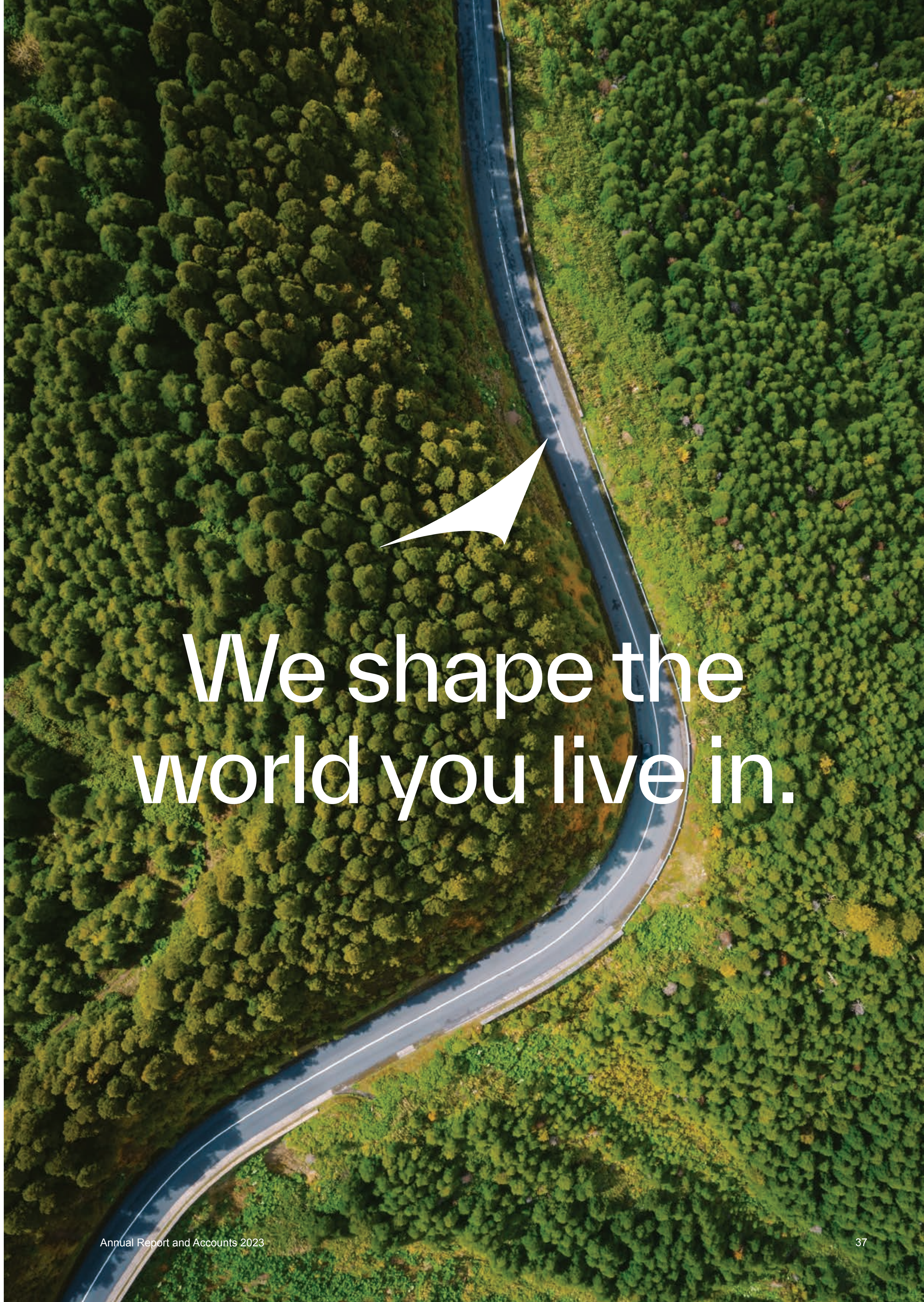
Our Net Zero targets have a more comprehensive approach to reducing emissions across all sectors compared to carbon neutrality which focuses only on specifc areas.

Energy and waste

- 100% renewable energy contracts in place.
- We have been carbon neutral since 2018.
- We are seeking to identify further ways of reducing energy consumption.

In March 2023 solar panels were installed in our flagship UK technology data centre. The 749kWe roof-mounted solar-PV panel provides a significant amount of renewable energy, reducing reliance on traditional energy sources. The panels will save around 124 tonnes of carbon per year.

In France we have committed to FRET 21, which will deliver a 6% reduction in carbon emissions over a 3-year period, starting from 2021 and have achieved a 5.4% reduction against this target by 31 March 2023.



We have committed to set emission reduction targets in line with the Science Based Target initiative (SBTi) criteria and recommendations. In doing so, we will assess the embodied emissions of everything we buy and sell in addition to those we are directly responsible for. Through partner collaboration, we will identify and prioritise opportunities to reduce our value chain emissions helping both us and our customers to become more sustainable.

France has been accredited by EcoVadis since 2013 and currently holds the prestigious platinum status. Our UK business has committed to becoming accredited and we will make our submission during the next financial year.

Circular Economy

Resource conservation is one the biggest challenges we face. To combat this, we have adopted and implemented a circular economy approach which incorporates three principles: reduce, reuse, and recycle.

- **Reduce** - We are seeking ways to reduce our resource consumption and have adopted smart metering and switching technologies to remove dormant and zombie consumption of power. We do not use water in the operation of our business but the introduction of water metering, flow control and water catchment has reduced our domestic water consumption. This year, we have been adapting our working practices to account for the UK "Plastic Tax" by removing tonnes of plastic packaging and wrapping from our end-to-end supply chain. Furthermore, we are removing single use plastics from our business.
- **Reuse** - To support our home user collection customers, we have implemented a system whereby we only use recycled laptops sleeves in our plastic tote boxes. By using these new sleeves, we reuse and rotate them and minimise the amount of waste generated.
- **Recycle** - We are a zero waste to landfill business and ISO 14001 accredited. Our in-house recycling facility provides a range of services for ourselves and our customers and generates over 20 recycling waste streams. We have been refurbishing and recycling IT equipment for many years and have committed to a £5m investment in a new Birmingham facility to expand this offering. We believe in a truly circular economy, where we retain IT equipment in use for as long as possible and recover as much of the constituent parts and material at the end of the product's life for re-use.

SCC France is a member of Alliance Green IT, (AGIT), a leading French organisation committed to committed to sustainable development and responsible digital technology.

Transport and travel

Electrification of the UK car fleet is underway. Whenever a vehicle lease ends, it is replaced with an electric or hybrid model. We plan to have a fully electric or hybrid car fleet by 2030.

In the UK we offer a Cycle to Work scheme to encourage staff to swap their car commute for a bike ride and support their physical and mental wellbeing.

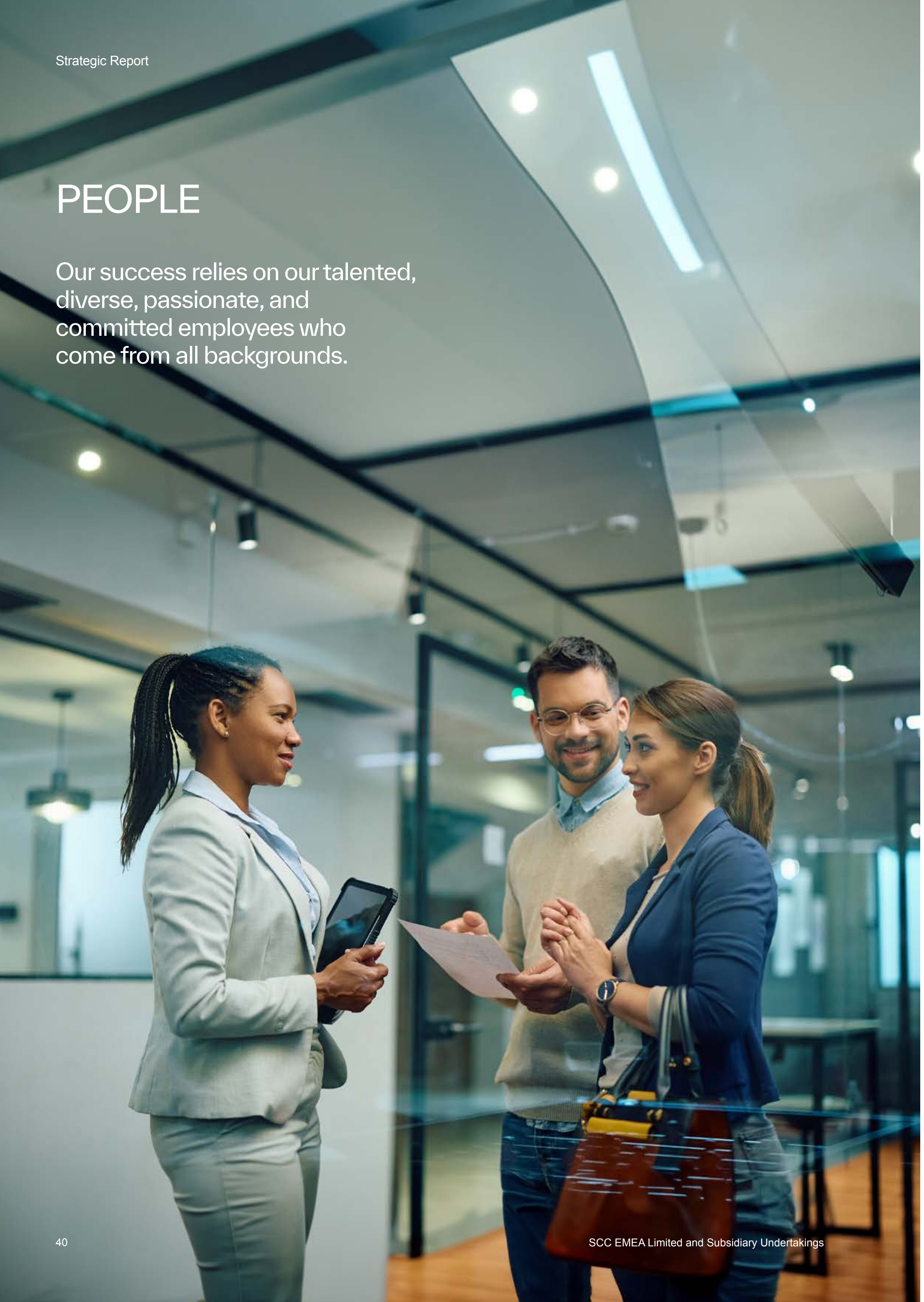
We make extensive use of remote meeting technology, and we continue to reduce the need for business travel where possible.

Progress towards our carbon reduction target is shown in the tables below for the in-scope SCC UK entities only: -

	Year ended 31 March 2023	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Emissions from combustion of gas (tCO2e)	233	230	250
Emissions from combustion of fuel for transport purposes (tCO2e)	1,650	1,461	1,055
Emissions from purchased electricity	3,900	4,616	5,517
Total gross tCO2e	**5,783**	**6,307**	**6,822**
Methodology	GHG protocol		

	Year ended 31 March 2023	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Scope 1 (tCO2e)	1,503	1,547	1,195
Scope 2 (tCO2e)	3,900	4,616	5,517
Scope 3 (tCO2e)	380	144	110
Total gross tCO2e	**5,783**	**6,307**	**6,822**
Methodology	GHG protocol		

The GHG Protocol methodology has been used to calculate our emissions values for mandatory SECR categories. Our GHG emissions for Scope 1, Scope 2 (location) and Scope 3 (business travel) amount to 5,783 tCO2e (2022: 6,307 tCO2) with equivalent energy use of 28,416,141 kWh (2022: 29,289,693 kWh), this equates to 6.56 tCO2e per £m of revenue (2022: 8.34 tCO2e/£m).



PEOPLE

Our success relies on our talented, diverse, passionate, and committed employees who come from all backgrounds.

We work hard to create an environment where everyone can thrive whilst enjoying work, and where everyone is treated with dignity and respect in line with our family values. There is always more that can be done, and we are currently focused on further increasing the diversity of our workforce at every level.

Our approach encourages employees to be independent thinkers, guided by our values, and with support from their management as required. This ethos is built on the trust of our exceptional leadership teams.

The business has a very strong safety culture, and we are committed to making the health, safety, and welfare of our staff a priority. Our health and safety policies are regularly communicated by directors and managers, who encourage employees to take ownership and actively participate in all health and safety related matters.

Our Goals

- We have begun a process to gather better quality information and data across the business to deliver a reporting and monitoring structure to track our diversity and inclusion progress.
- Further develop our successful apprenticeship strategy.

Diversity and Inclusion

At SCC, we know the value of bringing people with different backgrounds, experiences, personalities, and skills together, and we are proud of our ISO26001 accreditation and of our inclusive culture that values everyone equally. As a family owned and managed business, we embrace diversity with pay principles that ensure gender is not a factor in how people at SCC are paid or rewarded. We remain committed to attracting and retaining the very best talent irrespective of gender, race or sexual orientation.

During the year we have become members of the Employers Network for Equality and Inclusion (enei), and have established a number of diversity and inclusion groups within the UK:

Access Network
This network focuses on ability, not disability. We are members of Neurodiversity in Business and part of the Disability Confident Scheme, recognised with the Disability Confident Level 2 certification.

Network of Women
We have signed the Menopause Pledge and are committed to taking positive action to ensure any colleague going through the menopause is supported. We have also implemented Mindful Return, a new and free course to support those on maternity leave who are either currently pregnant, preparing to return to work or have recently returned.

Rainbow Network
Set up to support LGBTQIA+ community colleagues. A range of initiatives have been put in place such as providing people with the opportunity to include pronouns on their email signatures and engaging with other organisations to share best practice to enhance the support we provide.

REACH Network
Our REACH (Race, Ethnicity and Cultural Heritage) Network celebrates the diversity of our colleagues along with raising awareness and implementing positive changes into our business. Our collective aim is to continue building an inclusive and supportive culture.

STEM Network
Volunteers seek to dispel myths around STEM subjects, showcasing our knowledge and experience in these areas to encourage future talent into the technology sector. Our Network supports the STEM Ambassador programme, which involves our volunteers giving up time to share their passion and enthusiasm with local schools and communities.

enei

In France our people strategy has four focus areas: enriching employees' skills and offering future opportunities; supporting our managers in the company's transformation; providing a supportive and flexible work environment; and a commitment to diversity. We provide well-being support through our Quality of Life at Work initiative and offer an independent listening unit to suport the mental health of our colleagues.

As a signatory of the Diversity Charter in France and a member of the Foundation for Diversity in Spain we are committed to act in favour of diversity and to provide its future and current employees with a fair working environment offering women and men the same opportunities and have measures in place to support this.

