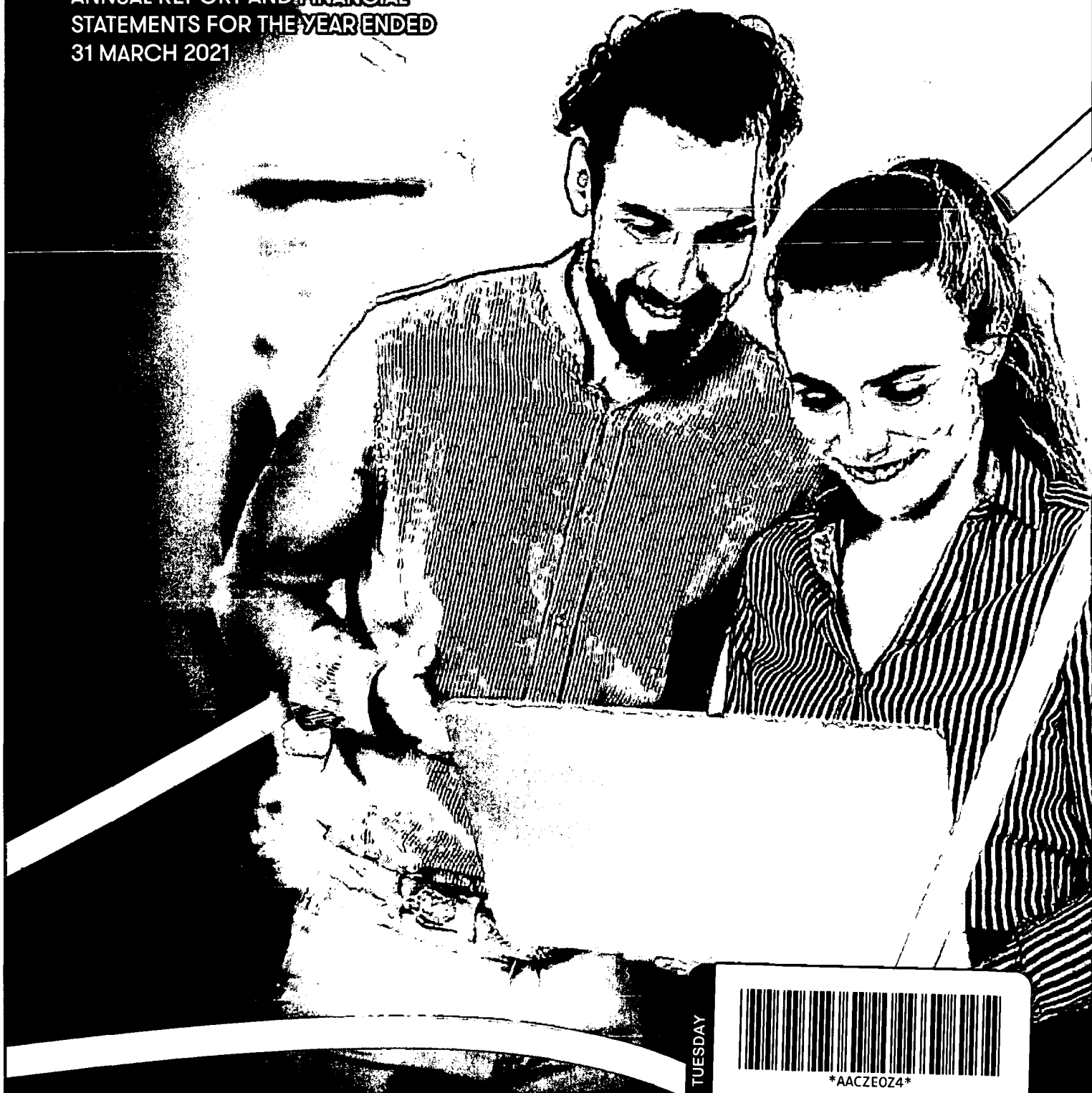


Specialist Computer Centres plc



ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31 MARCH 2021



TUESDAY



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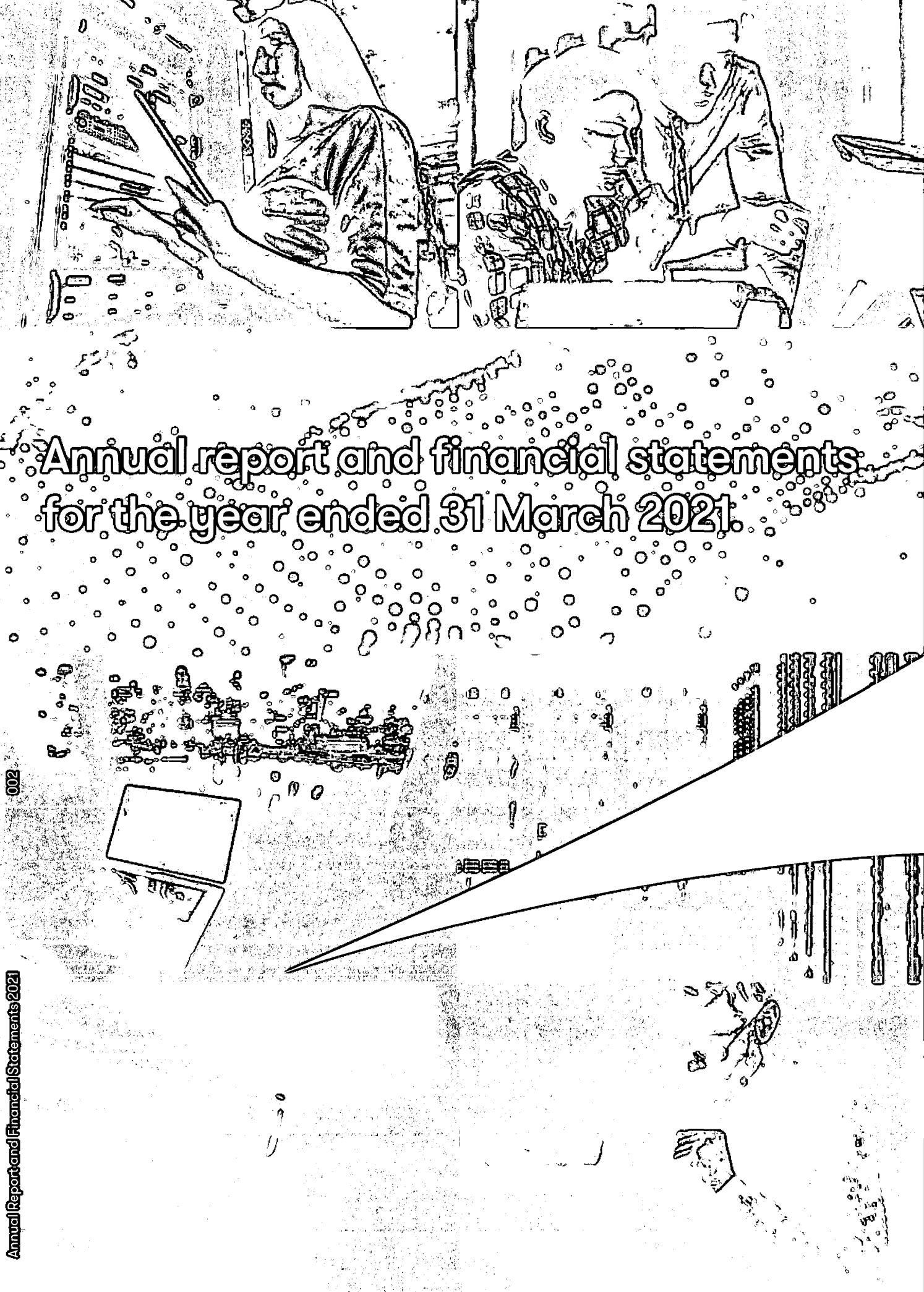
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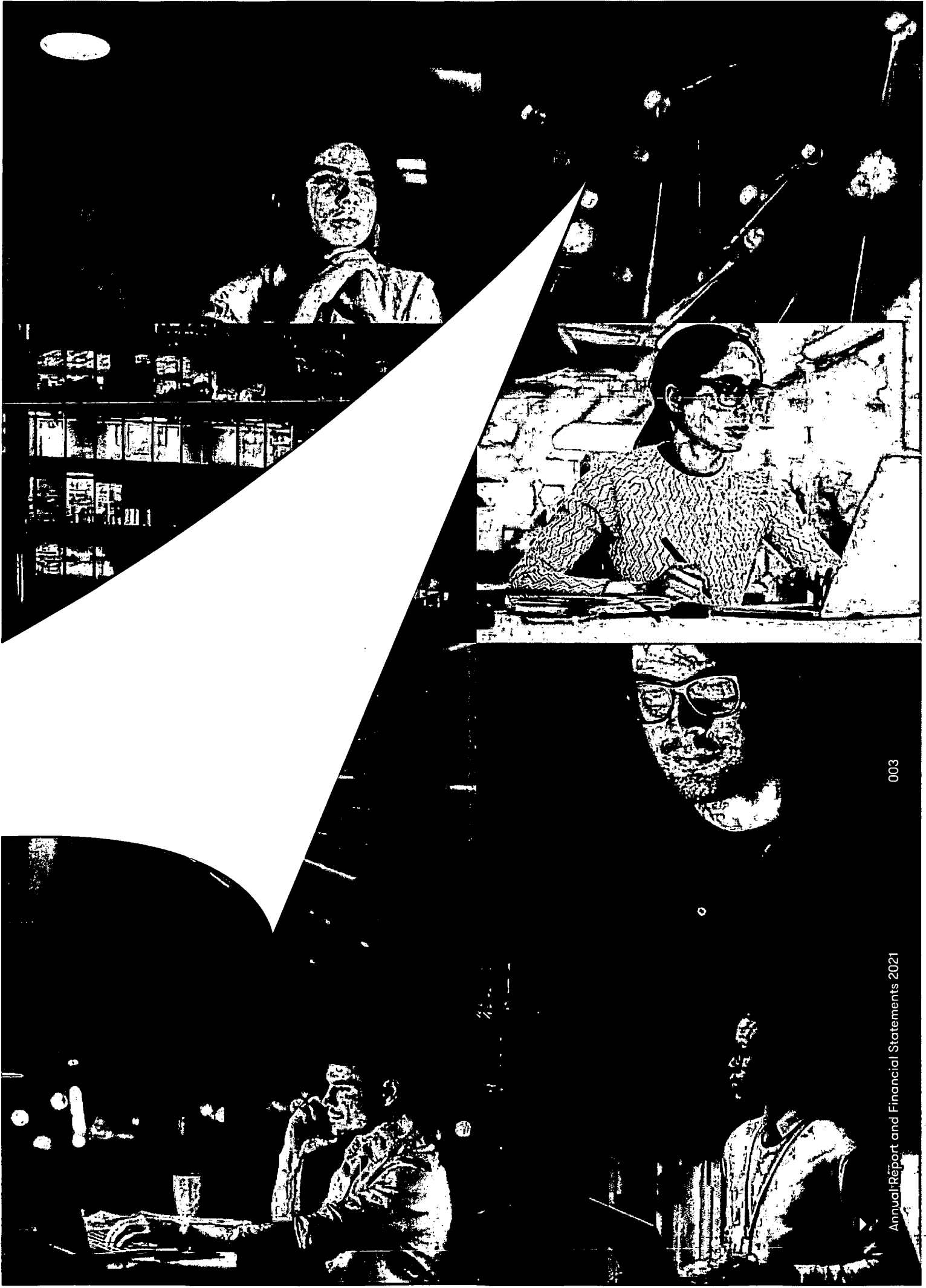
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COMPANIES HOUSE

Simplify the Complex



Annual report and financial statements for the year ended 31 March 2021.