In France our Recycléa company is a member of the UNEA (National Union of Adapted Enterprises) which is committed to professional inclusion of people with disabilities and has achieved ESUS (Solidarity Company of Social Utility) status. Our participation at the H-Games in France promoted awareness of disability across our employees and stakeholders as well as raising over €100,000 for this worthwhile cause.

Health & Well-Being

At SCC we are committed to protect the health, safety and welfare of our staff and that of our customers and partners who may be affected by our operations. We understand the need to continually improve our health and safety protocols to achieve the standards that both we and our employees expect.

During the year we set up a Wellbeing Network to support the ongoing mental and physical health of our people, and have appointed a team of Mental Health Champions. Located nationally, each Champion has completed a mental health awareness course, so they have the skills to support fellow colleagues. We have also implemented Balance, an employee benefits platform, and an Employee Assistance Programme (EAP). Our EAP provides colleagues with access to a range of services and resources such as free, confidential, and impartial advice on a range of topics along with a dedicated app and portal. We provide an on-site gym at our UK headquarters in Birmingham and offer discounted gym memberships to most employees.

Employee Benefits

Across the SCC group we offer employees flexible benefits packages allowing them to tailor their packages to their own needs with options to purchase additional holidays, receive eye care vouchers, cycle to work schemes as well as discounts and vouchers on many retail purchases. Our employees are also given one day a year to donate their time to a charitable cause of their choice.

Employee Engagement

Keeping our people engaged and informed is an important aspect of our culture. We run an annual sales meeting in each country to kick off the year in which we share our strategic goals. We have various approaches across the group to ensure that our staff are provided with essential updates, keeping them appraised of changes across the business and how this affects them, including news and technical resources via our intranet, monthly CEO vlogs, formal and informal meetings and presentations to share important news and developments.

Careers

SCC is passionate about our employees being able to fulfil their potential at work and this year saw the launch of two initiatives to promote this. Our talent hub site supports our employees in managing their career with us and our Young Professionals Network aims to ensure SCC is a great place to work, providing an exciting future for all our employees, and we are committed to our Apprenticeship and Internship programmes supporting younger candidates to achieve their career goals.

In Vietnam we offer a scholarship programme for capable students from deprived backgrounds to join our team and offer support and career development and internships for graduates which often lead to full time positions in the team. In France we offer similar work-study programmes for talented graduates providing them with the opportunity to broaden their skills and experience by moving around the group both geographically and across several functions.

Live our values | **Support our diverse and inclusive culture** | **Ensure all our people have a voice** | **Take action** | **Recognise and champion our people** | **Encourage talented people** | **Raise awareness**

Prosperity & Giving Back

The business has been built on family values, operating on the principle that success in business goes hand-in-hand with giving back to society and communities.

The Rigby Foundation Charitable Trust was founded by our Chairman Sir Peter Rigby and operates on the principle that success in business goes hand-in-hand with putting back into society and communities. The Foundation invests in causes relating to lifelong learning, health and education. The foundation currently has more than £1.5million invested in active projects, supported by strategic guidance and oversight from senior Rigby Group executives. At SCC we continue to be an active supporter of the Rigby Foundation and believe that building and maintaining relationships of trust in the community is vital to the sustainability of our business.

The Rigby Foundation has donated £500,000 to champion innovative cancer care in South Warwickshire at the new £22 million Stratford Hospital. The Foundation has donated £250,000 to create a new dedicated cancer unit which will be named The Rigby Unit as well as creating and sponsoring the annual Rigby Awards, worth a further £250,000, which will encourage and champion better ways of delivering cancer care in the local community.

SCC Academy – digital skills training for the community

During 2022 the Rigby Foundation established a new charity, The SCC Academy, creating an employer-led training hub for the West Midlands community, specifically for those who are digitally excluded, or who have not traditionally had access to digital skills provision. The SCC Academy, which is hosted on our SCC UK technology campus, partners with local community groups and organisations to give their communities access to structured training from entry level courses through to higher level technical qualifications, apprenticeships, and employment opportunities.

Since its launch the academy has enrolled over 400 students on Level 1 Essential Digital Skills Course, 60 students on the Level 2 course, 50 students on GCSE-level courses, and 18 students have completed a foundation degree level Data Engineering course. It has also hosted Prince's Trust workshops to provide complete CV writing training and has worked with the Young Adults Foundation Trust, DWP and Domestic Violence charities which has involved learning sessions and presentations to over 120 people.

Aston University partnership

In March 2023, SCC formed a strategic partnership with Aston University, a renowned university focussed on science, technology and enterprise, through the new Aston Digital Futures Institute (ADFI). The aim of the ADFI is to drive high impact research in digital technologies and create innovative solutions that transform industries and improve business and lives.

SCC will be contributing industry expertise to the research programme in the areas of data analytics, cloud computing, cybersecurity and digital transformation. The newly announced strategic partnership is also set to deliver training programmes for students and professionals in digital skills and emerging technologies, with a focus on health and digital innovation across a range of priority industry sectors in West Midlands.

"Through partnering with Aston University, we will be led by real-world challenges and opportunities to deliver better digital solutions – with an immediate focus on healthcare, industry 4.0 and delivering digital skills in partnership with the SCC Academy."

Sir Peter Rigby, Founder and Chairman of SCC

e-Enfance

Since 2017, we have provided goods and services along with financial support to enable the association to carry out its projects. e-Enfance aims to raise awareness amongst young people of good digital practices and provides training on responsible internet use and possible risks such as cyber-harassment, cyber-sexism, and other forms of cyber-violence to young people, their parents and professionals.

Volunteering support

Within the UK, all staff are offered one day volunteering leave each year, creating an opportunity to support charitable causes or organisations. Volunteering initiatives in the year included tree planting events, cleaning up rivers and canals and work with The Prince's Trust.

Supporting the NHS

In 2022 we worked in partnership with South Warwickshire NHS Foundation Trust, to launch our Digital Innovation Hub. The Hub enables clinicians to explore and trial how technology, such as AI, can be used to support the identification and development of digital care solutions.

SCC UK is a proud patron of The Prince's Trust.

The Prince's Trust helps young people to develop the confidence and skills they need to realise their ambitions, so that they can live, learn and earn. Founded by The Prince of Wales in 1976, the charity supports 11 to 30 year-olds who are unemployed, struggling at school and at risk of exclusion.

Having been a patron for the last 8 years we are proud to have supported various schemes and campaigns, most recently, a £300,000 pledge to assist the Trust in launching a new, much needed centre in Birmingham to accelerate its excellent work in supporting and developing under privileged young people.

Molly Olly's Wishes

SCC is proud to partner with 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. They grant individual wishes and donate therapeutic toys and books to both children directly and to hospitals throughout the UK.

SCC are delighted to join Neurodiversity in Business (NiB) as a corporate member. NiB is an industry forum to support the participation of neurodivergent individuals i n the workplace.

"SCC is thrilled to announce our corporate membership with NiB. We have a purposeful People strategy to support equality, diversity and inclusion (ED&I). Joining forces with NiB enables us to highlight neurodiverse needs, improve understanding and raise awareness both in and beyond our company. We look forward to working with NiB to complement our ED&I initiatives and supporting NiB's efforts for neurodivergent individuals in the workplace."

James Rigby, SCC CEO

SCC became the City of Birmingham Symphony Orchestra (CBSO)'s new Principal Sponsor in 2023.

The three-year agreement includes support of £100,000 a year, aligning with the orchestra's Sound of the Future campaign. CBSO musicians will also perform at SCC venues and locations throughout the sponsorship period, bringing music to new and diverse audiences across the UK and France.

The CBSO's Sound of the Future campaign aims to raise £12.5 million over five years, culminating in 2025. The campaign has enabled the CBSO to continue enriching people's lives with music despite the challenging circumstances, and weather the pandemic in the best possible artistic and financial shape.

"I am immensely proud to announce SCC's Principal Sponsorship of the CBSO, which has offered so many opportunities and so much enjoyment to local people and international audiences for more than 100 years. I am looking forward to seeing what we can achieve together."

Sir Peter Rigby, Founder and Chairman of SCC

SCC joins the circle of Official Supporters of the Paris 2024 Olympic and Paralympic Games Organisation Committee.

SCC France announces its collaboration with the Paris 2024 Olympic and Paralympic Games Organising Committee. As a partner of one of the most significant sporting events ever organised in France, SCC will demonstrate its expertise by managing the procurement and supply of IT, AV, print and mobile equipment as well as the associated delivery, installation and maintenance services.

SCC France will also ensure that all the IT equipment is redistributed after the event, through our Recyclea operations which employs people with disabilities, therefore guaranteeing a second life for the devices and contributing to the Olympic Committee's ambitions in terms of digital responsibility and the circular economy.

Didier Lejeune, CEO of SCC France said: "We are proud to be one of the Partners of the Paris 2024 Olympic and Paralympic Games Organising Committee. We will be setting up a system to enable the organisers to create a unique experience. This is a great opportunity for our group to showcase its values, to unify its teams and its ecosystem and to highlight its expertise. SCC France is demonstrating its desire to participate in universal projects driven by human, sporting and commitment values."

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

Peter Whitfield
Rigby Group
Chief Financial Officer

Patricia Rigby
Rigby Group
Director

ARR Committee

The audit, risk and remuneration (ARR) committee comprises Rigby Group Board members, chaired by the Non-Executive Director and provides oversight and governance for the group on matters associated with risk and assurance.

ESG Committee

The internal governance of our ESG activities is undertaken by our ESG Committee.

Our ESG Committee is a group of cross functional subject matter experts (SMEs) and members of our Executive Team who discuss, review and approve our ESG targets and objectives.

Once agreed, the operational delivery and monitoring of our targets is implemented by our functional teams which incorporate our SMEs.

Board Activity and Decision Making

Operational decision making is largely delegated under agreed delegation of authority arrangements to the executive boards of the operating businesses which meet at least monthly. A quarterly EMEA Board meeting provides for a strategic review of progress and a formal escalation board meeting where appropriate to discuss matters which are reserved for the EMEA Board. At board meetings of the operating businesses and at the quarterly meetings of SCC EMEA, the board receives reports from the executive directors covering the financial performance, sales and commercial activities, legal matters, strategy updates and the general business environment. Members of the executive provide relevant updates from their area of operation and decisions are made considering risk and the impact that those decisions have on stakeholders. Key decisions taken during the year have considered the stakeholders and how they would be impacted. Key decisions are made with consideration of both short-and long-term objectives, and these considerations are continually reviewed and changed by the Board as the general business environment changes.

Key Decision		Stakeholders considered
	Strategy	
Investment in Transformation	Continued investment in our core operational systems was approved as part of the FY24 capital expenditure budget	Customers, Vendors, Employees, Shareholders
Approved acquisitions	Approved the acquisition of Vohkus Group.	Customers, Shareholders
	People	
Reviewed People culture	Took action to improve engagement with colleagues and enhance benefit packages, responding to the changing nature of the workplace. Undertook employee surveys and enhanced engagement opportunities.	Employees
	Operations and Financial Performance	
Approved dividend programme	Considered our obligations to shareholders to generate cash returns and approved a programme to declare dividends in relation to the prior year performance, taking into account the cash needs of the Group and the decision in the prior year not to make dividend payments.	Shareholders
FY24 Financial Plan	Approved the financial plans for the next financial year, taking into account the performance objectives inherent in the Strategic planning undertaken in the year and the expectations of shareholders. Setting financial objectives following a thorough planning process has improved employee engagement and motivation, supplier objective alignment	Customers, Vendors, Employees, Shareholders

Modern Slavery

To ensure we operate in accordance with UK legislation, our modern slavery commitments cover three principal areas: policies and procedures, risk assessment and due diligence. We do not tolerate any form of modern slavery in our business and our supply chain.

Supply Chain Ethics

We are committed to the highest standards of business ethics and integrity. We expect our supply chain to maintain the same high standards.

We use the Ethical Trading Initiative base code as the minimum standard regarding our assessment of suppliers or partners. As a global enterprise this standard is the most relevant as it encompasses all the countries we do business with, directly or indirectly through our supply chain.

Our Supplier code of conduct provides our supply chain with clear guidance on our commitment and the importance of applicable laws, regulations, and standards on how we monitor and evaluate compliance.

Whistleblowing

We update our whistleblowing policy annually and share this with our people via our intranet. Should any of our stakeholders need to raise concerns around safety, business practices or other suspicious behaviour or activity, we have a confidential reporting mechanism. During this reporting year, there have been no recorded incidents.

Distributing Economic Value to Stakeholders

Economic value, represented by our turnover generated in the year, has grown by 24% to £3,250m. Of the value generated 87% is consumed by operating costs paid to suppliers and the remainder is distributed between shareholders, people and communities or retained for the future investment in the business.

Tax Policy

As part of the Rigby Group (RG) plc we adhere to the Rigby Group Tax Policy.

The Group's financial results reflect the economic substance of the underlying commercial transactions and we do not make artificial adjustments to the profit or losses in order to benefit one tax jurisdiction over another. All of our transfer pricing is consistent with approved programmes. We pay taxes within the countries in which we operate and have no appetite for tax motivated planning, creation of artificial tax structures or offshore activities which do not reflect the economic substance of our businesses.

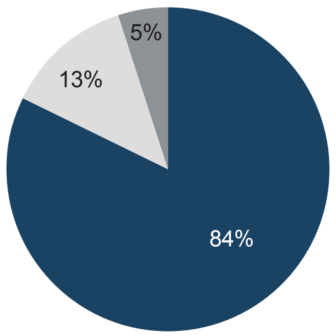
Transfer Pricing policies are implemented through the group to ensure compliance with the base erosion and profit shifting requirements of the Organisation for Economic Co-operation and Development (OECD). There have been no changes to policies in the year or in the prior year.

Shareholders

We are owned by the Rigby Group (RG) plc, a family-owned diversified group with divisions in Technology, Airports, Real Estate, Financial Services and Hotels.
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.

RIGBY

Residual Economic Value Distributed*



- Shareholders
- People
- Communities

*Residual economic value is economic value generated excluding operating costs and value retained.

£'000	Growth	FY23	FY22
Economic Value Generated	+24%	**3,250,019**	**2,625,591**
Shareholders	-76%	19,800	80,912
People	+16%	264,572	228,915
Communities	+9%	80,172	73,588
Operating Costs	+29%	2,815,701	2,179,753
Value Retained	+12%	**69,774**	**62,423**

People costs are wages and salaries excluding social security costs
Community includes Charity, Corporation Tax and Employment social security costs
Value retained is profit for the year adjusted for depreciation (£10,802,000) and amortisation (£9,449,000) Operating costs are gross revenues less retained value and social spend reflected in the table

STAKEHOLDER ENGAGEMENT AND S172 STATEMENT

Engaging with our stakeholders is an important aspect of the way we manage our Group 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 Group 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,
- consider interests of employees,
- foster relationships with suppliers and customers,
- consider the impact which the Company has on the wider community and the environment,
- recognise the desirability of maintaining high tandards of business conduct.

Within this report we discuss 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 Group.

With a shareholder committed to the future of the business and with individual shareholders holding executive positions, we have always been able to take a long-term view and our ethical approach comes from those family values which underpin our culture. Having ethical policies and respect for stakeholders and the wider community is an established principle for the Company and for the group.

We recognise how important ethical behaviour is to all of our stakeholders as a key element of strong long-term relationships which deliver value.

Our stakeholders are important to us: we consider their needs and value feedback on our engagement with them. Directors monitor the health of our stakeholder relationships at board meetings through a review of the feedback on these key relationships.

Shareholders:
We have a relationship with our Shareholders which allows us to take a long-term view in the management of the business. Their close involvement in the operation and in setting the strategy for the Group is central to ensuring we can balance all of the needs of other stakeholders.

People:
Our Employees are central to our success and we engage wherever possible to support their development and contribution to the Group. Providing opportunity to improve our workplace and to be part of defining our culture is important to keep our employees at the centre of our business

Customers are our focus. Understanding their needs and the challenges they face to adapt solutions to support them is key to our success. Our ability to respond quickly requires us to maintain close contact and build lasting relationships.

Our Suppliers are leaders in the IT industry supplying the products and services we need to create the right solutions for our customers. Success as an independent technology solutions provider depends on maintaining the right level of relationships with our suppliers.

Community:
Our Community and the environment is important to our shareholders, our people and to our customers. It is important that we meet our legal obligations in protecting our environment, support the wider community within which we operate and support our people and their desire to engage with charitable activities.

Shareholders	Customers	Suppliers	People	Communities
How we engage				
Shareholder participation in board and executive meetings 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	Updated Internal Intranet Monthly EMEA CEO Vlog “Ask James” Group CEO mailbox Management Briefings	Well defined Environmental policies Corporate Social Responsibility (CSR) committee and 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	Long Term Collaborative Partnership Proactive Communication Aligned Commercial Objectives Technical Expertise Ethical Behaviour	Opportunity for development Diversity to enrich working practises Equality and fairness Working Environment Participation	Ethical Behaviour Actively supporting local communities Environmental Awareness and Actions
How we respond				
Long term strategic plan-ning 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 Monthly board reviews of customer pipelines New business and challenges	Strategic Relationships with senior executives tracking technology change. Engagement with our sales teams and at our key sales meetings Supplier Code of Conduct Skills training and investing to maintain accreditations Dedicated relationship management	Clear Employment Policies Active engagement programmes Involvement in developing our values framework Commitment to inclusive culture Flexible employment packages Access to skills and technology training	Developing our sustainability policy Employee volunteering days Support for the Rigby Foundation and for local charities Apprenticeship and graduate trainee programmes

CFO REPORT
2023 FINANCIAL HIGHLIGHTS

GROUP TURNOVER

£3.3 BN
+24%

OPERATING PROFIT

£68.3M
+6%

CASH GENERATED FROM OPERATIONS*

£131.3M
+20%

SERVICE TURNOVER

£401.4M
+5%

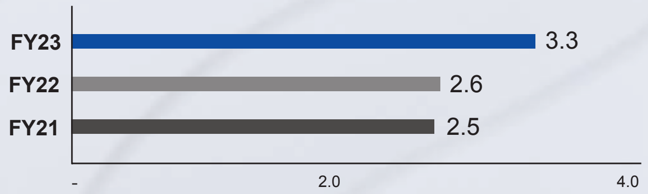
PROFIT BEFORE TAX

£66.5M
+5%

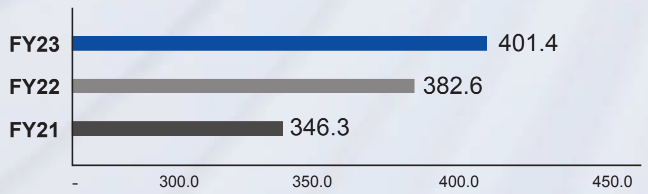
NET ASSETS

£196.3M
+21%

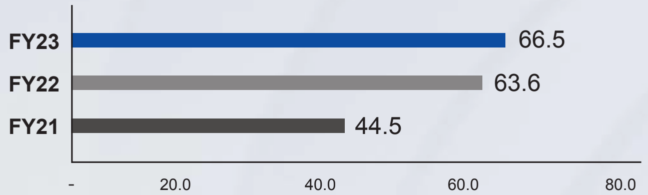
Turnover £bn



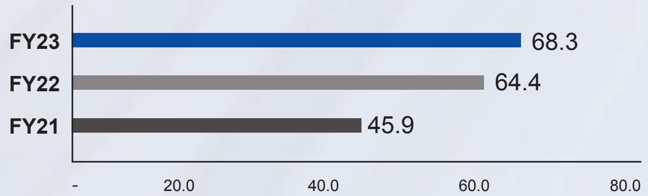
Services Turnover £m



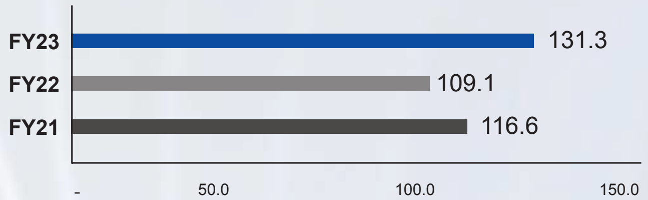
Profit before Tax £m



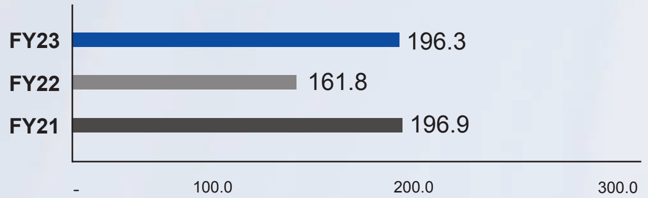
Operating Profit £m



Cash Generated by Operations* £m



Net Assets £m



*Cash generated before income tax, refer to page 88.

*Cash generated before income tax, refer to page 88.

Financial performance for the last year has again reached record levels for the group with year-on-year growth against all of key performance indicators. For the second year we have seen growth across of all of our territories driven from a combination of both organic and acquisition growth.

Growth has been against the backdrop of continued macro-economic uncertainty, higher interest rates and volatile foreign exchange, combined with IT market constraints impacting supply channels.

We generated £66.5m of pre tax profit for the year, an improvement of 4.5% following a year of turnover growth, product mix changes and an expansion in our cost base.

Over the last couple of years the business has been disrupted by Covid and by supply chain issues however turnover has continued to grow, this year by 24% following 7% in the prior year, as these pressures have fallen away.

External economic factors and internal business transformations have impacted our customers and the mix of technology solutions required driving changes in the mix of solutions we have provided and therefore of our gross profit profile. Gross profit rose by14.9% to £328m however pressure on overheads from wages arising from a tight labour market at the start of our period and the economic cost of living pressures have combined with our commitment to continued investment in new people and programmes, to grow overheads by 15%. New cost base arising from acquired businesses added an additional 3% to overheads.

Working Capital at the end of the year improved compared to the prior year, notably with inventory levels falling £17m compared to an increase at the end of the prior year of £21m, reflecting the much improved technology supply chain issues which have affected much of the industry worldwide.

We generated £131m of cash from our operations as EBITDA lifted by 9% and working capital overall improved by £42m.

Turnover

Group turnover has grown by 24% year on year and now stands at £3.3bn.

France continues to deliver the largest part of group turnover at 70% up from 68% last year.

Overall France turnover is up by 26% to €2.7bn/£2.3bn (2022: €2.1bn/£1.8bn), compared to prior year driven primarily by the continued growth in the turnover of the product business of which software continues to account for 40% of total sales (FY22: 40%).

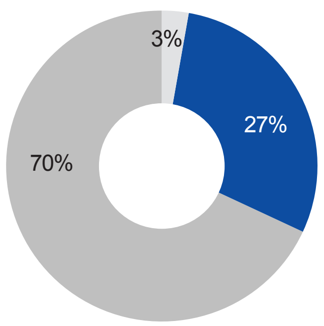
Following a return to growth in the UK last year we are pleased to see further growth in the UK business which has been delivered primarily from Security and Software solutions. The acquisition of the audio-visual specialist, Visavvi, in the UK at the start of the financial year has increased UK turnover by £22.1m.

In Spain we have seen turnover growth of 22% to €106.9m/£92.6m which is a record for the country and follows a 12% growth in the prior year. Growth has been achieved in both product and services businesses.

Groupwide services turnover has increased by 5% at £401m (2022: £383m) for the group which is predominantly due to 9% growth in France and Spain.

Turnover in our Global Delivery Centres (GDC) which support our UK and France operations, have grown by 24%; Romania (22%) and Vietnam (10%) on a constant currency basis. Operating both in-country service delivery centres alongside our GDC operations ensures we have the right solutions available to our customers.

Share of Turnover

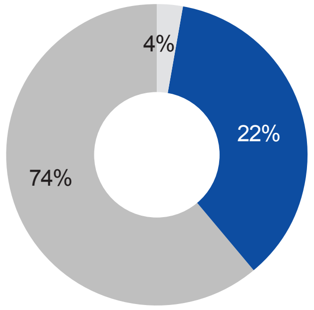


Profitability

Gross Profit has grown by 15% over last year to £328.1m from £285.5m although we have seen a slight reduction in our gross profit percentage from 10.9% to 10.1% reflecting a different mix of vendor solutions and customers.

Operating profit for the group at £68.3m is up 6% (2022: £64.4m).

Share of Operating Profit



France accounts for 74% of group operating profit (2022: 61%) and on a constant currency basis has increased by 42% to €66.2m/£57.5m, which has been driven by growth in both the underlying product and services businesses. The refinancing of our warehousing operations in France generated a gain of €12.5m/£10.8m with renewed terms enabling the long term use of our key distribution facility.

The UK accounts for 22% of the group profit a decline of 14% on last year. Visavvi contributed £0.3m of operating profit and the Audio-visual business grew again by 55%, on top of 37% increase last year.

In Spain gross profit increased by 23% to €9.6m/£8.4m with a gross profit percentage at 9.7% (2022: 9.6%) consolidating last year's focus on better margin business. Operating profit increased by 64% from €1.9m/£1.6m to €3.1m/£2.8m which represents a second successive record year. Whilst overheads have increased by 11% on prior year to support the growth in the business the operating profit percentage has increased again for the second year from 2% to 4%.

Our GDCs have contributed £1.6m (2022: £1.2m) of operating profit for the group, an increase of 32% on prior year with growth in both Vietnam and Romania driven by higher activity levels supporting our French and UK businesses.

Overheads have grown in all territories as travel patterns have returned to normal post covid and as a result of tight labour markets in the sector and inflation creating upward pressure on wages and salaries. Despite these cost pressures we have continued to invest in the right people and teams to prepare our business for the future.

Cash Generated From Operations

Improvements in working capital have released funds for future organic and acquisitive investment in the Group. Adequate funds are always maintained in operating businesses with funds for reinvestment held in SCC EMEA where higher interest rates available are exploited to make efficient short-term investments until such time as operating businesses need to reinvest.

Under the guidance of the Rigby Group's Investment Committee funds have been invested in money market deposits and other highly liquid investments reported either in cash or current asset investments to maximise interest income.

Our closing cash position of £493.6m is £34.4m higher than prior year (2022: £62.0m increase) after a transfer of £29.8m into current asset investments and is after paying higher dividends in the year of £20m (2022: £15.8m) and corporate income tax of £23.6m (2022: £15.7m).

Cash generated from operations this year of £131.3m is £22.1m higher than last year due to £7.5m improvement in EBITDA to £88.6m (see EBITDA reconciliation below), and improved working capital of £14.7m. Prior year high stocking levels continued for most of the current year in both UK and France as a result of global product shortages, but were much improved by the year end with a £17.5m reduction in stock levels year on year from £67.8m to £50.3m. Increases in both our trade debtor and creditor positions, have been combined with improved management of DPO's across the group which has improved our overall working capital by £44.7m which is £14.7m better than last year.

Capital expenditure was £8.2m higher than the prior year as our IT enhancement programme returned to a normal tempo after covid related delays.

	FY23 £m	FY22 £m
Cash and Cash Equivalents at beginning of the year	**459.2**	**397.2**
EBITDA	88.6	81.1
Working Capital	42.7	28.0
Cash generated from operations	131.3	109.1
Capital Expenditure	(19.8)	(11.6)
Proceeds from sale of property	28.3	-
Other Investing Activities	(3.4)	0.1
Tax Paid	(23.6)	(15.7)
Acquisitions	(26.1)	(4.3)
Current Asset Investments	(29.8)	-
Net cash used in financing facilities	(4.5)	(2.9)
Dividends	(20.0)	(15.8)
FX Impacts	2.0	3.1
Cash and Cash Equivalents at end of year	**493.6**	**459.2**
Cash Book Movement	**34.4**	**62.0**

EBITDA Reconciliation £m

	Growth	FY23 £m	FY22 £m
Operating Profit	6%	68.3	64.4
Depreciation	-0%	10.8	10.8
Amortisation	59%	9.4	5.9
EBITDA	9%	88.6	81.1

EBITDA is calculated by management using this method and monitored as a widely understood cross-industry performance metric.

Cash Net of (Debt) and Current Asset Investments

Our cash resources continue to be monitored closely alongside our working capital requirements. We will continue with our policy of maintaining strong cash reserves and a strong working capital policy. The increase in net cash of £64.3m has resulted in a closing net cash and current asset investment position of £519m which is 14% up on last year. We are confident that we closed the year with significant cash availability to support the working capital requirements of the business as we enter the next financial year.

Our bank facilities are reviewed annually with our major banking partners and there have been no significant changes to our bank facilities. Our finance lease obligations have been significantly reduced in the year following the refinancing of our French warehousing facility.

Current Asset Investments

Our current asset investments of £29.6m are fully liquid and with highly graded counterparties. Investment decisions were made by the Public Investment Committee, a sub-committee of the Rigby Group (RG) plc Board.

Acquisitions

Acquisitions of £26.1m, and £4m of debt acquired, relate to the acquisition of the SEA Holdings UK Group (Visavvi) in May 2022 and the recent acquisition of Vohkus Limited in March 2023. Both of these acquisitions have been made in the UK by Specialist Computer Centres plc.