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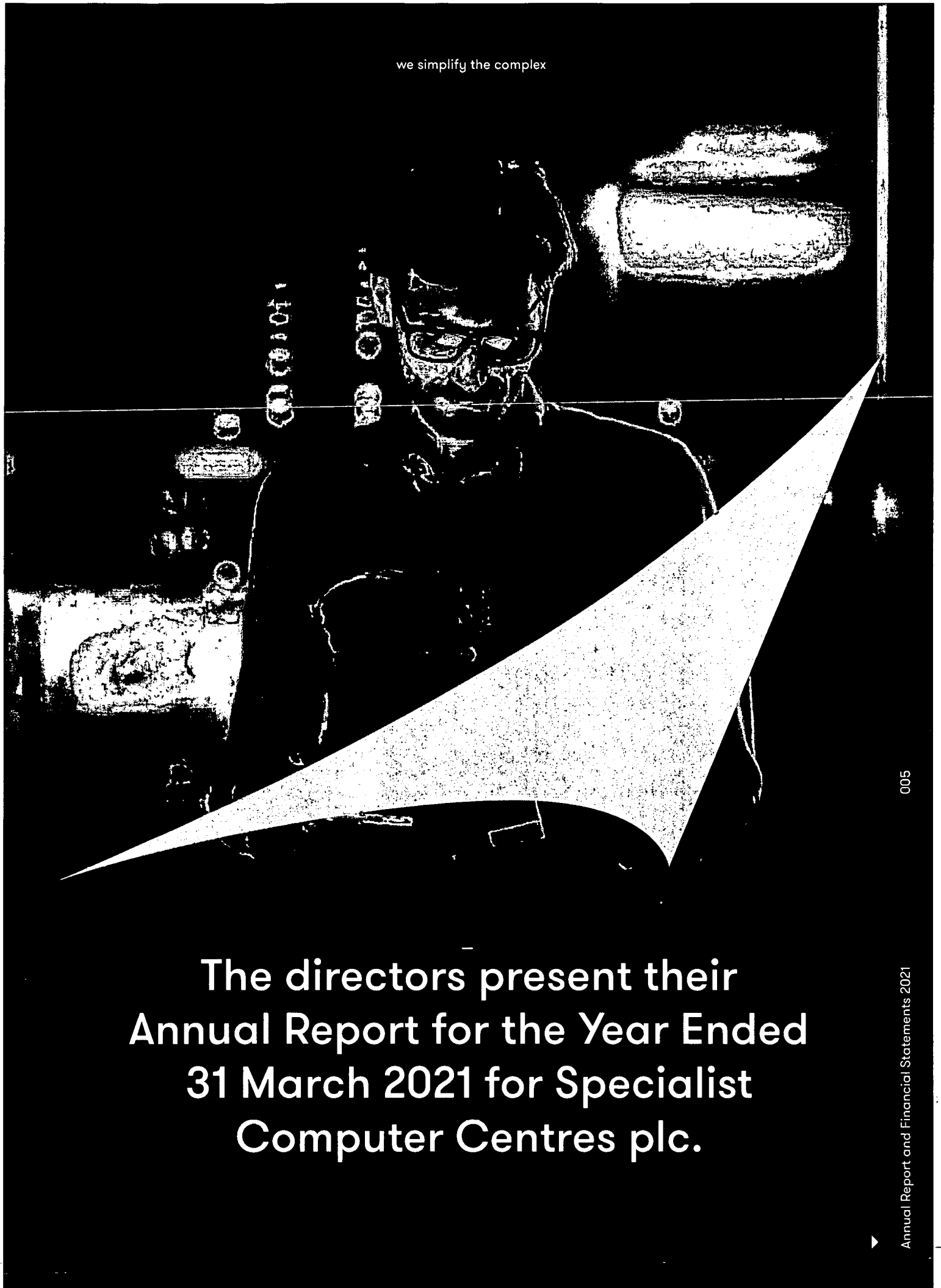
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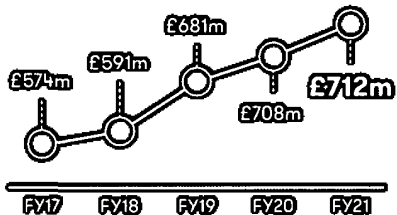
we simplify the complex



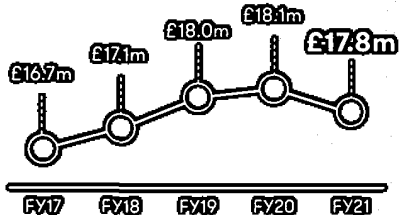
**The directors present their
Annual Report for the Year Ended
31 March 2021 for Specialist
Computer Centres plc.**

2021 Financial Highlights.

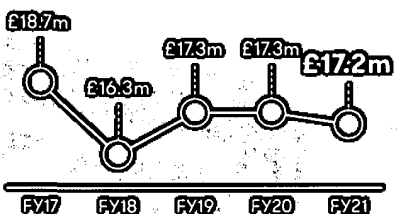
Turnover



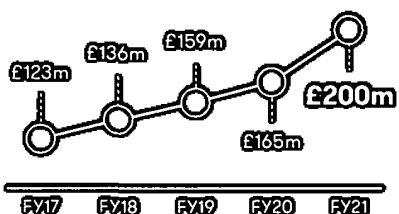
Operating Profit



Profit before Tax



Cash



Who we are.

At SCC, our mission is to enable our partners to succeed in reaching their full potential using the power of technology. Spanning 44 years, our business has become engrained with numerous household names and critical organisations, helping them to do what they do best using our IT expertise, solutions and services.

Our capability across the infrastructure extends from Data Centre Services through the network to PC and printer devices at the edge and we help our partners through our knowledge of innovative technologies. We also help to deliver competitive advantage through reduced costs, improved efficiency and enhanced brand value and reputation.

We are in a fortunate position to work in the IT sector, which continues to be a thriving and steady area of business. We want to ensure we use this advantage to not only help us in business but benefit the world around us.

Our approach

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

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

Our Values

SCC is a value-led business built around five core principles:

Independence

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



Passion

We provide quality and value in all we do. We have a total dedication and customer focus to deliver profitable, innovative and robust solutions.



Care

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



Excellence

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



Partnership

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





It was with immeasurable pride that I accepted the role of CEO in September 2020. After 35 years of working in the business, it is an honour to be leading the business and I look forward to continuing the growth and success that the company has had over the last 44 years.

The last year has been unsettling for all of us and it has been a year in which SCC has been called upon to support our customers in different ways. Although it has been difficult, I believe that we have grown as an organisation and we move forward a more cohesive and nimble company.

Financially, we have delivered a solid result in challenging circumstances. Overall, turnover is similar to prior year, with product showing growth of 5% and services a decline of 10%. Operating profit was slightly down on last year at £17.8m, a decrease of £0.3m.

The Covid 19 pandemic impacted our customers in different ways. In many segments, we saw IT infrastructure decisions being delayed, in particular within the Enterprise market. Many customers were required to close their premises and their staff were furloughed or required to work from home. The impact on our businesses was similarly diverse. Volume related activities such as print services and services to Retail customers were significantly impacted, but other areas, such as our Data Centre activities did not face the same level of disruption. Overall, field and project based activity decreased significantly, particularly during the first half of the year.

A full Covid impact statement is presented on page 10. As a result of the reduced activity in many areas, we placed increased focus on costs, reducing the number of contract staff and,

unfortunately, reducing our own headcount. Where feasible we have furloughed staff and the availability of the coronavirus job retention scheme has undoubtedly saved roles in our business.

Towards the end of the year, we saw the trend start to reverse and we had a strong final quarter. This was led by product and we saw significant growth in most sectors, with previously postponed projects being brought back to life driving our professional services business. We have also seen service volumes for field service and print related activities begin to increase as many of our customers are able to start a return to work.

During the period, we completed the refurbishment of our midlands based headquarters and development of our corporate systems continued with the release of a new field services platform.

Market Changes and Customer Relevance

We have seen significant acceleration in some recent trends over the last year. Perhaps most obvious is the need for our customers to provide remote working environments for their staff. As workplaces reopen and more businesses employ a hybrid working environment, solutions will be needed around networking, security, print management and unified communications amongst others. At SCC we are already helping many of our customers through these changes.

Digitalisation continues at pace and we are seeing ever increasing interest in hybrid cloud solutions. Requirements in collaboration and audio visual services changed over the year as staff return to offices, we see growth opportunities in this area. Within data centres customers are looking at private, public and hybrid solutions. With our growing public cloud business Oworx, in addition to our own hosted data centre services, I believe that we are strongly positioned to deliver the best range of end to end solutions for our customers in this space.

The shift towards "as a service" consumption models has also continued to gather pace. With our sister company, Rigby Capital Limited, we can offer our customers a choice of traditional purchase options or flexible financing and consumption solutions whilst remaining vendor agnostic. Our vendor independence, supported by long term relationships, continues to be one of our key selling points. It enables us to listen to our customers and use our specialist skills to recommend the solution that we believe will meet their needs the best.

Sustainability

The family values that the company has grown up with have always been a strong influence in how we run our business. During the pandemic we have continued to work hard at reducing our environmental impact and working closely with the communities around us. In addition to our recycling practice and charity work, this

year we have donated laptops to schools to enable pupils from disadvantaged backgrounds to continue their learning remotely during lockdown and school closures.