Net Assets and Dividends

Overall net assets for the group have increased by 21% to £196.3m (2022: £161.8m).

Cash dividends of £20.0m relate to £19.8m of dividends which were declared in March 2022 and paid in April 2022 to the parent company Rigby Group (RG) plc in respect of the financial performance in FY22, and £0.2m paid to non-controlling interests. A further dividend of £19.8m in respect of FY23 performance was declared in March 2023 and has been cash settled after the year end.

	FY23 £m	FY22 £m
Net Cash & Current Asset Investments at beginning of year	**454.7**	**390.5**
Cash generated by operations (post tax)	107.7	93.4
Capital Investments	(19.8)	(11.6)
Proceeds on property disposals	28.3	-
Interest received and paid	(0.9)	(0.8)
Dividends paid	(20.0)	(15.8)
Acquisition and disposal of subsidiaries	(30.1)	(4.3)
New finance leases	(0.3)	(0.2)
Effects of foreign exchange rates	(0.7)	3.4
Net Cash & Current Asset Investments at end of year	**519.0**	454.7
Components of net cash/(debt)		
Cash at bank and in hand	493.6	459.2
Current Asset Investments	29.6	-
Finance Facilities	(3.6)	(0.0)
Bank and Other Loans	(0.4)	-
Obligations under finance leases and HP contracts	(0.3)	(4.5)
	519.0	**454.7**
Movement in Net Cash & Current Asset Investments	**64.3**	**64.2**

Segmental Analysis

Our trading business continues to be analysed by geographic segments in UK, France and Spain and we review the combined performance of our global delivery centres in Romania and Vietnam as a combined segment “GDC”.

Revenue by Segment	FY23 £m	FY22 £m	Change %	FY23 £m/€m/$m	FY22 £m/€m/$m	Constant Currency
UK	881.0	777.2	13%	881.0	777.2	13%
France	2,308.7	1,802.6	28%	2,662.3	2,121.2	26%
Spain	92.6	74.4	24%	106.9	87.6	22%
GDC	27.1	21.9	24%	30.4	24.8	22%
Total Group	**3,250.0**	**2,625.6**	**24%**	**3,260.9**	**2,625.6**	**24%**

Operating Profit by Segment	FY23 £m	FY22 £m	Change %	FY23 £m/€m/$m	FY22 £m/€m/$m	Constant Currency
UK	17.4	23.6	-26%	17.4	23.6	-26%
France	57.5	39.5	45%	66.2	46.6	42%
Spain	2.8	1.6	70%	3.2	1.9	64%
GDC	1.6	1.2	32%	1.8	1.4	29%
Total Group	**68.3**	**64.4**	**6.1%**	**66.8**	**64.4**	**4%**

Constant currency movements are calculated using local currency results in each division and so remove the impact of the movement in the average exchange rates between 2022 and 2023.

FRANCE

Head Office
Paris

- 16 locations
- 2000+ Staff
- Top 3 Reseller

REVENUE

€2.7BN +26%

2022 €2.1bn

OPERATING PROFIT

€62.2M +42%

2022 €46.6m

Turnover has grown by an impressive 26% on the back of 11% growth in previous financial year.

This has largely been due to growth in the product business which accounts for 93% of our total turnover (2022: 88%) and has grown by 27% year on year to €2.4bn. The services business now contributes €198m to turnover following a 9% growth in the year and 30% growth in the prior year.

Whilst growth continues to be strong within our public sector there has been encouraging growth across the private sector and in new customer additions both in Ile de France and across the regions.

Our overall customer strategy focuses on strengthening performance across three core areas, modernisation of infrastructure and its evolution towards the cloud, deployment of network and security strategies and development of uses and user experience.

Total overheads have increased by 4% year on year as we move back towards normalised staffing levels and have increased investment in customer facing and internal support roles alongside our business transformation programme.

Operating profit was up 42% following 57% growth in the previous year up to €62.2m including a gain of €12.5m from refinancing our key distribution warehouse at Lieusaint where we have secured a new long-term lease facility.

Outlook for FY24

In France we have not felt the impact over the last year of economic and macropolitical factors. Whilst we are cautiously optimistic about our core profitability being maintained for the coming year, we are aware that we could be more affected by economic pressures in the future than we have been this year so growth may not continue at the same level.

UNITED KINGDOM

International HQ
James House, Birmingham

- 31 Locations
- 2000 + Staff
- Top 3 Cloud & DCS Provider
- Multi-award winning services

REVENUE

£881.0M
+13%

2022 £777.2m

OPERATING PROFIT

£17.4M
-26%

2022 £23.6m

FY23 has delivered strong growth in turnover of 13%, with 9% growth in the core business areas and 47% growth in our Audio-visual business.

All of our growth has been driven from our product offerings which now accounts for 76% of total revenue up from 74% last year. This continued shift towards product reflects a post covid return to large Enterprise IT, Network and Software growth related to digital workspace transformation. The new acquisition of Visavvi at the start of this financial year contributed £22.1m to overall revenue.

This shift in our mix has meant that whilst overall our gross profit has grown by 10% on prior year the mix of product and service has led to a reduction in our Gross Profit % from 14.5% to 14.1%.

Overheads have increased by 19% year on year to £106m although 34% of this growth is due to the acquisition of Visavvi at the start of the year so underlying core overheads are up 12%. This growth in overheads represents both a conscious effort to invest for growth increasing the back office capability and indirect labour resources to support the business combined with higher inflationary pressures on property and fuel costs.

During the year the UK has continued to invest in internal systems and our datacentres with a further spend of £13.4m on capex and has also invested in new acquisitions including the addition of the Vohkus business into the group on 22 March 2023.

Outlook for FY24

During FY23 the wider economic has meant we have experienced delays in decision making over our last financial year and the wider economic pressures in the UK have suppressed performance. Looking forward we expect these pressures to persist in the coming year and for them to hold back our growth expectations. We have made strategic investments within the business and in new acquisitions and expect their impact together with our core improvement programmes to impact the coming year positively and create a strong platform for future growth in profitability in the UK.

SPAIN

Head Office
Madrid

- 7 Locations
- 250 + Staff
- 180 Technical Engineers
- ISO Accredited
- Leading Customers

REVENUE

€106.9M
+22%

2022 €87.6m

OPERATING PROFIT

€3.2M
+64%

2022 €1.9m

Spain had a record year this year exceeding its strategic target turnover of €100m with 22% growth over last year.

Our product business grew by 26% and services by 10%. All regions in Spain have seen double digit growth with public sector growing by 88% over last year. Whilst we enjoyed strong growth across our existing customer base we were also pleased to see new customers contributing to growth within our Top 20 customers.

Our shift in mix away from software and our focus on reselling of higher margin solutions in preference to lower margin software sales has continued throughout the year. Software grew by 13% making up 52% of total product revenue (2022: 59%). Overall product growth was led by storage products which grew by 76% and now accounts for 16% of total product revenue (2022: 12%). Gross margins grew by 21% to €9.6m.

Our services business growth has arisen predominantly in managed services led by growth in cloud and maintenance activities.

Gross Profit percentage was marginally higher as product margins rose offsetting a small decline in services rates.

Operating Profit grew by 64% year on year, another record result for our Spanish operations. The close management of overheads has continued with only 3% growth in other operating costs helped by lower property costs following the move to more appropriate sized premises for our head office in Madrid. We have continued to invest in people with 15% increase in our indirect labour costs year on year, 5% growth in wage inflation and the remainder being a growth in our sales headcount up 13.2% to deliver future business growth.

Outlook for FY24

Our strategy for the coming year will be to further develop our focus areas which concentrate on cloud-based solutions and workplace modernisation for our customers, underpinned by the evolution of our own workforce and e-commerce tools to ensure we remain up to date and relevant to meet the needs of our customers. Whilst this last year has been a record year we are taking nothing for granted in our focus to deliver a strong performance for the group in the coming year.

GROUP OUTLOOK

The overall performance of the group this year has been particularly strong due to an excellent year in France and with notable improvement in Spain.

We have delivered growth and improved profitability in the Group overall despite more uncertain economic conditions in the UK, which has performed less well. Overall we continue to demonstrate the effectiveness of our business model centred on long term partnerships, our customer first approach and strong financial management.

The group's cash position remains very strong as is our ability to access funds as required and we expect to continue to be able to fund both organic and acquisitive growth as required for the business in the future.

We keep under review our operating model in each territory and will continue to adapt our model to the changes we see are necessary to ensure we remain relevant to the needs of our customers and all other stakeholders. Inflationary pressures and macro-economic and political pressures will continue to have an impact and we recognise that some territories may not yet have seen the full impact of these events.

Whilst confident in our business and the changes we are making we remain cautious but optimistic for the coming year.

Approved by the Board of directors and signed on behalf on 18 August 2023

PETER WHITFIELD
CHIEF FINANCIAL OFFICER

VIABILITY STATEMENT

This viability statement is prepared to provide guidance to stakeholders in relation to the long-term viability of SCC EMEA Group 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 assessed the prospects of the Group over a period longer than the 12 months required by the "Going Concern" provision by reviewing the long-term strategy of the group for the future five years which have demonstrated that in extreme economic conditions the business remains viable with adequate cash and profitability.

The board's forecasts consider the group's profit, cash flows and other key financial ratios over this period together with those indicator factors relevant for the Group's viability. This analysis also evaluates the potential impact of the principal risks and uncertainties should they occur.

Viability Indication Factors

Current Performance

- Growth in operating profit whilst maintaining a good cash profile
- Resilience in annual performance
- Capability to flex costs and operating model in the short term
- Diversified product and solution sets in our key markets
- Customers diversified between markets and sectors
- Tight financial control
- Adequate banking facilities

Strategy and Market Knowledge

- Over 45 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 and 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

Strategic and Financial Planning

Each company is responsible for building an annual budget detailing profit and loss account, balance sheet and cash flow performance which is reviewed initially by local boards and then is consolidated into a group plan. This is then approved by the EMEA Board and the Rigby Group Board each year.

A cycle of quarterly reforecasting which also covers profit and loss, balance sheet and cash flow was also in operation throughout the year.

Headroom and access to cash expectations for the Group over the next 12 months are updated monthly by each division and reviewed by the SCC EMEA Group executive team.
The annual strategic planning exercise performed by each division continues to focus on a 3-year horizon extended at a higher level to provide a 5-year view which the directors consider reflects their viability time horizon. We will refresh this planning in the coming financial year in the light of industry changes which we continue to follow.

Future Expectations

Despite ongoing uncertainties in the economic environment, the group still expects to be able to meet their short-term expectations, and the longer-term operating profit growth requirements of the shareholders.

The group expects to be able to continue to fund its own capital investment programmes supporting productivity improvements and other capital commitments out of cash generated from operations and to continue to pay annual dividends to shareholders in the coming financial year. Growth in organic operating profit will not be delivered by growth in leverage and the group will not be reliant on the Rigby Group to deliver these results.

Viability

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

Continuing economic and political uncertainties in the UK have been considered in our planning scenarios.

Worldwide chip shortages which have affected all technology companies have now eased. Our supply chain with world leading vendors and distributors has minimised as far as possible the impact of the these events on our business and our customers. Any repeat in the future will not significantly affect our business. Our highly diversified business which delivers opportunities for our customers to reduce long terms costs through investment in technology has a proven track record of being relevant and agile enough to cope with such uncertainties, such that the directors are confident that the Group can maintain performance in these circumstances.

We proactively engage with HSBC UK Bank, with whom we have a long-term relationship, and have assessed our options to provide flexibility in the event of economic uncertainty. All aspects of our facilities have been kept under close and continual review during the year and we will continue this activity to ensure that the facilities meet our needs during this time of economic uncertainty. Facility headroom and access to cash, which has grown over the year, is at a level which the board consider more than adequate to support the group through the current crisis and expected recession over the next twelve months.

A strong balance sheet, supported by long term shareholder investment, provides additional confidence in the viability of the Group in the long term.

Based on the results of this analysis the directors expect that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period of these assessments.

Going Concern

In the year ended 31 March 2023 the Group has delivered growth in turnover, gross profit and operating profit and has ended the year with net current assets of £95m and a cash and current asset investments balance of £523m.

The Group has banking facilities in both the UK and Continental Europe in the form of receivable finance and overdrafts which are used to meet day to day working capital requirements. Considering performance over the last financial year, the Group's medium term financial forecasts and expectations of market conditions and economic factors, the Group expects to be able to operate within the current level of facilities and available cash resources. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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

RISK MANAGEMENT

"Effective risk management is key to delivering our strategic objectives"

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

Internal Control & Risk Management

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

Operational Management

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

Board Oversight

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

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

Independent Assurance

Rigby Group has an internal audit function that reports into the Rigby Group CFO and undertakes assignments based on risk across the whole of the Rigby Group including SCC. This includes working closely with the ARR to identify areas of focus for internal audit assignments, reporting findings and ensuring recommendations are implemented.

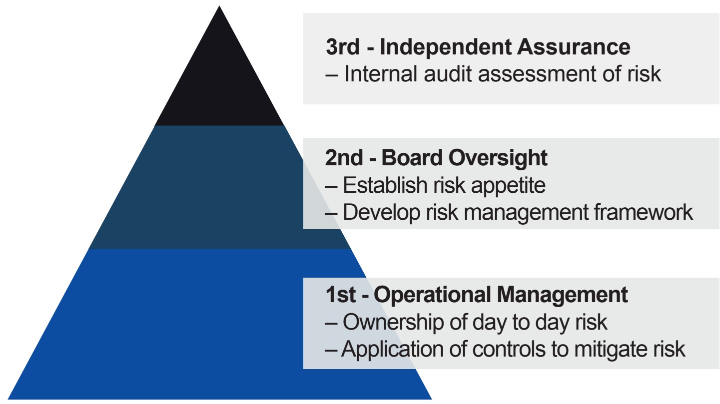
Risk Management Framework

The management of risk is at the core of our internal control framework.

The framework defines how we identify, assess, and manage risks throughout the organisation, focusing on enterprise level risks which enables us to effectively manage the impact of risk on our strategy.

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

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



Risk Methodology

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

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

Framework for identifying risk

In compiling the risk register, general business risks, industry specific risks and company specific risks are considered.

The Rigby Group provide and maintain an enterprise risk inventory to facilitate this process. The inventory consists of five categories, for which a further subset of risks is listed.

The enterprise risk categories are as follows:

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

Methodology for assessing and prioritising risk

Risks are assessed and quantified in terms of likelihood and potential impact, taking into consideration control mitigation. These are then used to determine an overall mitigated risk rating which corresponds to a high, medium, or low risk level.

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

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

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

Management of risk

Actions, next steps and learning points are considered and documented for each risk. The risk owner is responsible for maintaining these, which will then have oversight by the ERO and the ARR. SCC have considered whether climate change represents a principal risk to the business and has deemed that it does not. Environmental risks are taken into consideration as part of the risk identification and management process.

Risk Rating		Likelihood				
		5	4	3	2	1
Impact	5	25	20	15	10	5
	4	20	16	12	8	4
	3	15	12	9	6	3
	2	10	8	6	4	2
	1	5	4	3	2	1

Risk Level

- High
- Medium
- Low

PRINCIPAL RISKS AND MITIGATION

Financial: Business Environment & Market Conditions

Risk Description

- Failure to identify or react to changes in market conditions resulting in increased costs, fall in demand, and margin erosion.

Changes in market conditions include the following:
- Changes in taxation / duties / insurance / interest rates or inflation,
- Material changes in currency rates,
- Costs and availability of products,
- Trading terms,
- Conflict / political unrest,
- Economic downturn.

Risk Mitigation

- Close observation of economic and market conditions including maintaining monitoring changing customer behaviours and vendor trends in product development and routes to market.
- Proactive currency management, such as daily FX reviews and cash flow hedging.
- Maintain competitive supplier sources (no sole-source).
- Assessment of standard customer purchasing behaviours and sentiments.
- Regular monitoring and reporting of financial performance and forecasting.
- Linking customer prices with purchase costs, providing cost transparency where appropriate and not entering into fixed price sales contracts where purchase prices are variable.
- Taking risk reduction actions where appropriate.

Risk Update

- Continuing elevated levels of inflation have increased the inherent risk posed by economic uncertainties.
- Whilst some of this risk has been mitigated by increased focus in areas such as cost base analysis, currency management, and contract & pricing reviews, it has not been possible to mitigate the full impact. The residual risk posed to the business has therefore increased.

Trend

Risk Level High UK

Process/Technology: Infrastructure Security

Risk Description

- Loss of operations due to Cyber-attacks or a failure of physical or technical procedures resulting in interruption of services to customers and reputation damage.
- Cyber-attack or other breach to our systems leading to a loss of customer, personal or business data.
- Loss of service of internal systems disrupting internal operations or customer experience.

Risk Mitigation

- Data protection & information security policies, procedures, training, and controls.
- Industry standard network protection and data centre infrastructure, including backup facilities and ISO 27001 accreditation.
- Security testing and investment programme to keep abreast of new threats and maintain protection.
- Cyber Protection reviews undertaken by internal and third-party teams.

Risk Update

- Due to the general level of Cyber attack activity targeted on all large businesses, the risk of cyber-attacks and the potential impact on the operation of our businesses and on our reputation remains one of the principal enterprise level risks which the group faces.
- On the request of the ARR, all divisions have reviewed their cyber security and described the roadmap they have in place to further tighten cyber protection measures.

Trend

Risk Level High

Process/Technology: Internal Systems Productivity

Risk Description

- Insufficient system maintenance resulting in loss of service and inability to deliver necessary information to manage the business.
- Ageing systems are not updated or replaced comprising delivery, data quality and security.
- Ineffective management of system migration projects.

Risk Mitigation

- Automation of maintenance monitoring and scheduling with risk alert.
- Active lifecycle asset management and decommissioning projects.
- Patch & update management.
- Detailed system migration planning including documentation of processes, UAT testing, parallel runs, and backups.

Risk Update

- Continued significant investment in systems replacement.

Trend

Risk Level High

Human Capital: People

Risk Description

- Failure to attract and retain our most talented colleagues.
- Lack of change readiness to support change initiatives.
- Maintaining wrong skill sets to support customer requirements or generate new business.
- Poor succession planning and overdependency on key individuals.

Risk Mitigation

- Benchmarking industry norms, flexible working, feedback through the recruitment process.
- Active change communications, planning and training; pre-change engagement and dialogue.
- Opportunity and development through succession planning and investment in continued professional development.
- Celebration of success through award schemes.
- Undertake wellbeing & prosperity investment.
- Personal development plans, internal courses, and external training.
- Annual resource planning, including redeployment and flex resourcing.

Risk Update

- Increases in headcount across the business has restored operational resource levels to pre-covid levels where required.
- Establishment and investment in behavioural skills training.

Trend	
Risk Level	Medium

Strategic: Competition and Technology Change

Risk Description

- Strategy not reviewed sufficiently frequently to keep up with industry change.
- Decline in demand for our services or knowledge.
- Failure to understand our customers and respond to changes in their requirements, including uncompetitive commercials (costs or risk appetite).
- Ineffective Sales & Marketing resulting in limited or no market access.

Risk Mitigation

- Detailed strategic planning processes with executive focus and subsequent performance reporting.
- Cost reviews and market benchmarking, including study of market penetration.
- Understand "pivot points" of commercial outcomes and issues.
- Incentive plans supporting correct behaviours.

Risk Update

- Executives keep pace with change, and business growth indicates continued relevance.
- Continuation of annual strategic planning and forecasting activity.

Trend	
Risk Level	Medium

Legal, Regulatory & Compliance: Environmental risks, Licences & Other Regulations

Risk Description

- Failure to plan for changes in environmental, social and governance commitments.
- Failed, missing or lapsed licences or accreditations resulting in loss of business, damaged reputation, and fines.
- Non-compliance with regulations or contracts resulting in loss of business, damaged reputation, and fines.

Risk Mitigation

- Rigby Group Head of Sustainability appointed to lead targeted ESG work groups on key topics.
- Automation renewals and notifications to shared resources rather than individuals.
- Clear ownership of impact and outcomes.
- Mapping of compliance and contract obligations to deliverables.
- Planning of compliance activities and related costs.
- Business Excellence team review of output improvement tasks.

Risk Update

- Rigby Group Head of Sustainability appointed to lead targeted ESG work groups on key topics.
- Continued monitoring of our compliance obligations.

Trend	
Risk Level	Medium

Approval of the Strategic Report

Approved by the Board of directors and signed on behalf on 18 August 2023.

JAMES RIGBY
CHIEF EXECUTIVE
18 AUGUST 2023

DIRECTORS REPORT

The directors present their annual report, audited financial statements of the Group together with the auditor's report for the year ended 31 March 2023.

Strategic Report

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

The Strategic Report sets out the details of the Group's risk management in the Governance and Risk section of the report covering all of the principal risks and uncertainties of the Group, including credit risk, liquidity risk and cash flow risk.

The Environment, Social and Governance sections of the Strategic Report cover the Group's policies with respect to equality and diversity, employee communications, 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.

The going concern of the Group is covered within the Viability Statement section of the Strategic Report.

Financial KPIs including Turnover, Operating Profit, Cash Generated by Operations and Net Assets are discussed in the Strategic Report.

Summary Performance and Dividends Declared

The group's activities during the year generated turnover of £3.3bn, a growth of 24% over the prior year. Profit before tax of £66.5m was a 5% improvement over the £63.6m reported for the prior year. Turnover growth was driven by continued demand for IT software and enterprise solutions.

Dividends to equity holders of £19.8m were declared during the year, all of which were settled after the year end. In the prior year £19.8m of dividends were declared and settled in full in the current year. In addition £0.2m of dividends were declared and paid to non-controlling interests during the year (2022: £0.2m).

Net assets of the Group are £196.3m, £34.4m higher than prior year due to profits generated from operating activities in the year retained in the business,

Research and Development Expenditure

During the year we invested £4.1m (2022: £3.1m) in research and development activity, including capital expenditure, which is driven by the need to develop innovative solutions to meet our customers' needs. This was in line with our annual investment levels which have exceeded £2m per year on average over the last five years.

Directors and Directors' Indemnities

The following directors have held office since 1 April 2022 and up to the date of signing:

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

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

Branches

SCC France SAS operates a branch in Germany.

Post Balance Sheet Events

On 1 April 2023, the Group acquired the entire Share Capital of Rigby Capital Limited from Rigby Group Technology Limited, a related entity, for a total consideration of £5.0m, equivalent to the carrying book value.

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

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

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

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 and SCC EMEA Group.

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
CHIEF EXECUTIVE
18 AUGUST 2023

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of SCC EMEA Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the related notes 1 to 30.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included Employment Law, Environmental Regulations (including SECR), Health & Safety and Bbuilding Regulations, and the Data Protection Act 2018.

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

As a result of performing the above, we identified the greatest potential for fraud is in relation to revenue recognition. Specifically the fraud risk in relation to product revenue cut-off in the UK and the judgements in the percentage of completion on long term-contracts in France.

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

- assessed the design and implementation and operating effectiveness of management's control over the accuracy, completeness, cut-off and occurrence of revenue; and
- tested a sample of transactions in revenue over the final week in March and first week of April for accuracy, occurrence and cut-off of revenue by agreeing details of the sales to invoices, customer orders and evidence of shipments.

In relation to percentage of completion, each of these contracts varies in size and complexity and there are a number of contracts which span multiple financial years. The existence of long-term contacts result in a risk of a potential misstatement of revenues, costs and profits through management's assumptions used in generating the estimates of the remaining cost to complete the projects being inaccurate or inappropriate. In order to assess that revenue was recognised in the correct period, we performed the following procedures:

- obtained an understanding of the relevant controls over the group's assessment of cost to complete on percentage of completion and milestone contracts;
- sampled on-going contracts and traced these through to latest customer confirmations, sales invoices and cash receipts; and
- tested actual cost incurred, post-balance sheet performance and expectation of cost to complete prepared by management to assess actual stage of completion and correctness of estimated revenue.

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

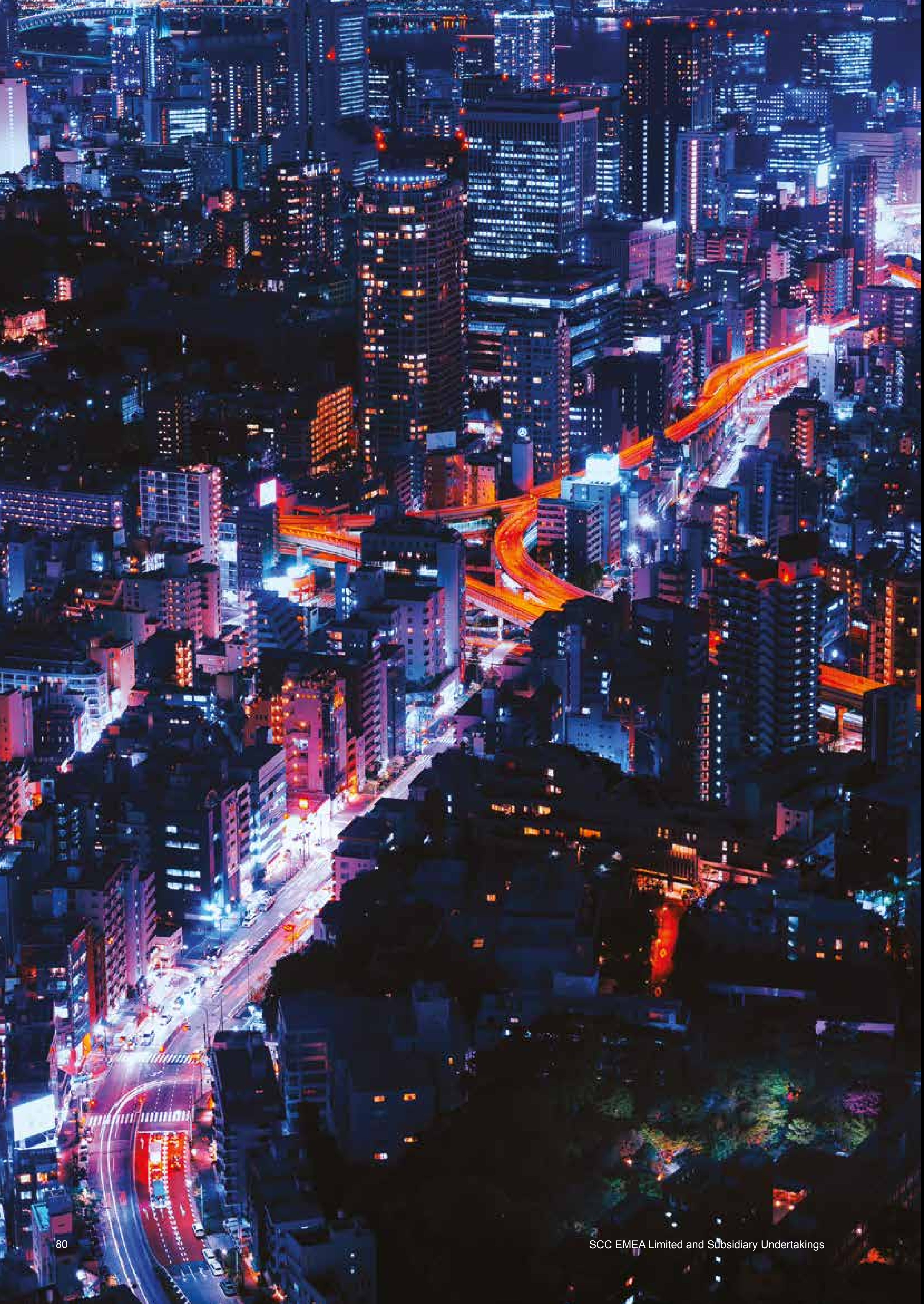
In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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
18 AUGUST 2023



FINANCIAL STATEMENTS.

Annual Report and Financial Statements 2023

PROFIT AND LOSS ACCOUNT

for the Year Ended 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover	3	**3,250,019**	2,625,591
Cost of sales		**(2,921,939)**	(2,340,069)
Gross profit		**328,080**	285,522
Administrative expenses		**(259,810)**	(221,392)
Other operating income	5	**34**	223
Operating profit		**68,304**	64,353
Finance costs (net)	4	**(1,771)**	(769)
Profit before taxation	5	**66,533**	63,584
Tax on profit	8	**(17,485)**	(17,695)
Profit for the financial year		**49,048**	45,889
Profit for the financial year attributable to:			
Non-controlling interest		**(475)**	213
Equity shareholder of the Group		**49,523**	45,676
		49,048	45,889

The notes form part of these financial statements.