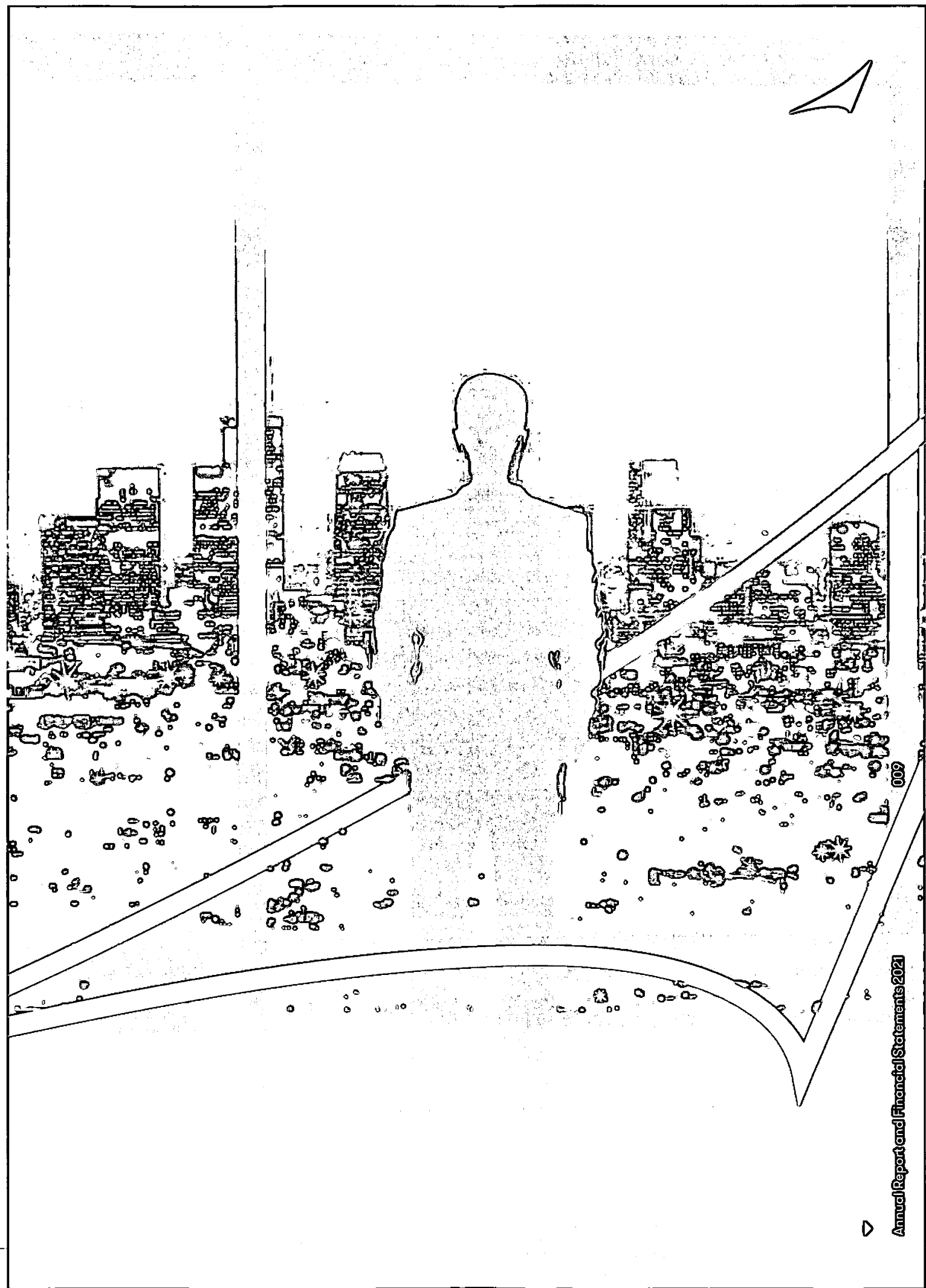
Looking to the Future

As we enter the next financial year I am looking forward to market confidence increasing as the UK's Covid restrictions are gradually relaxed. The changes that we have made to our business this year mean that we are in a good position to benefit from the recovery. I am confident that we will be the partner of choice for our customers and our team will deliver the exceptional customer service that we are known for.

Our balance sheet and cash reserves are strong and we continue to look to grow the business organically and through acquisitions.

I would like to close by offering my personal thanks to James Rigby, former CEO of SCC plc and from whom I have learnt a great deal. James is now Co-CEO of our parent company Rigby Group (RG) plc and I look forward to working with him in his new capacity.

Mike Swain
CEO



Covid 19 Impact Statement.

As a Technology company, over the last year many of our customers have been reliant upon us to keep their businesses functional. At the same time, since the start of the Covid 19 pandemic, we have needed to find new ways of working ourselves, execute our own business continuity plans and do everything that we can to keep our own people safe.

The impact of Covid 19 on SCC has been significant, both operationally and financially. This statement sets out some of the key areas of impact and our response.

Governance

In order to be able to respond quickly to customer requirements and to manage our internal response to the emerging pandemic the Board of Directors introduced additional dedicated meetings. At times during the year calls were taking place on a daily basis. The Board of Directors was strengthened during the year through the appointment of a dedicated Chief Financial Officer and Services Business Development Director.

Our business continuity plans were instigated quickly and successfully, with minimal disruption to operations.

People

Early in the pandemic, full impact assessments were undertaken proactively on all roles and workplaces. This enabled us to respond quickly to government advice and we have strictly followed all requirements. Many of our people continued to work safely at customer or SCC sites to ensure that we could provide continuous services and support to critical businesses and public sector operations across the UK.

As with many companies, where possible, remote working has become standard practice across many parts of our organisation and we are currently considering whether to move to a hybrid remote / office working model on a long-term basis.

Communication has never been more important and our new intranet platform "Evie" has been instrumental in keeping our people informed and connected.

Commercial Operations

The impact of the pandemic on demand has been different across our breadth of services. We have seen an increase in demand for end user devices, networking products and audio-visual solutions as customer staff have moved to remote working. Enterprise investment in IT infrastructure projects was lower for a substantial part of the year as companies delayed investment decisions. Elements

of our services businesses that are dependent upon transaction volumes, for example print services, have been impacted as customers were required to scale down their operations and employees work remotely. Towards the end of the financial year, we have seen some recovery, in particular in the Enterprise space.

Throughout the period, we increased the frequency and depth of contact with our customers and suppliers. Where possible, we have worked with our customers and taken a long-term view rather than a contractual view. Examples include relieving customers from contractual charges and offering extended payment terms. We have maintained our frequency of supplier payments.

Finance

SCC has a strong balance sheet and a supportive parent company. Whilst there has been a significant financial impact of the pandemic, our viability has not been in question and the company remains financially strong. During the year the frequency of financial forecasting was increased and scenario planning undertaken. Bank facilities were reviewed and extended to provide additional flexibility to accommodate uncertainty. These extensions remain in place as a permanent part of our financing structure.

As a consequence of the reduced commercial activity, we participated in the UK Government's Coronavirus Job Retention Scheme ("CJRS") and placed a number of our people on furlough in order to reduce redundancies. We are grateful for this support and this has undoubtedly saved a number of jobs in our organisation. Over the course of the year SCC received £5.9m under CJRS.

We expect that certain elements of the operational impact that we have experienced over the last year will take some time to recover and we have therefore performed cost reviews across relevant parts of the business. This has resulted in the difficult decision to remove a number of roles from the organisation. The cost of this reduction is included within operating profit.

During the year we placed increased focus on working capital management and monitored our cash positions closely. Early in the year when we were unaware of the potential impact of the pandemic we deferred VAT payments under the UK government VAT deferral scheme. As the impact of the pandemic became clearer and our liquidity remained strong, we made a decision to repay all outstanding VAT and as of 31 March 2021 this amount had been repaid in full.



Strategy.

During the course of the year we have updated our Mission and our Vision to be more representative of the company and our aspirations. Our mission statement defines why we exist. Our vision clearly identifies what we aspire to become. Our Strategic objectives remain unchanged during the financial year.

Our Mission



We are SCC - great things happen when we work together.

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

Our Vision

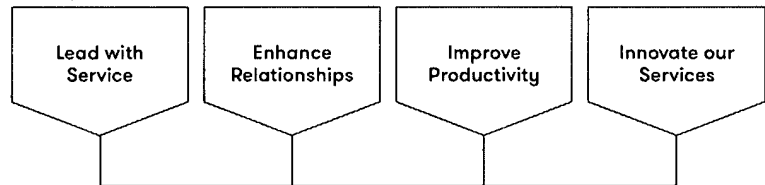


Stimulate progress, change and improvement through IT and be the first choice for customers, partners and employees.

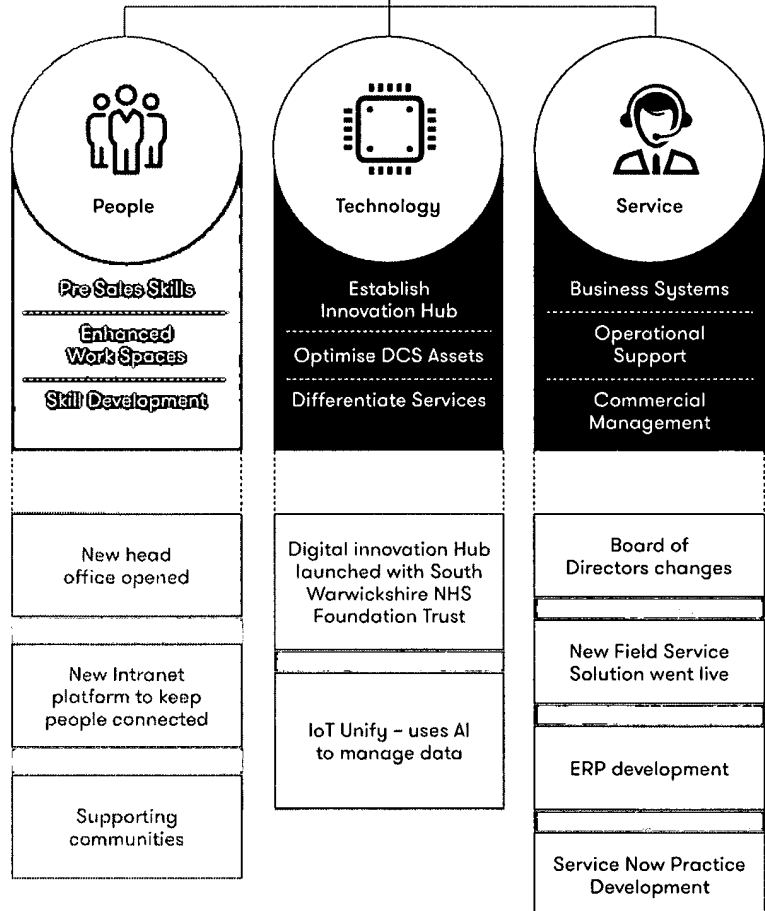
We will be:

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

Our strategic objectives



The Enablers



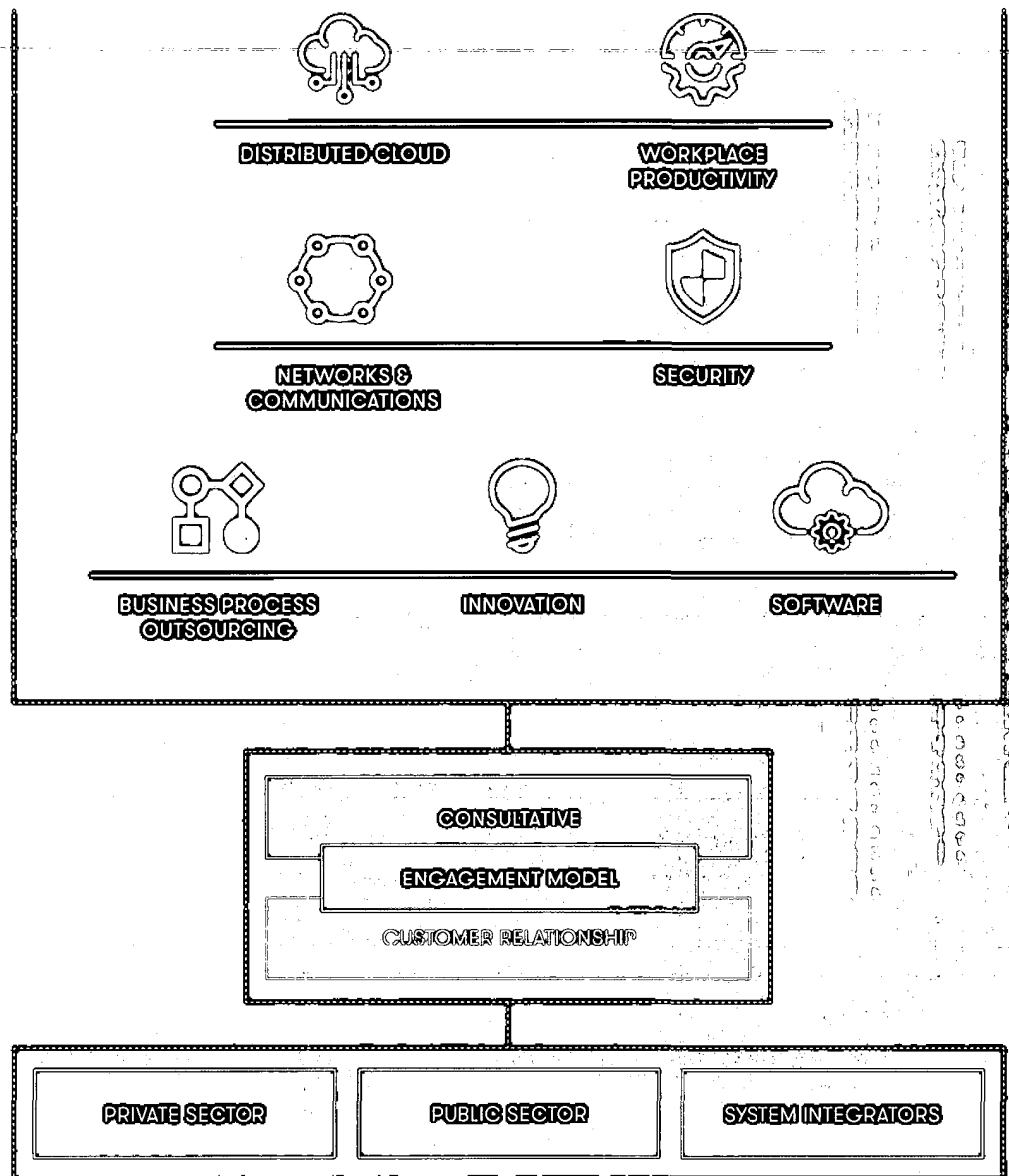
Progress (This year)



Business model.

We operate the business to deliver our vision through a Solutions based model supported by a shared services approach to ensure we can integrate and manage these solutions. Engagement with our customers is necessarily consultative to achieve this.

Our Solution Areas



Solutions Model

Our breadth of capability around the IT infrastructure enables SCC to help our customers on their digital journeys which in turn is helping them to reinvent their business models.

Shared Services Model

Our services span supply, integration and management of IT solutions. Our global delivery centres provide flexible cost aware solutions.

Engagement Model

We adopt a consultative approach to fully understand the needs of our customers and we drive innovation to remain relevant to their changing requirements.

Customers.

Our customers are at the heart of everything that we do and we build long term mutually beneficial partnerships where our customers trust us to find and deliver the right IT solutions for their business.

Working closely with our customers to understand their requirements means working not just with the Chief Information Officers, but increasingly their operational teams who are looking for new, better ways of working.

We operate across a broad range of public and commercial sectors. In the public sector, we are an approved supplier under many frameworks and support central and local government, healthcare, emergency services and education amongst other areas. In the commercial sector, we operate in most industries, including Energy and Utilities, Retail, Manufacturing and Financial Institutions



Secure Trust Bank



The partnership with SCC has given the bank confidence in its technology and services. Working with SCC has given us access to a range of technology experts that work alongside us to define and implement the solutions.

Roy Aston,
CTO of Secure Trust Bank

In 2015, STB undertook a strategic review where it examined its approach to how it provisioned systems and all associated IT services.

Roy Aston, Chief Technology Officer at STB, explained: "We identified capabilities we considered fundamental to being a bank and that we wanted to keep under STB control. We also identified the principles we needed to adhere to in today's market where we operate in a highly regulated environment and are subject to the evermore demanding requirements of customers and business introducers."

Up to that point, STB had either sourced or developed and managed virtually everything in-house. "So, we had a choice," says Aston, "Either continue with that approach along with all the attendant requirements for operating successfully in today's environment or

concentrate on building the best bank in Britain and buy more services from specialists such as SCC."

In 2016, STB awarded SCC a five-year contract as its new hosting partner for business-critical applications, starting with its deposits platform. Taking a long-term view, the contract also included hosting for any applications. Since then, SCC has migrated STB's motor finance applications platform, debt management portal, and regulatory reporting tools.

The partnership has continued to grow and in 2020, with 18 months still left to run on the existing contract, both organisations entered into discussions around a longer-term renewal. In November 2020, a new 5 year service agreement was signed which was testament to both the relationship between both organisations and SCC's service delivery.

Trust

transparent banking

017

Social Value UK

“

SOCIAL VALUE UK

SCC has a long-standing affinity with the public sector, and I knew the value they could add.

David Shields,
Non-Executive Director for Social Value UK

SCC Engagement

David Shields is a Non-Executive Director for Social Value UK. He is Chief Executive of Apsiz Services, a specialist interim/permanent resourcing services, bid management and consultancy services company. David has undertaken a number of public and private sector roles, with his last UK public sector role being the Managing Director to Government Procurement Service (a trading fund of the Cabinet Office) where he took a central role in setting out a significant programme of transformation extending over a two year period and was a key part of the Efficiency & Reform Groups approach to delivering substantial public sector efficiencies

As a leading supplier of IT services into public sector, David knew of SCC and its experience and knowledge of public sector procurement – as well as its proactive CSR programme and values – and was keen to enlist SCC as a member of Social Value UK and contributor to the CfC programme.

David said: “SCC has a long-standing affinity with the public sector, and I knew the value they could add. SCC knows the pros, the cons, and the quirks of the public sector procurement cycle, and is actively responding to tenders on

an on-going basis. They know the other side of the coin and they are a services company which offers a new perspective on best practice. I was delighted to welcome Graham Lane onto the CfC steering group – and with the additional benefits that SCC has provided.”

Graham Lane, Head of Frameworks at SCC, joined Social Value UK's CfC steering group ahead of its inaugural meeting in December 2019. As well as Graham's time and expertise, provided on a voluntary basis, SCC has also enabled enhanced productivity and a boost to Social Value UK's green credentials by supplying access to BlueJeans, a leading cloud video conferencing software.

David added: “CfC is a completely voluntary programme, so we want to maximise the time given by our steering group and network members. Previously, we relied on people traveling, which made it harder to host regular meetings and increased our carbon footprint. We wanted to find a way for people to meet and share documentation without the need for travel – SCC has enabled this, free of charge, as well as additional functionality that has already made tangible improvements to productivity and the environment.”

Digital Hub



digital:hub
INNOVATION IN HEALTHCARE

SCC's Thermographic Screening solutions enable us to use technology as an early warning signal to protect against complacency and a second outbreak.

Glen Burley,
Chief Executive of SWFT

SCC and South Warwickshire NHS Foundation Trust (SWFT) launched a new Digital Innovation Hub in 2020.

SCC, Europe's biggest independent IT solutions provider, partnered with the Trust, the only general acute and community provider in the West Midlands region to receive an 'Outstanding' rating by the Care Quality Commission (CQC), to create the Digital Innovation Hub and accelerate the digital delivery of care. Amid the ongoing coronavirus crisis, the hub provides clinicians with a real-world, co-creative facility that will accelerate the identification and development of digital care solutions.

The hub enables clinicians to perform on-going trials of new technologies alongside the existing care regime, to demonstrate practicality and improvement. Most notably, the hub will help significantly reduce hospital wait times and automate care management to ensure more people receive appropriate care quickly.

With the Trust having invested significantly in its digital transformation journey in recent years, it now faces the challenge of reducing the backlog of patients caused by the COVID-19 pandemic. Technologies available in the hub range from state-of-the-art videoconferencing facilities, enabling better collaboration between clinicians within and outside of SWFT, to innovative new artificial intelligence (AI) solutions that could revolutionise care management and dramatically reduce backlogs.

Wirral Council

66

 **WIRRAL**

As our reliance on IT has increased steadily over recent years, we partner with SCC for the delivery of key IT projects. Upgrading of our end-users' client devices to the latest operating systems, through to complex data centre infrastructure upgrades and migration projects.

Peter Moulton,
Infrastructure Manager

Wirral Council chose SCC as consulting partner for IoT deployments.