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

STATEMENT OF COMPREHENSIVE INCOME

for the Year Ended 31 March 2023

	2023 £'000	2022 £'000
Profit for the financial year	**49,048**	45,889
Currency translation differences on foreign currency net investments	**3,151**	(230)
Re-measurement of net defined benefit obligation (note 22)	**2,913**	433
	6,064	203
Tax relating to components of other comprehensive income (note 16)	**(725)**	(78)
Other comprehensive profit	**5,339**	125
Total comprehensive income attributable to:	**54,387**	46,014
Non-controlling interest	**(449)**	207
Equity shareholder of the Group	**54,836**	45,807
	54,387	46,014

CONSOLIDATED BALANCE SHEET

for the Year Ended 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Intangible assets	11	**70,400**	46,788
Tangible assets	12	**61,673**	74,017
		132,073	120,805
Current assets			
Stocks	15	**50,286**	67,807
Debtors			
- due within one year	16	**685,719**	414,537
- due after more than one year	16	**7,772**	9,532
Current asset investments	17	**29,555**	-
Derivative financial assets	18	**12**	162
Cash at bank and in hand		**493,634**	459,183
		1,266,978	951,221
Creditors: amounts falling due within one year	19	**(1,171,859)**	(875,953)
Derivative financial liabilities	18	**(126)**	-
Net current assets		**94,993**	75,268
Total assets less current liabilities		**227,066**	196,073
Creditors: amounts falling due after more than one year	20	**(6,944)**	(10,649)
Provisions for liabilities	22	**(23,854)**	(23,586)
Net assets		**196,268**	161,838
Capital and reserves			
Called up share capital	24	**6,178**	6,178
Share premium account	24	**149**	149
Other reserves	24	**3,117**	3,117
Profit and loss account	24	**186,988**	151,952
Shareholders' funds		**196,432**	161,396
Non-controlling interests		**(164)**	442
Total capital employed		**196,268**	161,838

Approved by the board of directors, authorised for issue on 18 August 2023 and signed on its behalf by:

James Rigby
Chief Executive
Company Registration Number: 04279856
Registered in England and Wales

COMPANY BALANCE SHEET

for the Year Ended 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Investments	13	**72,378**	72,378
		72,378	72,378
Current assets			
Debtors - due within one year	16	**30,635**	22,879
Current asset investments	17	**29,555**	-
Derivative Financial Assets		**-**	150
Cash at bank and in hand		**85,825**	8,234
		146,015	31,263
Creditors: amounts falling due within one year	19	**(136,733)**	(22,746)
Net current assets		**9,282**	8,517
Total assets less current liabilities		**81,660**	80,895
Net assets		**81,660**	80,895
Capital and reserves			
Called up share capital	24	**6,178**	6,178
Profit and loss account	24	**75,482**	74,717
Shareholders' funds		**81,660**	80,895

The profit for the year of the parent company before dividends received or paid was £3,607,000 (2022: £472,000).

Dividends received from subsidiaries during the year were £24.2m (2022: £68.3m) and dividends paid were £19.8m (2022: £80.9m).

Approved by the board of directors, authorised for issue on 18 August 2023 and signed on its behalf by:

James Rigby
Chief Executive
Company Registration Number: 04279856
Registered in England and Wales

STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31 March 2023

	Called-up Share Capital £'000	Share Premium Account £'000	Other Reserves £'000	Profit and loss account £'000	Total £'000	Non-controlling Interest £'000	Total £'000
At 1 April 2021	**6,178**	**149**	**3,117**	**187,057**	**196,501**	**389**	**196,890**
Profit for the financial year	-	-	-	45,676	**45,676**	213	**45,889**
Currency translation differences on foreign currency net investments	-	-	-	(224)	**(224)**	(6)	**(230)**
Re-measurement of net defined benefit obligation	-	-	-	433	**433**	-	**433**
Tax relating to items of other comprehensive income (note 16)	-	-	-	(78)	**(78)**	-	**(78)**
Total comprehensive income	-	-	-	45,807	**45,807**	207	**46,014**
Dividends declared to equity shareholders (note 10)	-	-	-	(80,912)	**(80,912)**	-	**(80,912)**
Dividends declared to non-controlling interests (note 10)	-	-	-	-	**-**	(154)	**(154)**
At 31 March 2022	**6,178**	**149**	**3,117**	**151,952**	**161,396**	**442**	**161,838**
Profit for the financial year	-	-	-	49,523	**49,523**	(475)	**49,048**
Currency translation differences on foreign currency net investments	-	-	-	3,125	**3,125**	26	**3,151**
Re-measurement of net defined benefit liability (note 22)	-	-	-	2,913	**2,913**	-	**2,913**
Tax relating to items of other comprehensive income (note 16)	-	-	-	(725)	**(725)**	-	**(725)**
Total comprehensive income	-	-	-	54,836	**54,836**	(449)	**54,387**
Dividends declared to equity shareholders (note 10)	-	-	-	(19,800)	**(19,800)**	-	**(19,800)**
Dividends declared to non-controlling interests (note 10)	-	-	-	-	**-**	(157)	**(157)**
At 31 March 2023	**6,178**	**149**	**3,117**	**186,988**	**196,432**	**(164)**	**196,268**

COMPANY STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31 March 2023

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
At 1 April 2021	6,178	86,821	92,999
Profit for the financial year and total comprehensive income	-	68,808	68,808
Dividends paid/declared to entity shareholders (note 10)	-	(80,912)	(80,912)
At 31 March 2022	6,178	74,716	80,895
Profit for the financial year and total comprehensive income	-	20,565	20,565
Dividends declared to entity shareholders (note 10)	-	(19,800)	(19,800)
At 31 March 2023	**6,178**	**75,482**	**81,660**

CASH FLOW STATEMENT

for the Year Ended 31 March 2023

	Note	2023 £'000	2022 £'000
Operating profit		**68,304**	64,353
Depreciation of tangible fixed assets		**10,802**	10,822
Amortisation of intangible fixed assets		**9,449**	5,926
Gain on sale of fixed assets		**(15,299)**	(35)
Adjustment for pension funding		**328**	419
Net movement in stocks		**23,437**	(20,676)
Net movement in debtors		**(208,084)**	(61,089)
Net movement in creditors		**242,316**	109,408
Cash generated from operations		**131,253**	109,128
Income tax paid		**(23,577)**	(15,693)
Net cash generated from operations		**107,676**	93,435
Investing activities			
Proceeds from sale of property and equipment		**28,346**	64
Purchase of software and equipment		**(19,767)**	(11,435)
Acquisitions	14	**(24,043)**	(4,325)
Payment of deferred contingent consideration	14	**(2,080)**	-
Current asset investments		**(29,766)**	-
Related party loans	28	**(3,435)**	-
Interest received		**1,138**	28
Net cash flow used in investing activities		**(49,607)**	(15,668)
Finance activities			
Dividends paid to equity shareholders		**(19,800)**	(15,619)
Dividends paid to non-controlling interests		**(157)**	(154)
New borrowings		**926**	-
Repayment of borrowings		**-**	(926)
Repayment of obligations under finance leases		**(4,527)**	(1,399)
Interest paid		**(2,055)**	(786)
Net cash flow used in financing activities		**(25,613)**	(18,884)
Net increase in cash and cash equivalents		**32,456**	58,883
Cash and cash equivalents at beginning of year		**459,183**	397,172
Net increase in cash and cash equivalents		**32,456**	58,883
Effects of foreign exchange rates		**1,995**	3,128
Cash and cash equivalents at end of year		**493,634**	459,183

Cash and cash equivalents held but not available for use and an analysis of changes in net debt are disclosed in note 25.

1 Significant accounting policies

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

1.1 General information and basis of accounting

SCC EMEA Limited "the Company" is a private company limited by shares incorporated in England and Wales in the United Kingdom under the Companies Act 2006. The registered office of the Company is provided in the Company Information section of this Annual Report. The nature of the operations of SCC EMEA Limited and subsidiary undertakings "the Group" and its principal activities are set out in the strategic report and directors' report.

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

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

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

1.2 Basis of consolidation

The Group financial statements consolidate the financial statements of SCC EMEA Limited and its subsidiary undertakings drawn up to 31 March 2023. The SCC EMEA Limited consolidated financial statements represent the smallest group for which consolidated financial statements are prepared.

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

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

1.3
Going concern

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

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

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

The financial analysis concluded that the Group expects to be able to operate within the level of their current facilities and available cash resources. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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

1.4
Intangible assets – Goodwill

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

1.5
Intangible assets – Software costs

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

1.6
Intangible assets – Other

Research and development
Research expenditure is written off as incurred. Software development expenditure is also written off as incurred except where the directors are satisfied as to the technical, commercial and financial viability of individual projects.

In such cases and provided they meet the criteria in accordance with Section 18 of the FRS 102, the identifiable expenditure is capitalised as an intangible asset. Amortisation is not provided on software development until the asset is complete and ready for its intended use.

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

1.7
Tangible fixed assets

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

Freehold land and buildings	up to 50 years
Leasehold land and buildings	up to 50 years
Fixtures and equipment	3 to 20 years
Motor vehicles	3 to 6 years

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

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

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

1.8
Investments

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

1.9
Impairment of assets

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

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

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

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

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

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

1.10
Stocks

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

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

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

1.11
Employee benefits

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

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

In France our operations have obligations under local retirement indemnity provisions. 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.

1.12
Cash and cash equivalents

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

1.13
Current asset investments

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

1.14
Financial instruments

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

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

Financial assets and liabilities
All financial assets and liabilities are initially measured at the transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

If an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

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

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

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

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

1.15 Taxation

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

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

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

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

Similarly a deferred tax asset/(liability) is recognised for the additional tax that will be paid/(avoided) because of a difference between the value at which the liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is measured using the tax rates that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

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

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

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

1.16 Foreign currency

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

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

Notes to the Financial Statements

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

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

1.17 Lease accounting

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

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

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

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

1.18 Interest income

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

1.19 Investment income

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

1.20 Rebates and marketing income

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

1.21 Government grants

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

Government support provided to the Group in response to the Covid 19 pandemic is recognised as Other Operating Income.

1.22 Provisions

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

1.23 Turnover

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

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

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

2.1 Critical judgements in applying the Group's accounting policies

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

2.2 Key sources of estimation of uncertainty

There are no key assumptions concerning the future, and other sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing material adjustment to the carrying value of the assets and liabilities within the next financial year.

3. Turnover

	2023 £'000	2022 £'000
By geographical destination		
United Kingdom	867,568	766,893
Continental Europe	2,370,839	1,853,369
Rest of World	11,612	5,329
	3,250,019	2,625,591
By geographical origin		
United Kingdom	880,806	776,956
Continental Europe	2,369,213	1,848,635
	3,250,019	2,625,591
By category		
Sale of goods	2,846,613	2,241,128
Rendering of services	401,219	382,645
Government grants	2,187	1,818
	3,250,019	2,625,591

The Group has the following sources of grant income, excluding grant income related to the government response to Covid 19 in France which is recognised as other operating income:

In Romania, grants have been made in respect of job roles created and investment made in our global delivery centre. The grant income is recognised in the profit and loss account in accordance with the underlying costs incurred. It is a condition of the grant that the roles created are maintained for a period of five years from the date the jobs were created and that an appropriate level of taxes are paid within the period.

In France, our Altimance business has grant income in respect of job roles created in our regional delivery centre. The grant income is recognised in the profit and loss account in accordance with the underlying recruitment and employment costs incurred. It is a condition of this grant that the roles created are maintained for a period of five years extending to 2023 and that appropriate contributions are made to the fiscal budget through employment tax payments.

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

4. Finance costs (net)

	2023 £'000	2022 £'000
Interest payable and similar charges	3,398	783
Interest receivable and similar income	(2,318)	(43)
Other finance costs	691	29
	1,771	769

	2023 £'000	2022 £'000
Interest payable and similar charges		
Interest on bank loans and overdrafts	244	13
Finance leases and hire purchase contracts	41	287
Interest on invoice financing facilities	920	357
Foreign exchange losses	1,901	-
Other interest payable	292	126
	3,398	783

	2023 £'000	2022 £'000
Interest receivable and similar income		
Interest receivable from bank deposits	1,147	-
Interest payable from Group undertakings	69	-
Interest payable from related parties	10	-
Foreign exchange gains	1,024	-
Other interest receivable and similar income	68	43
	2,318	43

	2023 £'000	2022 £'000
Other finance and investment costs		
Losses from current asset investments	241	-
Unwinding of discount on long term debtors/creditors	98	86
Fair value adjustment on derivative instruments	126	(177)
Net interest on defined benefit obligation (see note 23)	226	120
	691	29

5. Profit before taxation

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

	2023 £'000	2022 £'000
Depreciation of tangible fixed assets	10,802	10,822
Amortisation of intangible assets	2,391	2,663
Amortisation of goodwill	7,058	3,263
Research expenditure	1,258	3,100
Government grant income	(2,183)	(1,819)
Other operating income - Furlough schemes grants	(34)	(385)
Other operating income - Repayment of furlough scheme grants	-	162
Operating lease rentals	17,096	22,626
Foreign exchange gains	(324)	(558)
Sublet rental income	(144)	(457)
Gain on disposal of fixed assets	(15,299)	(35)
Cost of stock recognised as an expense	2,628,566	2,037,765
Impairment of stock recognised as an expense	1,342	622

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

Impairment of stock is booked to cost of sales. Impairment of stock was made following the annual reassessment at year end of stock selling price less costs to complete.

Government support provided under national equivalents of furlough schemes of £34k (2022: £223k) has been included within other operating income. Furlough scheme grants were claimed in the year to March 2023 in France. In the prior year furlough scheme grants were claimed in UK and France, all UK grants were subsequently repaid in full during the year.

The analysis of auditor's remuneration is as follows:

	2023 £'000	2022 £'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	16	16
Fees payable to the Company's auditor and their associates for the audit of the Company's subsidiaries pursuant to legislation	715	668
Total audit fees	731	684
Tax compliance services	15	12
Other advisory services	84	81
Total non-audit fees	99	93

No services were provided pursuant to contingent fee arrangements.

6. Staff costs

The average monthly number of employees of the Group was:

	Group		Company	
	2023	2022	2023	2022
Sales	1,315	1,180	-	-
Administration	1,858	1,696	-	-
Engineering	2,865	2,726	-	-
Warehouse	265	259	-	-
	6,303	5,861	-	-

Their aggregate remuneration comprised:

	Group		Company	
	2023	2022	2023	2022
Wages and salaries	257,730	220,943	-	-
Social security costs	62,366	55,634	-	-
Pension costs - defined contribution schemes	2,681	2,231	-	-
Pension costs - defined benefit schemes	1,012	973	-	-
	323,788	279,782	-	-

Aggregate remuneration excludes redundancy payments for the Group of £3,229,872 (2022: £5,036,390). There was nil redundancy cost in the Company (2022: Nil).

7. Directors' remuneration and transactions

Remuneration

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

Total remuneration for these directors for the year was £2,485,000 (2022:£2,492,000). Together these directors are accruing pension benefits of £12,000 (2022:£10,000).