Challenges

As one of the UK's most forward-thinking councils, Wirral Council was investigating new and emerging Internet of Things (IoT) technologies and how these may support the region, deliver better, more sophisticated services. In order to identify proof of concepts (POC), use-cases and deployments of IoT ecosystems, Wirral Council needed a technology partner to consult regularly on the emerging IoT industry and available solutions.

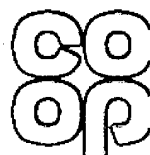
Wirral Council chose SCC and in partnership, we helped the council develop two key areas that could benefit from smart technology solutions: Smart Parking and Air Quality Monitoring, both of which directly affect Wirral residents.

Solution

We investigated an IoT-based Smart Parking system that sends data about free and occupied parking places via web or mobile application. The IoT-device, is located in each parking place and can help councils like Wirral manage traffic flow in large areas, in real-time.

Air Quality Monitoring uses air quality sensors to detect air quality in real-time. The data can then be analysed by councils like Wirral and research teams, to ultimately help them take the appropriate actions to improve air quality and protect local environments.

66



SCC have been a trusted IT partner to the Co-op for more than decade, helping us to succeed in a number of our most critical programmes of work. They have great experience and knowledge across all aspects of IT, providing great support to us from data centres through enterprise infrastructure onwards into end-user computing.

Edward Newton,
Infrastructure and Service Delivery Director,
The Co-Operative Group

The Co-operative Group, trading as the Co-op, is a British consumer cooperative with a diverse family of retail businesses including food retail and wholesale; financial services; insurance services; legal services and funeral care, with in excess of 4,200 locations and over 70,000 employees.

TATA Consultancy Services

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SCC is one of the key partners that TATA Consultancy Services work with. We engage with them on range IT solutions we deliver for our customers in the UK. Their services augment and compliment that of ours, enabling continued satisfaction to our customers.

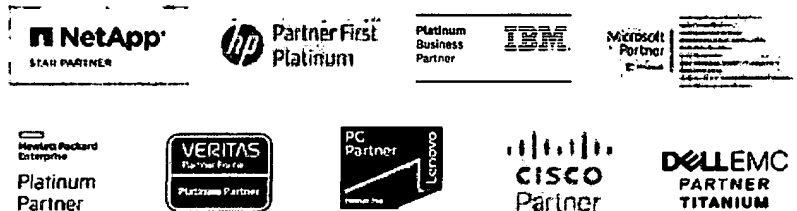
Ravindra Meshram,
Director, Infrastructure Alliances UK & Europe



Suppliers.

“Partnership is important to us”

Accreditations:



Over 45 years, we have developed partnerships with many of the largest global vendors and have over 50 strategic partners. Alongside this, we keep our offering fresh and work with new entrants to the market that we believe have a successful future ahead of them and can bring beneficial offerings to our customers.

Alliance partners include AWS, Cisco, Dell, HP, HPE, IBM, VMWare, Microsoft, NetApp, Veritas and RingCentral.

Accreditations are important to demonstrate our capability to both our suppliers and our customer. New accreditations that we achieved during the year include:

- AWS Advanced Partner
- Cisco's Advanced Customer Experience Specialisation
- AWS Marketplace skilled consulting partner
- Veeam Platinum Status
- Google Partner across all workloads

The strength of our supplier relationships is evident through the awards that we received during the year:

- HPE Global Service Provider of the year
- NetApp Public Sector partner of the year
- CRN Heroes of the Year
- CRN Corporate VAR of the year



“SCC is our most established HP partner in the UK&I. We have worked together since 1984 and the structure of the working relationship has developed in that time. Not only has time played a significant role in building a strong partnership with one another - Customer experiences and project management has played a big part in our joint success as business partners.

Regardless of whether you represent a Government Department, NHS Trust, Emergency Service or Corporate organisation, SCC and HP carry the integrity, experience and trust to ensure we deliver the right solution for your business and operational needs.”

Neil Sawyer,
HP Channel Director UK&I
HP



“SCC are a long standing, valued partner of NetApp and together we have successfully helped our customers with their digital transformation journeys by implementing NetApp's industry leading cloud-led, data management solutions and strategies. An effective partnership is key to this success, and SCC have consistently proven their skills and capabilities in their partnership with us.”

Darren Neath,
NetApp Channel
Sales Manager- UKI



“The partnership between our two organizations continues to grow. SCC adapt quickly to market conditions and are able to embrace HPE's market leading as-a-service offerings seamlessly. The past 12 months have been extremely challenging and together we have helped meet the needs of our customers with care and consideration. We are stronger together and continue to drive successful outcomes.”

Lewis Simmonds,
UK & I Channel Manager
HPE



Shareholders.

“Delivery of growth in EBITDA and annual dividends”



SCC is part of the Technology Group of Rigby Group (RG) plc (“Rigby Group”). Rigby Group is a family owned, multinational, service-based holding company for a portfolio of businesses. Since its inception in 1975, it has built a distinguished reputation as both an investor and business operator. Rigby Group is currently comprised of six key divisions: Technology, Airports, Hotels, Real Estate, Aviation, and Finance.

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

In normal circumstances, we aim to return to our shareholder a maximum of 50% of the profit after tax generated by the group in every financial year without increasing our leverage. Setting targets for operating businesses to deliver cash dividends is a strong motivation to management teams and a policy which we expect to maintain in the future. Due to the impact of Covid 19 on the business, our shareholders have suspended this policy and no dividends have been declared in the year.

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

To measure performance consistently over these differing businesses the Rigby Group uses “EBITDA” (operating profit adjusted for depreciation and amortisation costs) as an additional measure of financial performance.

EBITDA Reconciliation

Whilst SCC management focus on operating profit for the Company, EBITDA is tracked and presented here for alignment to Rigby Group’s financial reporting. EBITDA has fallen over the last year to £27.2m.

	2021 £'000	2020 £'000
Operating profit	17,755	18,085
Depreciation of tangible fixed assets	8,193	8,878
Amortisation of intangible assets	1,095	1,155
Amortisation of goodwill	205	390
EBITDA	27,248	28,508

Communities.

“We are a family business and take our responsibilities to our communities seriously.”

Our aim is to harness the power of technology to transform lives with the objective of enabling our people to positively contribute in a way that is personal, valuable and meaningful to them and the business. Our approach is simple and supported by our family values. We are determined to fulfil our responsibilities to our customers, employees, suppliers, communities, charities and the global environment.

We are committed to ensuring that our business is ethical, safe, professional, environmentally responsible and active in the community.

Ethical Policies

Our business is conducted to rigorous ethical, professional and legal standards and operated in an environmentally responsible manner, providing high quality and sustainable products and services to our customers with integrity and care.

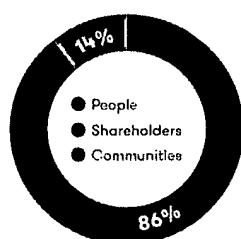
We operate clear internal policies in relation to Fraud, Bribery and Corruption, Modern Slavery, Anti-facilitation of Tax Evasion and Whistleblowing.

Distributing Economic Value to Stakeholders

Economic value (Turnover) generated in the last year has grown by 0.6% to £712m. Of the value generated 83% is consumed by operating costs to suppliers and the remainder is distributed between shareholders, people and communities or retained for the future investment in the business.

As a UK Company we consider it is our responsibility to pay tax to the UK government in support of the wider UK community. The £13.6m distributed to communities is principally all UK Corporation and social taxes (2020: £14.3m).

Residual Economic Value Distributed*



£'000	Growth	FY21	FY20
Economic Value Generated	+1%	712,372	708,298
Shareholders	-100%	0	7,400
People	-7%	87,145	94,059
Communities	-5%	13,694	14,324
Operating Costs	4%	588,631	568,250
Value Retained	-5%	22,897	24,264

Tax Strategy/ Policy

As part of the Rigby Group (RG) plc group of companies, we adhere to the Rigby Group UK taxation policy.

We establish levels of risk management and governance which are appropriate to our business. These include the operation of an internal audit function and by working closely with dedicated tax specialists in our Rigby Group tax team. In addition we obtain specialist external tax advice for significant transactions and continuously improve our financial systems to reduce levels of risk where possible.

We structure our financial transactions in a manner consistent with the economic substance of the underlying activity and have no appetite for tax motivated planning, artificial tax structures, or offshore activities designed to avoid meeting our responsibilities to pay UK taxes. We trade in the UK and pay all applicable UK taxes.

We are committed to maintaining an open and transparent relationship with HMRC which is based on regular communication, appropriate levels of disclosures and meetings to ensure HMRC are fully aware of key transactions.

* Residual economic value distributed is defined as economic value generated excluding operating costs and value retained



Environment

Our aim is to continue to reduce our energy consumption; reduce water and waste consumption; increase our employees' CSR awareness; increase recycling; decrease noise and air pollution and decrease our consumption of paper and packaging.

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

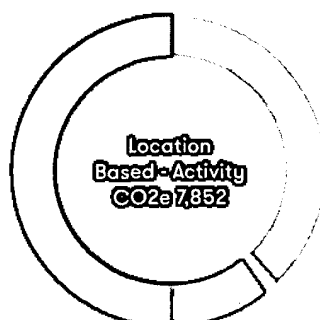
During the current financial year we have completed the refurbishment of our global headquarters building, which is expected to save 400MWh of electricity and 580MWh of gas annually through use of heat pumps, heat recovery ventilation, LED lighting, metering and controls.

Over a number of years significant investments have been made in recycling services and we have a 0% landfill objective on recycled IT. Our bespoke Recycling system Radius is used to record and track each individual item of customer IT equipment from the time it arrives into our secure facility. The system is fully auditable, recording real time touch points throughout the end to end process.

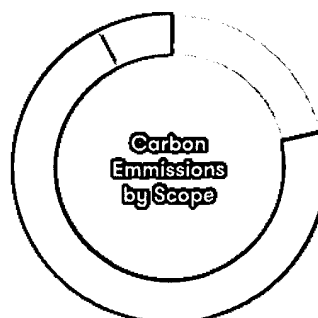
We continue to improve the efficiency of our fleet and implement remote working and meeting technology to reduce the need for business travel where possible.

We purchase 100% renewable, REGO (Renewable Energy Guarantees of Origin) backed electricity where we are responsible for the supply, which our data centre customers also benefit from.

Since 2010, we have been working with carbon management company co2balance, to calculate and offset the carbon dioxide emissions created from our Scope 1, market based Scope 2 and business travel Scope 3 emissions. This offset has been achieved through support from co2balance's support on a range of projects, the most prominent being its Energy Efficient Stove Project in Kenya, and more recently, its Borehole Rehabilitation Project in Uganda.



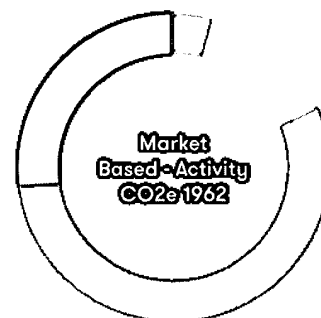
Electricity 5,991CO₂e
Gas 288CO₂e
Other 502CO₂e
Travel 1,017CO₂e



○ Scope 1
○ Scope 2
○ Scope 3

The GHG Protocol methodology has been used to calculate our emissions values. On the location based method our emissions amount to 7,852.10 tCO₂e (2020: 10,325.87 tCO₂) including electricity use of 23,662,362.01kWh (2020: 23,976,760.16kWh), this equates to 11.03tCO₂e per £m of revenue (2020: 14.58tCO₂e/£m).

The location based emissions values are primarily driven by Electricity consumption which falls under scope 2 indirect emissions and which we continue to purchase from 100% renewable sources. As a result our market based method carbon emissions amount to 1,962.16 tCO₂e compared to 3,801.87 tCO₂e in the prior year, a decrease of 1,839.70 tCO₂e.



○ Electric
○ Gas
○ Travel
○ Other

On the market based approach the largest emitting part of SCC's footprint continues to be from vehicle emissions, including company owned vehicles and from fuel purchased on fuel cards.

Our emissions have reduced 24% on a location based method, and 48% on a market based method. Under both methods the reduction is driven by large reductions in business travel associated with COVID19 restrictions contributing to exceeding our 5% reduction target.



Charitable Support



RIGBY

As a family business, we have always held philanthropic values and we support three charities for focused fundraising efforts on a national scale: Prince's Trust, Mind and Molly Olly's Wishes.



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



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Prince's Trust

Examples of donations made by the Rigby Foundation during the year include:

- South Warwickshire NHS Foundation Trust (SWFT): SWFT provides hospital services and out of hospital community services. A donation of £100,000 has been made to support their charitable purposes.
- Laptops donations to schools: The Rigby Foundation has donated laptops to schools with a value of £82,356 during the year.
- The Prince's Trust: The Prince's Trust helps 11 to 30 year-olds who are unemployed or struggling at school to transform their lives. The Rigby Foundation made a charitable donation of £25,000 to support their charitable purpose.
- Molly Olly's Wishes: Molly Olly's Wishes supports children with terminal or life threatening illnesses and their families to help with their emotional wellbeing. A charitable donation of £25,000 has been made to support their charitable purposes.
- Further donations were made to a number of bodies including The Reach Foundation, Place2be and Coventry City of Culture Trust to support their ongoing charitable activities.

All of our employees receive 1 paid day each year to volunteer their time for meaningful causes. Each week, we support a different registered charity by raising awareness and fundraising for each cause. All of our employees have the opportunity to nominate a charity and we share these stories on our company intranet, Evie.

Other community projects SCC were involved in during the covid pandemic included:

- Providing 250 young people with individual laptops and free data to support their learning at home through an initiative between the Royal Shakespeare Company (RSC) and SCC.
- Supporting a key UK NHS Foundation Trust through the Covid 19 coronavirus pandemic by donating an innovative Artificial Intelligence (AI) solution that will free beds and improve patient healthcare at home.
- SCC partnering with AWS to help Cambridge University Hospitals launch national PPE training website amid Covid 19 outbreak



Team SCC

le don d'organes, je dis oui.

@team_scc

ASCC

LA FONDATION
le don d'organes, je dis oui.

Stakeholder Engagement and Section 172 Statement.

Engaging with our stakeholders is an important aspect of the way we manage our Company and a key element of our governance framework. Our directors are central to stakeholder engagement and are expected to meet their obligations under the Companies Act and to use all reasonable skill, care and diligence in doing so. To support them we provide training for new directors and refresher support for all existing directors.

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

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

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

stakeholders and the wider community is an established principal for the Company 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.



				
Stakeholders	Customers	Suppliers	People	Communities
How we engage				
- Shareholder participation in board and executive meetings - Executive roles are held - Strong internal governance	- Close Executive relationships - Regular Account reviews - Key account management - Customer feedback	- Close Executive relationships - Strategic Relationships reviews - Clearly defined supplier engagement policy - Technical forums - Technology collaborations	- Employee consultations - Information rich intranet - Monthly CEO communication - CEO mailbox - Management briefings	- CSR and environmental policies - Collaboration with local community charities - Close relationships with local schools and universities
What's important to them				
- Long Term Return - Dividend Flow - Cash Generation and Gearing - Financial Discipline - Ethical behaviour, respect for family values	- Quality of Technical Expertise - Relevance of Services and Solutions - Service Levels - Technical relevance and vision - Trusted Partnership - Ethical Behaviour	- Long Term Collaborative Partnership - Proactive Communication - Aligned Commercial Objectives - Technical Expertise - Ethical Behaviour	- Continuity of Fair Employment - Opportunity and Equality - Working Environment - Participation	- Ethical Behaviour - Actively supporting local communities - Environmental Awareness and Actions
How we respond				
- Long term strategic planning framework - Annual Budgeting and planning - Regular performance reporting - Dividend and cash planning - Shareholder board representation	- Senior Executive engagement - Focused Relationship Management - Maintaining technical expertise - Investment in new technology - Agility in our approach - Monthly board reviews of customer pipelines, new business and challenges.	- Strategic Relationships with senior execs tracking technology change. - Engagement with our sales teams and at our key sales meetings - Supplier Code of Conduct - Skills training and investing to maintain accreditations - Dedicated relationship management	- Clear Employment Policies - Active engagement programmes - Involvement in developing our values framework - Commitment to inclusive culture - Flexible employment packages - Access to skills and technology training - Providing input to the design of our new Head Office	- Developing our sustainability policy - Employee volunteering days - Support for the Rigby Foundation and for local charities - Apprenticeship and graduate trainee programmes

Our Stakeholders are important to us: We consider their needs and reactions to our relationship, engaging with them through our executive and the CEO's office. At board meetings, directors discuss and value feedback on the health of 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 representation on the board of directors, close involvement in the operation and in setting the strategy for the Company are central to ensuring we can balance all of the needs of other stakeholders.

Customers are a primary focus for us. 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 providers of Technology and 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.

People: Our Employees are central to our success and we engage wherever possible to support their development and contribution to the Company. 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.

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.

Board Activity and Decision Making

SCC operates 10 regular Board meetings each year for executive and non-executive management and for invited guests as the principal forum through which the directors discharge their duties. At each meeting, 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 taking into account risk and the impact that those decisions have on stakeholders.

When required, additional Board meetings are held to discuss topics or deal with emerging issues. For a large part of FY21, such additional Board meetings were held on a weekly basis to

discuss the impact from and response to the COVID pandemic. Such meetings continue to be held when required.

Examples of key decisions that have been taken during the year and have considered our stakeholders and how they would be impacted include:

Financial Planning: In setting our financial plans, we aim to set targets which deliver a return to our shareholders that is reflective of their investment. We base these plans around the delivery of customer focussed solutions that meet their long-term needs and rely upon sustainable vendor relationships. Motivating our employees with the targets to maintain the quality of service and reputation is an important aspect of setting our goals. Our financial plans are considered by the directors to be balanced between all of these stakeholders.

The completion of our new Head Office will yield benefit to many of our major stakeholders. Our employees will benefit from a modern workplace representative of the SCC brand. We will be able to meet with our customers and demonstrate our capabilities to them in our new facility, which is part of our Birmingham Technology campus. We have strong links to the Midlands community and our continued investment in the area demonstrates our long term commitment.

CJRS: The board took the decision to utilise the government's CJRS scheme to reduce the number of redundancies made as far as possible.

Our Internal Systems transformation programme is a multi-year project that is now delivering benefits to many customers, employers, suppliers and shareholders through new field service capability and internal platforms. Future developments will provide incremental benefit.

Dividends: We set targets for dividends in consultation with our shareholder and that motivate management to ensure that cash generation is central to financial performance. Setting the level of dividend takes into account the need to invest in the business

and its working capital needs, thereby protecting the long-term financial independence of the Company for the benefit of other stakeholders. This has been demonstrated in the year through the suspension of dividends to protect the Company and its wider stakeholders during the uncertainty that the Covid 19 pandemic has brought.

We will reassess this position in the coming financial years taking into account the need to ensure that there remains sufficient cash in the business to meet current working capital requirements, and that sufficient resources remain available for longer term investments in the Company.



Governance and Risk Management.

Under the current regulatory regime we are not required to follow a formal Corporate Governance Code. We do though take seriously our obligations to our stakeholders 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.

Our focus on governance has been enhanced during the year as we have sought out improved ways to manage the business and risks during the Covid 19 pandemic. A new Chief Financial Officer has joined the Board of Directors, whose primary focus will be on SCC UK, a role that had previously been shared across all EMEA SCC companies. Additionally, a role of Services Business Development Director has been created to increase our focus on growing our services businesses and to bring a more rounded set of skills to the Board. The number of ad-hoc Board meetings increased significantly during the year, enabling swift decision making in response to the evolving market conditions.

Internal Control & Risk Management

The Board adopts the conventional three lines of defence approach to risk management.

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

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

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

Internal Audit

The Rigby Group internal audit function provides the Board with assurance over the financial controls of the Company.

Identification and documentation of risks and controls is an important aspect of the relationship with the internal audit function.

Internal audit staff benefit from the oversight and involvement of senior finance and non-executive resource within the shareholder organisation but independent of the SCC group.

External Audit

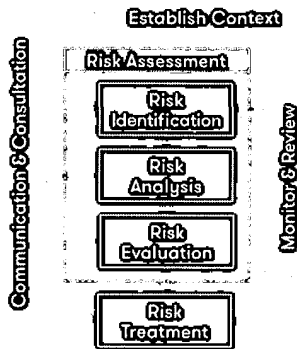
Our external auditor is a valuable source of independent assurance of our control framework. We therefore work closely with our auditors to ensure that we support them in providing an annual audit which is as effective as possible in providing assurance to our stakeholders. We are committed to supporting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

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



“Effective risk management is key to delivering our strategic objectives”

Risk Management Framework



Our risk management process is based upon the ISO 31000 standard. The management of risk is at the core of our internal control framework. We have a risk management policy which defines how we identify, assess and manage risks throughout the organisation and we have a defined risk appetite which enables us to effectively manage the impact on our strategy.

Risks are assessed and quantified in terms of likelihood and potential impact both before and after any control mitigation. This allows us to ensure we implement controls effectively where they have the greatest impact on reducing risk in our business.