8. Tax on profit

	2023 £'000	2022 £'000
Current tax		
UK Corporation tax	820	3,639
Foreign tax	19,814	13,123
	20,634	16,762
Adjustments in respect of prior years		
UK Corporation tax	30	(374)
Foreign tax	(712)	823
Total current tax	19,952	17,211
Deferred tax		
Origination and reversal of timing differences	(2,815)	(1,357)
Adjustments in respect of prior years	43	391
Effect of changes in tax rates	305	1,450
Total deferred tax (note 16)	(2,467)	484
Total tax on profit	17,485	17,695

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.

Deferred tax assets and liabilities of the foreign entities have been measured utilising the corresponding foreign standard rates of corporation tax substantively enacted at the balance sheet date.

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:

	2023 £'000	2022 £'000
Factors affecting the tax charge for the year		
Profit before tax	66,533	63,584
Tax on profit at standard UK corporation tax rate of 19% (2022: 19%)	12,641	12,081
Effects of:		
Expenses not deductible for tax purposes	3,384	897
Income not taxable for tax purposes	(719)	(232)
Overseas tax relief	(176)	(127)
Transfer pricing adjustments	4	109
Utilisation or recognition of previously unrecognised losses	(1,511)	(959)
Other deferred tax asset not recognised	(10)	7
Effect of overseas tax rates	3,571	3,239
Other overseas taxes	635	390
Adjustment in respect of prior years	(639)	840
Effect of tax rate changes	305	1,450
Group total tax charge for year	17,485	17,695

9. Profit attributable to SCC EMEA Limited

The profit before dividends received or paid for the financial year within the financial statements of SCC EMEA Limited was £3,607,000 (2022: £471,000).

Dividends received from subsidiaries during the year were £24.2m (2022: £68.3m) and dividends paid were £19.8m (2022: £80.9m). As permitted by section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the Company.

10. Dividends

Amounts recognised as distributions to equity holders in the period:

	2023 £'000	2022 £'000
Dividends to equity holders		
Dividend of 16.02p per share (2022: 65.48p per share)	19,800	80,912

	2023 £'000	2022 £'000
Dividends paid by subsidiary to non-controlling interest		
Dividend of 1.07p per share (2022: 1.05p per share)	157	154

All dividends were approved by the shareholders during the year, of which £157,000 were settled in cash during the year and £19,800,000 settled after the year end.

11. Intangible fixed assets

	Goodwill £'000	Software costs £'000	Development costs £'000	Total £'000
Cost				
At 1 April 2022	65,538	37,342	13,982	116,862
Acquisitions	22,767	482	-	23,249
Additions	-	2,031	7,612	9,643
Reclassifications	-	18	(18)	-
Disposals	-	(1,540)	-	(1,540)
Exchange differences	1,305	400	2	1,707
At 31 March 2023	89,610	38,733	21,578	149,921
Amortisation				
At 1 April 2022	49,779	20,295	-	70,074
Charge for the year	7,058	2,391	-	9,449
Disposals	-	(1,495)	-	(1,495)
Exchange differences	1,194	299	-	1,493
At 31 March 2023	58,031	21,490	-	79,521
Net Book Value				
At 31 March 2023	31,579	17,243	21,578	70,400
At 31 March 2022	15,759	17,047	13,982	46,788

Goodwill of £11,663,000 has been recognised in the year for the acquisition of Visavvi and £11,104,000 has been recognised in the year for the acquisition of Vohkus, see note 14.

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

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

There are no intangible fixed assets in the Company.

12. Tangible fixed assets

	Land and Buildings				
	Freehold £'000	Leasehold £'000	Fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2022	21,422	53,436	106,202	2,328	183,388
Acquisitions	-	2	399	192	593
Additions	14	3,596	6,374	250	10,234
Reclassifications	552	(550)	(2)	-	-
Disposals	-	(30,018)	(1,479)	(403)	(31,900)
Exchange differences	458	507	510	-	1,475
At 31 March 2023	22,446	26,973	112,004	2,367	163,790
Depreciation					
At 1 April 2022	6,575	26,483	74,564	1,749	109,371
Charge for the year	455	1,603	8,490	254	10,802
Reclassifications	12	(14)	(1)	3	-
Disposals	-	(17,226)	(1,282)	(390)	(18,898)
Exchange differences	222	259	361	-	842
At 31 March 2023	7,264	11,105	82,132	1,616	102,117
Net Book Value					
At 31 March 2023	15,182	15,868	29,872	751	61,673
At 31 March 2022	14,847	26,953	31,638	579	74,017

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
Net Book Value					
At 31 March 2023	-	-	-	562	562
At 31 March 2022	-	9,844	-	572	10,416

There are no tangible fixed assets in the Company.

13. Investments

	Shares in subsidiary undertakings £'000
Cost and net book value	
As at 1 April 2022 and as at 31 March 2023	72,378

SCC EMEA Limited directly and indirectly holds investments of the ordinary share capital in the following subsidiaries.

Group subsidiary undertakings	Country of incorporation	Nature of holding	Holding	Principal activity
SCC UK Holdings Limited	England and Wales	Direct	100%	Holding company
SCC Overseas Holdings Limited	England and Wales	Direct	100%	Holding company
Specialist Computer Centres plc	England and Wales	Indirect	100%	Systems integration
Specialist Computer Services Limited	England and Wales	Indirect	100%	Bureau services
SCC Data Centre Services Limited	England and Wales	Indirect	100%	Dormant
SCC Capital Limited	England and Wales	Indirect	100%	Dormant
SCC (UK) Limited	England and Wales	Indirect	100%	Dormant
SCC AVS Limited	England and Wales	Indirect	100%	Audio visual services
Visavvi Limited	England and Wales	Indirect	100%	Audio visual services
Quadra Concepts (UK) Limited	England and Wales	Indirect	100%	Manufacture of furniture
Sea Holdings (UK) Limited	England and Wales	Indirect	100%	Holding company
Sea Holdings Limited	England and Wales	Indirect	100%	Holding company
Quadra AV Furniture Limited	England and Wales	Indirect	100%	Dormant
Saville Audio Visual Group Limited	England and Wales	Indirect	100%	Dormant
The Saville Group Limited	England and Wales	Indirect	100%	Dormant
Vohkus Limited	England and Wales	Indirect	100%	Systems integration
E-Plenish Limited	England and Wales	Indirect	100%	Systems integration
Meggha Technologies SRL	Romania	Indirect	100%	Systems integration
Meggha Private Ltd	Singapore	Indirect	100%	Systems integration
Meggha Technologies Private Ltd	India	Indirect	100%	Systems integration
Meggha Technologic Services SL	Spain	Indirect	100%	Systems integration
Meggha Limited	England and Wales	Indirect	100%	Dormant
Azure Factory Limited	England and Wales	Indirect	100%	Dormant
M2 Digital Limited	England and Wales	Indirect	100%	Dormant
M2 Smile Limited	England and Wales	Indirect	100%	Dormant
Oworx Limited	England and Wales	Indirect	100%	Dormant
Rigby Capital SAS	France	Indirect	100%	Systems integration
Rigby Group SAS	France	Indirect	100%	Holding company
SCC France SAS	France	Indirect	100%	Systems integration
Large Network Administration SAS	France	Indirect	100%	Systems integration
Flowline Technologies SAS	France	Indirect	100%	Systems integration
Altimance SAS	France	Indirect	100%	Systems integration
E-Altimance SAS	France	Indirect	100%	Systems integration
Recyclea SAS	France	Indirect	55%	IT recycling
Specialist Computer Centres SL	Spain	Indirect	100%	Systems integration
Specialist Computer Services SL	Spain	Indirect	100%	Systems integration
S.C. SCC Services Romania S.R.L	Romania	Indirect	100%	Systems integration
Specialist Computer Centres Vietnam Company Limited	Vietnam	Indirect	100%	Systems integration

See page 118-119 for the registered addresses of all subsidiaries of SCC EMEA Limited.

14. Acquisitions

Visavvi

On 6 May 2022 Specialist Computer Centres plc acquired the entire share capital of SEA Holdings (UK) Limited, an audio-visual specialist group trading as Visavvi and incorporated in the UK, which included subsidiary undertakings of SEA Holdings Limited, The Saville Group Limited and Quadra Concepts (UK) Ltd. Total consideration was £15.3m and cash acquired was £1.2m.

In the year ended 31 March 2023 turnover of £23.0m and profit of £231,000 was included in the consolidated profit and loss account since the date of acquisition.

Vohkus

On 20 March 2023 Specialist Computer Centres plc acquired the entire share capital of IT reseller Vohkus Limited group, consisting of Vohkus Limited (IT reseller incorporated in the UK), E-Plenish Limited (IT reseller incorporated in the UK), Meggha Technology SRL (incorporated in Romania), Meggha Private Ltd (incorporated in Singapore), Meggha Technologies Private Ltd (incorporated in India) and Meggha Technologies SRL (incorporated in Spain).

Total consideration was £15.2m, of which £1.6m was deferred and expected to be paid by 31 July 2024, and cash acquired was £3.6m.

In the year ended 31 March 2023 turnover of £3.9m and profit of £212,000 was included in the consolidated profit and loss account since the date of acquisition.

SCC AVS

On 29 April 2022, Specialist Computer Centres plc acquired the remaining 20% shares in SCC AVS Limited for £2.1m resulting in the settlement of the deferred consideration recognised (see note 22). Investment was accounted as 100% owned from inception, there is no impact on Non-Controlling Interest on exercise of this call option.

14. Acquisitions (Continued)

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

	Visavvi £'000	Vohkus £'000	Total £'000
Fixed assets			
Intangible	-	482	482
Tangible	491	102	593
Current Assets			
Stocks	2,187	1,900	4,087
Debtors	6,927	9,618	16,545
Cash at bank	1,222	3,638	4,860
Total Assets	**10,827**	**15,740**	**26,567**
Creditors			
Bank loans / financing	-	(3,020)	(3,020)
Trade creditors	(3,057)	(6,846)	(9,903)
Accruals	(3,750)	(2,128)	(5,878)
Provisions	(205)	-	(205)
Taxation (net)	(186)	324	138
Total Liabilities	**(7,198)**	**(11,670)**	**(18,868)**
Net Assets	**3,629**	**4,070**	**7,699**
Goodwill	11,663	11,104	22,767
	15,292	**15,174**	**30,466**
Satisfied by			
Cash consideration	14,794	12,736	27,530
Legal and other fees	499	874	1,373
Deferred consideration	-	1,563	1,563
	15,293	15,173	30,466
Summary of cash impact			
Cash consideration	114,794	12,736	27,530
Legal and other fees	499	874	1,373
Cash acquired	(1,222)	(3,638)	(4,860)
	14,071	9,972	24,043

15. Stocks

	Group 2023 £'000	Group 2022 £'000
Goods held for resale	42,272	60,005
Print consumables	4,995	4,765
Maintenance stock	3,019	3,037
	50,286	67,807

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

16. Debtors

Amounts falling due within one year:	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Trade debtors	397,523	213,269	-	-
Amounts owed by Group undertakings	12,820	4,981	25,852	22,876
Amounts owed by associated companies	19	11	-	-
Other debtors	69,173	67,270	-	-
VAT	58,059	5,213	5	3
Group relief debtor	129	-	-	-
Corporation tax	4,573	729	-	-
Prepayments	38,986	30,450	-	-
Accrued income	93,592	90,253		
Amounts owed by related parties	3,435	-	3,435	-
Deferred taxation	7,410	2,361	1,343	-
	685,719	414,537	30,635	22,879

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand; however we do not anticipate needing to recall any funds in the next 12 months.

Included within amounts owed by group undertakings to the Company is £23.5m (2022: £22.9m) owed by subsidiaries and £2.4m (2022: nil) owed by fellow group undertakings.

Amounts falling due after more than one year:	Group 2023 £'000	Group 2022 £'000
Trade debtors	540	1,769
Other debtors	1,505	2,309
Deferred taxation	5,727	5,454
	7,772	9,532

The Company had no debtors falling due after more than one year (2022: nil).

16. Debtors (Continued)

Deferred Taxation

The Group's net deferred taxation asset comprises:	2023 £'000	2022 £'000
Deferred taxation asset		
- recoverable within one year	7,410	2,361
- recoverable after more than one year	5,727	5,454
Deferred taxation liability		
- payable within one year	(571)	(50)
- payable after more than one year	(8,008)	(5,553)
	4,558	2,212

	Group £'000	Company £'000
At 1 April 2022	2,212	-
Credit to profit and loss account (See note 8)	2,467	1,343
Amount credited to other comprehensive income	(725)	-
Movement arising from the acquisition of business	298	-
Exchange differences	306	-
At 31 March 2023	4,558	1,343

The deferred taxation asset is made up as follows:	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Depreciation on revaluation of non-qualifying assets	(1,079)	(1,116)	-	-
Depreciation in excess of capital allowances	(7,783)	(5,154)	-	-
Deferred tax arising in relation to retirement benefits	5,527	3,782	-	-
Tax losses available	3,797	2,277	1,343	-
Other timing differences	4,096	2,423	-	-
	4,558	2,212	1,343	-

The deferred taxation asset not provided is made up as follows:	2023 £'000	2022 £'000
Group		
Tax losses available	220	2,359

A deferred taxation asset amounting to £220,000 (2022: £2,359,000) in respect of non-expiring overseas trading losses has not been recognised due to limited opportunities to relieve future expected profits under local tax legislation. A deferred taxation asset in respect of retirement benefit provisions in the group has been fully recognised (2022: fully recognised).

The expected net reversal of deferred tax assets and liabilities in the next 12 months to 31 March 2024 is £(6,839,000). This is expected to arise due to the reversal of short term timing differences for depreciation in excess of capital allowances.

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

There are no unrecognised deferred taxes on the company at 31 March 2023 (2022: None)

17. Current asset investments

	Group and Company	
	2023 £'000	2022 £'000
Listed investments - at fair value	29,555	-
	29,555	-

The fair value of listed investments, which are all bonds traded in active markets, was determined with reference to the quoted market price at the reporting date.

18. Derivative financial instruments

	2023 £'000	2022 £'000
Group		
Assets - Forward foreign currency contracts	12	162
Liabilities - Forward foreign currency contracts	(126)	-

Forward foreign currency transactions are valued at fair value at the period end using quoted forward exchange rates.

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

			Nominal value		Market value	
	2023 Rate	2022 Rate	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Buy US Dollar						
Less than 3 months	1.210	1.128	4,658	56	4,533	57
From 3 months to 1 year	1.210	1.120	1,568	1,568	1,578	1,579
			6,226	1,624	6,111	1,636
Sell Euros						
From 3 months to 1 year		1.160		15,760		15,609
			-	15,760	-	15,609

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

The Group enters into contracts to buy goods in US Dollars and to sell cash receipts from Group companies in Euros. The Group entered into forward foreign currency transactions to hedge the exchange rate risk arising from these anticipated future transactions, which were considered by management as hedges of foreign exchange risk in a highly probable forecast transaction. The hedged cash flows are expected to occur and to affect profit and loss within the next 1 year.