The Board has established a Risk Management Framework to ensure that effective risk governance is in place, promotes a strong risk culture and expects everyone to adhere to these high standards. Strategic risks are reviewed annually and the board continually reviews operational risks.

Risk Appetite

	Risk Statement	Risk Parameter
Growth	Growth in our customer base and services range is pursued whilst maintaining a balanced approach to protect against excess growth in working capital.	New business should fit within normal ranges for our cash conversion cycle.
Acquisitions	Where opportunities exist to increase capability in specialist operations either within existing business units or complementary to them, we will pursue them subject to our acquisition criteria.	Post tax returns should meet payback objectives and EBITDA multiples must fit within the appropriate market range for the capability being acquired.
Profitability	Operating profit is a key driver in assessing long term growth opportunities.	Lower margins may be accepted in the short term where opportunity to return to normal levels is realistic.
Operational Risk	Operational risk is reviewed for all new business and considered in commercial decision making.	Only operations within our current specialisms are taken on without significant due diligence and preparation.
Data Security	High levels of data security are maintained to deliver services and are reviewed and tested to mitigate risk.	Specialist data resources assess security levels to ensure compliance at the levels demanded by customers.
Reputation	Our reputation is very important and we will avoid or mitigate all situations where our reputation could be damaged.	Zero tolerance approach to breaches of legislation or statutory requirements. Avoidance of engagement with tax schemes.



Risk Management

Risk Universe

Understanding all of the risks facing the business is an important step to successfully managing the business for the long term. Our view of the risk universe impacting the business is core to the understanding and is summarised on the below:

Risk Category	Impact
Financial	Profitability, revenue streams, operating cost, debt or unrecoverable costs
Services	Design, delivery, availability, scalability, continuity, consistency or marketing of services
Commercial	Design or delivery of contracted services and associated service level agreements, including anticipated SLA breaches and service credits
Physical Security	Confidentiality, integrity &/or availability of information or information assets, facilities and personnel through accidental or malicious intent
Internal Systems & Productivity	Effectiveness of current processes or associated process controls
Documents & Records	Creation, processing, classification, control, integrity, availability, recovery &/or disposal of documentation and records
Business Continuity	Ability to recover systems, infrastructure, resources, operations and services in accordance with contracts and associated SLAs
Standards & Certification	Scope and effectiveness of certified management systems
Systems & Communications	Accessibility, integrity and availability of systems and communications
Infrastructure	Size, location, integrity or suitability of buildings and associated utilities
People	Quantity, availability and competency of appropriately skilled employees
Strategy & Technology Change	Suitability of current strategic objectives
Reputation	Credibility, confidence or public profile either locally, nationally or internationally, including as a result of poor or negative media attention
Legal Compliance	Criminal prosecution, custodial sentence, class action, prohibition notice, civil action, improvement notice, personal claims or industrial tribunal
Data Protection	Ability to control and process personal data in accordance with data protection legislation
Health & Safety	Physical or mental health and welfare of employees or the public
Business Environment	Economic and political uncertainty
Environmental	Environment or public health
Suppliers & Sub-contractors	Loss of critical suppliers, service level and contract breaches or disagreements
Customers and new business	Maintenance of customer relationships or the ability to identify and win new business



Principal Risk and Mitigations

Strategy & Technology Change - Long Term Planning process needs to be in sufficient detail to respond to the market, innovation and future potential - Operating models not adaptable to facilitate organic and acquisitive growth - Decline in demand for our services or knowledge - Failure to identify new technology demands or vendor developments. - Investing in the wrong technology. Mitigation - Established business with experienced executive practised in managing technology change - Long standing customer and vendor relationships - Vendor Independence allowing a selection of the most appropriate solutions for customers - Strategic planning processes with executive focus - Innovation team dedicated to identifying technology trends and our response - Long term incentive plans support correct behaviours	Trend  Update - The pace of technology change and digitalisation has increased over the past year - Development of Oworx, our public cloud division - SCC continues to adapt its offerings and look for attractive partners and roll out new practices - New strategic planning process in place to review market positioning and direct investment
Commercial - Long term contracts become onerous due to poor risk identification and competitive pressures - Contract management and delegated authorities become inadequate to identify and mitigate contractual risks - Failure to deliver contractual obligations and meet required service levels - Customer Loss or failure to pay Mitigation - Clear engagement and contract approval processes engaging all appropriate stakeholders from bid to contract signature - Specialist skills engaged in commercial bid and contracting process - Senior Executive review via major opportunities review board - Board and Shareholder engagement in significant opportunities - Long term customer relationships are maintained with high levels of services and the close attention of management - Setting of appropriate credit limits and insurance with leading global insurance partners	Trend  Update - SCC has been resilient during the pandemic and been able to continue to service customer requirements - Increased governance in place over new opportunities and internal transformation activities

Financial		Trend
- Poor control of overheads - Underinvesting in indirect costs resulting in failure to identify and win new business or to deliver required customer experience - Short term cost management detracting from the long term need to invest in supporting infrastructure necessary to maintain and enhance productivity - Weak working capital management - Inadequate Financing facilities with inappropriate counterparties which do not match with the working capital profile		
Mitigation		Update
- Detailed financial reviews are carried out by senior executives combined with closely controlled delegation of purchasing authority - Regular reviews of organisation structure, its size and shape to ensure adequate resources are in place - Extensive programme of systems review and replacement with consequent organisational re-shaping - Detailed monitoring of working capital drivers, linking pay to performance and embedding working capital considerations into commercial proposals - Proactive headroom and bank facility management to stay ahead of future requirements and to respond to the varying cash needs through the year - Facilities with long term stable counterparties are matched to working capital needs and are continually reviewed		- Cost review undertaken during the year resulting in significant cost reductions - Enhanced Working Capital management - Strong liquidity and access to cash through our banking facilities

People		Trend
- Failure to attract or retain our talented individuals - Poor succession planning - Inadequate depth to management creating dependence on individuals		
Mitigation		Update
- Regular reviews of technical skill sets with prompt action to train and enhance skills mix - Periodic reviews of the organisational structure to enhance its depth and effectiveness - Incentive plans are in place for executives - Provide ongoing opportunities for personal and professional development		- Skill shortages in the market for some growing technologies can result in longer lead times to fill roles - Enhanced communication platforms in place to keep in touch with our people - Covid pandemic is driving changes to working practices

Business Environment		Trend
- Uncertainties arising from the general economic and political environment impacting customers investment decisions - UK's decision to leave the EU potentially impacting trade and confidence		
Mitigation		Update
- Import and export management activities are actively reviewed and monitored - Maintaining a supply chain dominated by long standing relationships with world class vendors and specialist distributors of scale and resources adequate to ensure continuity of supply - Regular business reviews take place to identify changes to market conditions		- The trade agreement signed between the UK and EU has reduced the risk of severe business disruption - The economic environment is dependent upon the speed of recovery from COVID, but UK measures are currently resulting in improved business confidence



we manage.



Viability Statement.

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

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

The directors have reviewed the long term strategy of the company for the future five years and during the year have referenced past performance to market dynamics to support our plans to deliver long term value growth to shareholders. The directors have given careful consideration to the long term viability of the business and put steps in place to ensure that the business is managed securely to meet those goals.

The board's forecasts consider the Company's profit, cash flows and other key financial ratios over this period. This analysis also evaluates the potential impact of the principal risks and uncertainties set out above should they occur. This is summarised in the below viability factors:

Viability Indication Factors

Current Performance

- Stable operating profit
- Improved working capital performance and cash position
- Focus on annuity revenues
- Diversified product and solution sets in our key market

- Customers diversified between markets and sectors
- Tight financial control
- Adequate banking facilities

Strategy and Market Knowledge

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

Risks and Mitigations

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

Strategic and Financial Planning

A medium term plan is in place which brings the projections of each business together with the long term goals and expectations

from shareholders. In support of this plan a rigorous annual planning and forecasting cycle is in place to maintain shorter term focus.

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

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

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



Viability

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

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

We are confident we will be able to continue to provide solutions to support our customers in meeting the new challenges and technology needs of the immediate future and the longer term. SCC was designated as a Key Business providing essential services to support key sectors including healthcare and we have operated throughout all lockdown periods.

Our Executive team continues to work closely with customers to provide continuity of support. Long standing relationship with vendors and a world class supply chain support our business.

We have assessed possible changes to our operating model and will continue to review any

actions should they become necessary, to ensure that we are fit for the future, will ensure that our working practices are up to date and that our workplaces are ready to operate in line with all appropriate government guidelines to protect our staff and to support our customers and other stakeholders.

We have a long term relationship with HSBC UK Bank plc and during the year we have continued to review our facilities to ensure that they are appropriate for our working capital and longer term financing needs.

Facility headroom and access to cash is at a level which the board consider more than adequate to support the company through the next twelve months.

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

A strong balance sheet, supported by long term shareholder investment, provides additional confidence in the viability of the Company in the long term. In recognition of the ongoing economic instability, Rigby Group have suspended their dividend

policy and no dividends were proposed during the financial year. This will be reassessed in future based upon the latest Company performance forecasts.