A net loss of £125,000 (2022: gain of £177,000) was recognised in the profit and loss account during the year on the recognition of fair values of the forward contracts.

19. Creditors: amounts falling due within one year

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Obligations under finance leases and HP contracts (note 21)	118	4,427	-	-
Bank loans and overdrafts (note 21)	3,571	-	-	-
Other loans (note 21)	375	-	-	-
Trade creditors	888,241	648,799	-	-
Corporation tax	3,301	3,359	-	695
Group relief creditor	287	497	-	-
Amounts owed to Group undertakings	25,128	22,786	136,623	21,932
Other taxation and social security	58,206	28,982	-	-
Other creditors	97,627	84,538	-	-
Government grants	103	103	-	-
Accruals	42,466	36,661	110	119
Deferred income	52,436	45,801	-	-
	1,171,859	875,953	136,733	22,746

Within amounts owed to group undertakings the Company has an outstanding loan of £76.4m (2022: £2.1m) with SCC Overseas Holdings Limited which is not subject to interest and is payable on demand, and an outstanding loan of £40.4m (2022: nil) with Specialist Computer Centres Plc which is not subject to interest and is payable on demand. Other amounts owed to group undertakings were settled subsequent to the year end.

There are no securities over creditors except for those disclosed in note 21.

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

	Group	
	2023 £'000	2022 £'000
Obligations under finance leases and HP contracts (note 21)	173	96
Accruals and deferred income	5,045	7,593
Government grants	46	149
Trade creditors	1,680	2,811
	6,944	10,649

21. Borrowings

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Recourse finance facilities	3,571	-	-	-
Other loans	375	-	-	-
Obligations under finance leases and HP contracts	291	4,523	-	-
	4,237	4,523	-	-

Borrowings are repayable as follows:

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
On demand or within one year	4,064	4,427	-	-
Between one and two years	112	51	-	-
Between two and five years	61	45	-	-
	4,237	4,523	-	-

Finance Leases

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Due within one year	118	4,427	-	-
In more than one year but no more than two years	112	51	-	-
In more than two years but no more than five years	61	45	-	-
	173	96	-	-

In the UK, Specialist Computer Centres Plc 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 this year. This facility provides capacity for Specialist Computer Centres plc to be adequately financed to meet peak borrowing requirements which fluctuate during the year in line with the normal variability of transaction activity. Additional unsecured overdraft facilities of £20 million exist in certain UK subsidiaries, which are subject to a rate of 1.65% over SONIA.

Vohkus Limited has a recourse Commercial Finance facility from HSBC Invoice Finance (UK) Limited. This facility allows the company to borrow up to 80% of the value of the notified approved trade debts, subject to the facility limit of £10.0m, and is subject to a rate of 2.25% over Bank of England base rate. The facility can be terminated by either party after giving 6 months' notice or by the bank immediately at any time following a standard termination event. The agreement does not include any covenants. The bank loans and overdrafts were secured by a fixed and floating charge over the assets of the company under this debt purchase facility.

In France, the non-recourse invoice discounting facility with HSBC Factoring (France) provides capacity for SCC France SAS to be able to meet its peak borrowing requirements. This is a rolling facility subject to an annual review cycle, and has been maintained at €130m for this year. Additional unsecured overdraft facilities of €39 million exist in the French subsidiaries, which are subject to rates of between 0.5% and 0.9% over Euribor.

Other loans relates to a Coronavirus Business Interruption Loan Scheme (CBILS) loan, which is unsecured and is subject to a rate of 2.18% over Bank of England base rate.

The obligations under finance leases and hire purchase contracts in the UK are secured over motor vehicles and print equipment.

22. Provisions for liabilities

	Deferred contingent consideration £'000	Defined benefit (note 20) £'000	Deferred tax £'000	Total £'000
At 1 April 2022	2,080	15,141	5,603	23,586
Acquisitions	1,331	-	-	1,536
Charged to the profit and loss account	-	1,281	2,424	3,961
(Credited)/charged to other comprehensive income	-	(2,913)	725	(2,188)
Utilisation of provisions	(2,080)	(756)	(173)	(3,680)
Exchange difference	-	639	-	639
At 31 March 2023	1,331	13,392	8,579	23,854

Opening deferred consideration of £2,080,000 arose on the acquisition of SCC AVS Limited and was fully settled during the year. Deferred consideration of £1,331,000 arose in the year on the acquisition of Vohkus Limited and is expected to be paid by 31 July 2024.

The retirement provisions relate to a statutory obligation in certain French subsidiaries, and two closed defined pension obligation schemes in the UK, see note 23.

Other provisions of £552,000 includes £520,000 relating to termination costs associated with the closure of Specialist Computer Services Limited, including an onerous contract provision to recognise projected future losses in respect of ongoing contracts which are due to end in 2023, and a £32,000 onerous contract provision.

23. Employee benefits

Defined Benefit Schemes

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

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

(ii) the Specialist Computer Centres Section of the Federated Pension Plan, a shared final salary pension scheme which is closed to new members. The scheme has 3 active members (2022: 3 members) and the best estimate of the contributions payable by the Company for the next financial year is £29,000. A formal actuarial valuation was undertaken at 5 April 2022, the next valuation being due as at 5 April 2025.

For the purposes of these financial statements and in order to account for both schemes under the provisions of Section 28 of Financial Reporting Standard 102 (FRS 102), the Company, where material, has engaged the services of an external actuary to undertake a FRS 102 valuation as at 31 March 2023 and 31 March 2022.

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

	2023 %	2022 %
Inflation	3.4	3.6
Future pension increases	3.0	3.2
Discount rate	4.8	2.7

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:

	2023	2022
Male currently aged 65	20.2	20.5
Male currently aged 45	21.8	22.3
Female currently aged 65	23.2	23.5
Female currently aged 45	25.1	25.3

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

	2023 £'000	2022 £'000
Current service cost	24	29
Net interest cost	4	15
Expenses	18	24
Total amount charged in profit and loss account	46	68
Actuarial gains	(963)	(590)
Total credit relating to defined benefit obligation	(917)	(522)

23. Employee benefits (continued)

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

	2023 £'000	2022 £'000
Present value of defined benefit obligations	3,585	4,749
Fair value of scheme assets	(4,376)	(4,594)
Net (asset)/liability recognised in the balance sheet	(791)	155

Movements in the defined benefit obligations were as follows:

	£'000
At 1 April 2022	4,749
Current service cost	24
Interest cost	113
Contributions	3
Actuarial gains	(1,197)
Actual benefit payments	(107)
At 31 March 2023	3,585

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

	£'000
At 1 April 2022	4,594
Interest income on assets	109
Loss on plan assets	(234)
Contributions	32
Actual benefit payments	(125)
At 31 March 2023	4,376

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

	2023 £'000	2022 £'000
Growth assets	1,535	3,691
Government bonds	2,317	445
Non-government bonds	183	137
Cash	341	321
Total asset value	4,376	4,594

23. Employee benefits (continued)

Retirement Indemnity Provisions

Certain French subsidiaries have a legal obligation to pay a lump sum benefit to employees on retirement. The lump sum entitlement is dependent upon the length of service and final salary at retirement age.

Key assumptions used in the assessment of the liability at the balance sheet date are below, the results of a sensitivity analysis on these assumptions is disclosed in note 2.

	2023 %	2022 %
Group	1.5	1.3
Wage inflation	3.7	1.5
Discount rate		
Staff turnover rates:		
< 34 years	18.0	18.0
35 - 44 years	9.5	9.5
45 - 54 years	6.5	6.5
> 55 years	1.2	1.3

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

	2023 £'000	2022 £'000
Current service cost	1,012	947
Net interest cost	223	105
Total amount charged in profit and loss account	1,235	1,052
Recognised in other comprehensive income	(1,950)	(157)
Total (income)/cost relating to retirement indemnity provision	(715)	895

The average duration of the benefit obligation is 9 years (2022: 9 years).

Movements in the present value of defined benefit obligations were as follows:

	£'000
At 1 April 2022	14,986
Service cost	1,012
Interest cost	223
Actuarial gains	(1,950)
Benefits paid	(727)
Exchange differences	639
At 31 March 2023	14,183

24. Called-up share capital and reserves

	2023 £'000	2022 £'000
Allotted, called-up and fully-paid		
123,561,907 Ordinary shares of 5p each	6,178	6,178

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. The Group's reserves comprise the following:

- Profit and loss reserve which comprises the accumulated profits and losses of the Group net of any dividends paid.
- Share premium account which represents the premium paid on the issue of share capital.
- Other reserves comprises £3,289,000 arising on the acquisition of Prime Properties Developments Limited in 2003, less £172,000 merger reserve adjustments which arose on the merger of SCC UK Holdings Limited and Specialist Computers International Limited during the year ended 31 March 2004.

25. Net cash/(debt) statement

	2023 £'000	2022 £'000
Net cash at beginning of year	**454,660**	390,462
Net cash generated by operations	**106,414**	93,435
Net capital expenditure and disposal proceeds	**(19,767)**	(11,435)
Proceeds from sales of assets	**28,346**	64
Interest received and paid	**347**	(758)
Dividends paid	**(19,957)**	(15,773)
Acquisitions	**(30,070)**	(4,325)
Current asset investments	**(29,766)**	-
Related party loans	**(3,435)**	-
New finance leases	**(281)**	(163)
Net increase in net cash	**31,831**	61,045
Effects of foreign exchange rates	**2,906**	3,153
Net cash at end of year	**489,397**	454,660
Components of net cash		
Cash at bank and in hand	**493,634**	459,183
Finance Facilities (note 19)	**(3,571)**	-
Bank loans and overdrafts (note 21)	**(375)**	-
Obligations under finance leases and HP contracts (note 21)	**(291)**	(4,523)
	489,397	454,660

26. Contingent liabilities

There is a cross guarantee on the overdraft in SCC EMEA Limited. At 31 March 2023, the indebtedness of certain UK undertakings amounted to £119,409 (2022: £Nil).

27. Financial commitments

	2023 £'000	2022 £'000
Group		
Capital commitments contracted but not provided for:		
- Property, non-finance leases	658	4,487

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

	2023		2022	
Group	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Within one year	3,500	4,597	8,744	2,488
Between two and five years	11,501	6,080	10,980	5,181
In over five years	47,435	-	32,510	-
	62,436	10,677	52,234	7,669

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs. The Company had no financial commitments at either year end.

28. Related party transactions

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

During the year the Company advanced loans to a related party of £3,425,000, which was subject to an interest rate of 3.7%. Interest of £10,000 was accrued in the year and the total loan balance at the year end was £3,435,000.

29. Controlling party

Ultimate parent undertaking

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

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

Ultimate controlling body

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.

30. Post balance sheet events

On 1 April 2023 the Company acquired the entire share capital of Rigby Capital Holdings Limited from Rigby Group Technology Limited, a related entity, for a total consideration of £5.0m, equivalent to the carrying book value.

Entity	Registered offices
Specialist Computer Centres plc Specialist Computer Services Limited SCC AVS Limited SCC UK Holdings Limited SCC Overseas Holdings Limited SCC (UK) Limited SCC Data Centre Services Limited SCC Capital Limited Oworx Limited M2 Digital Limited M2 Smile Limited	James House, Warwick Road, Birmingham, West Midlands, B11 2LE United Kingdom
Vohkus Limited E-Plenish Limited Meggha Limited Azure Factory Limited	Centurion House, Barnes Wallis Road, Fareham, Hampshire, England, PO15 5TT
Meggha Technologies SRL	Cluj Business Campus, Strada Henri Barbusse, Cluj-Napoca, Romania
Meggha Private Ltd	112 Robinson Road, Singapore
Meggha Technologies Private Ltd	Purva Premiere, Residency Road, Ward NO 76, Bengaluru (Bangalore) Urban, Karnataka, 560025
Meggha Technologic Services SL	Carrer Del Pallas 193, Barcelona, 08005, Espana
Visavvi Limited Quadra Concepts (UK) Limited Sea Holdings (UK) Limited Sea Holdings Limited Quadra AV Furniture Limited Saville Audio Visual Group Limited The Saville Group Limited	Unit 5 Millfield Lane, Nether Poppleton, York, YO26 6PQ

Entity	Registered offices
Rigby Group SAS SCC France SAS	96 Rue des Trois Fontanot, 92000, Nanterre, France
Rigby Capital SAS Large Network Administration SAS	91 Rue Salvador Allende 92000, Nanterre, France
Flow Line Technologies SAS	575-655 Batiment D, 575 Alle Des Parcs 69800, Saint Priest, France
Altimance SAS E-Altimance SAS	258 Avenue Roland, Moreno, Helios-Batiment A, Parc des Rives Creatives, 59410, Anzin, France
Recyclea SAS	Rue Michel Faye, 03410 Domerat, France
Specialist Computer Centres SL Specialist Computer Services SL	Calle Teide, 4 – Núcleo 2 – 1ª Planta 28703 San Sebastián de los Reyes Madrid, Spain
S.C SCC Romania S.R.L	Soseaua Pacurari no.138, Building IDEO, Postal code 700544, Iasi, Romania
Specialist Computer Centres Vietnam Company Limited	8th Floor, Maple Tree Business Centre, 1060 Nguyen Van Linh Boulevard, Tan Phong Ward, District 7, Ho Chi Minh City, Vietnam

The above companies have been included in the scope of SCC EMEA Limited's consolidation. SCC EMEA Limited approved the resolutions to exempt its subsidiary Specialist Computer Services Limited from the requirements of the Companies Act 2006 related to the audit of individual accounts by virtue of article 479A (2) (a) of the said Act for the financial year ended 31 March 2023.

Directors	Sir Peter Rigby Ms PA Rigby Mr JP Rigby Mr SP Rigby Mr PN Whitfield
Registered Office	James House Warwick Road Birmingham West Midlands B11 2LE United Kingdom
Auditor	Deloitte LLP Statutory Auditor Four Brindleyplace Birmingham West Midlands B1 2HZ United Kingdom
Bankers	HSBC UK Bank plc 1 Centenary Square Birmingham West Midlands B1 1HQ United Kingdom Societe Generale SA 33 Avenue de Wagram BP963-75829 Cedex 17 Paris, France Credit Industriel et Commercial SA 57 Rue de la Victorie 75452 Cedex 09 Paris, France HSBC Factoring France SA 103 Avenue des Champs-Élysées 75008 Paris, France
Lawyers	Gowling WLG (UK) LLP 2 Snowhill Birmingham West Midlands B4 6WR United Kingdom
Company Number	01428210

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