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

Going Concern

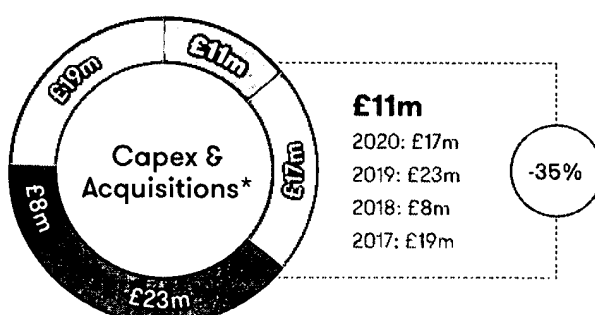
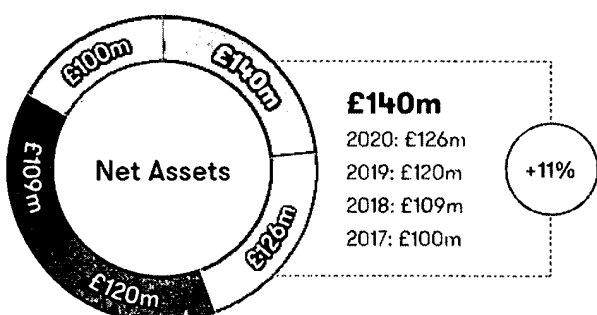
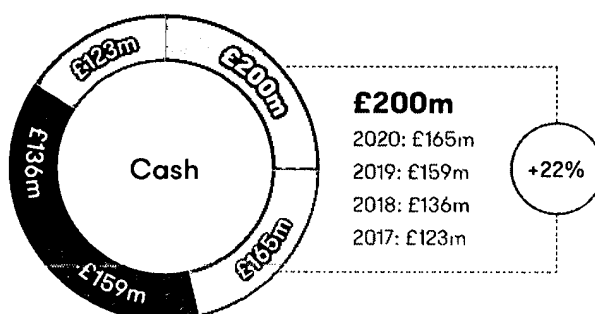
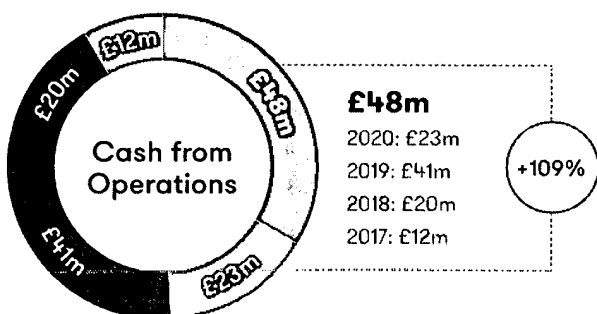
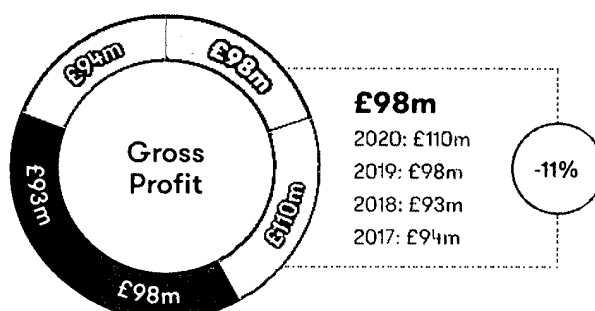
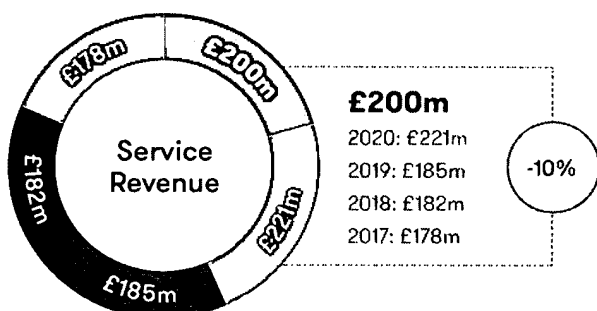
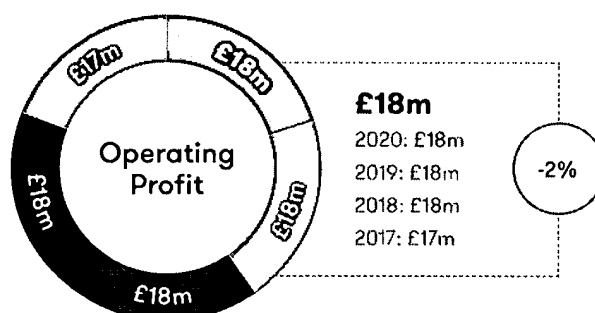
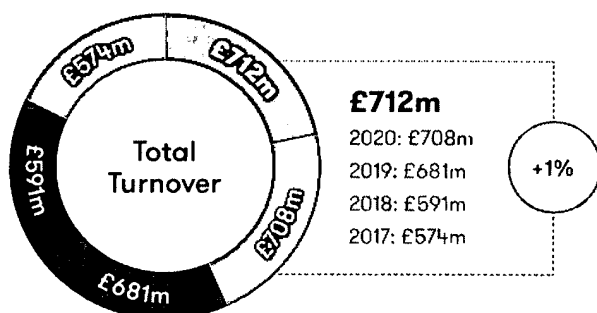
At 31 March 2021 the Company had net assets of £139.6m, and stable profitability. The directors believe the Company is well placed to manage its business risks successfully and the Company's projections show that the Company should continue to be cash generative and be able to operate within the level of its current financing arrangements.

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

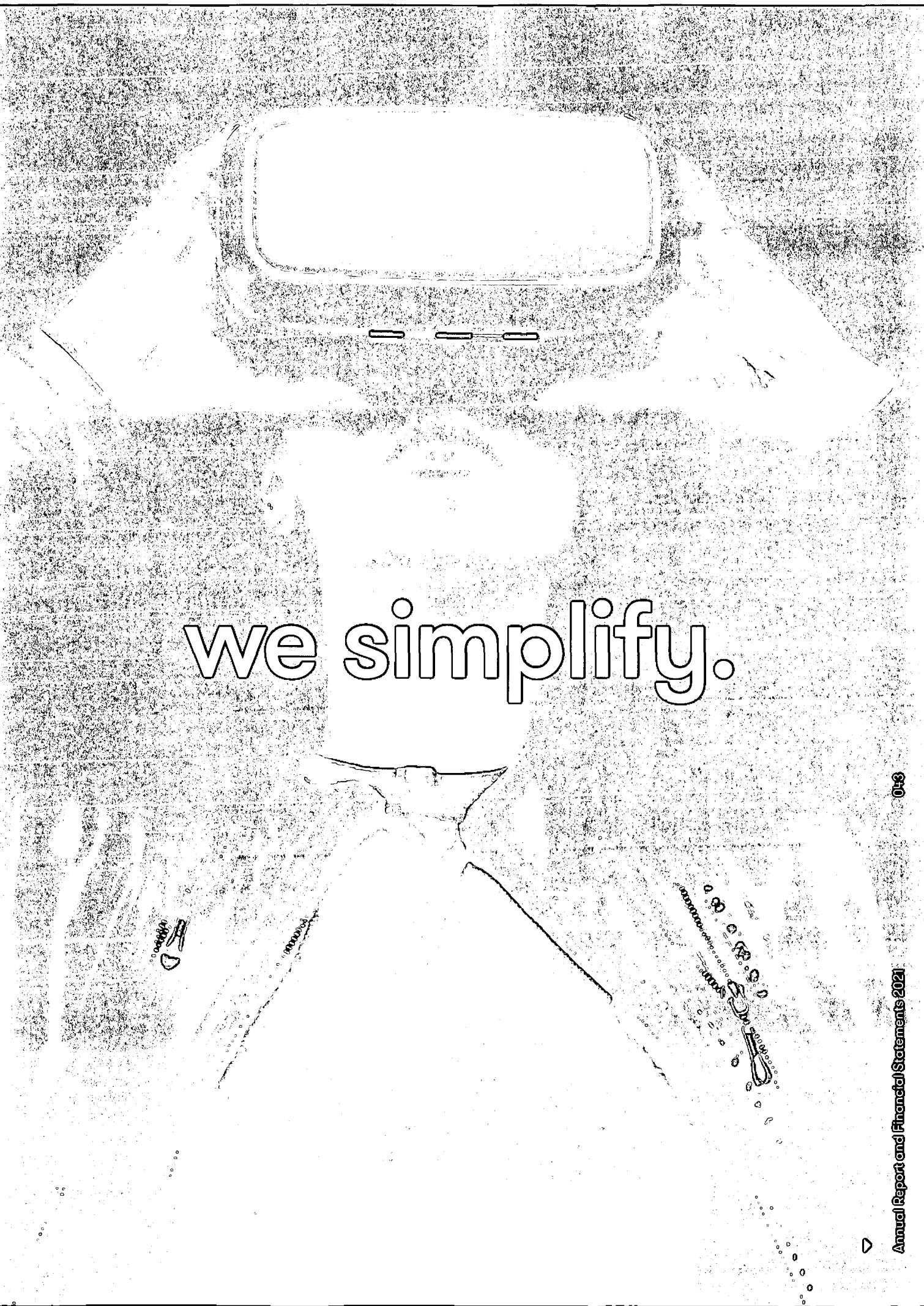


2021 Financial Highlights.

○ FY21 ○ FY20 ● FY19 ● FY18 ○ FY17



* purchase of fixed assets and acquisitions of subsidiaries



we simplify.

“Stable turnover - product revenues increase 5%, services revenues fall 10%”

Turnover

Turnover of £712m was in line with prior year (£708m). Increased demand was seen for end user compute products and services as our customers required remote working capability for their locked-down workforce, as well as increased datacentre services as clients put more workloads through the SCC hybrid cloud. These demand increases were offset by reduced demand for managed print services and lower service revenues from sectors most impacted by the pandemic, for example Retail.

Turnover

1% Increase
4% 5 Year CAGR

Product

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

Product turnover of £512m increased by £25m (+5%) over the prior year. Product sales continue to be a strong determinant of Company turnover, representing 72% of total turnover in the year (2020: 70%), with growth across our public sector business (either direct or through our system integrator partners) of +12% more than offsetting a decline in the commercial customer space of -8%.

The impact of Covid-19 was varied across our product offerings. For example, demand for our end user compute products increased significantly as our customers asked for SCC's support in transitioning to a remote workforce. This growth occurred despite initial disruption to supply chains from the far east in the early months of the pandemic. However with clients delaying investment decisions and putting large scale IT projects temporarily on hold, revenues from our enterprise product business were initially suppressed and were slower to recover, resulting in lower sales than prior year. This is a consistent picture with that seen by our vendor community for high-end IT hardware.

Services

Across our service business units we help customers to Manage and Integrate our IT solutions.

Services turnover of £200m decreased by £22m (-10%) over the prior year. Our professional services business at first saw a dramatic decline in the first half of the year (April to September), as many customers' initial reaction to the Covid-19-enforced lockdown was to temporarily freeze large projects. During the second half of the year projects re-engaged but activity has yet to return to pre-pandemic levels.

Demand for services driven by occupancy of large corporate office space declined significantly. Much of our print services business is dependent on client occupancy of office space and as a result this also suffered during the first half of the year. Our move towards digital document services to supplement onsite print solutions will secure this important revenue stream as clients demand remote access to their documents in various forms. Our specialist flexible resourcing business also declined.

Outside of these service lines that were directly impacted by Covid-19, our core managed services operations and Datacentre Services business grew during the year. SCC's ServiceNow practice continued its rapid growth and our clients moved more workloads into SCC's hybrid cloud solutions. We have maintained the high level

of service that our customers expect and we expect our service business to return to growth in FY22 as customers scale up their operations again.

Profitability

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

Gross Profit

11% Decline
13.7% of Turnover
1% 5 Year CAGR

Gross profit of £98m declined by 11% in percentage terms and reduced slightly to 13.7% of turnover, reflecting the mix impact of higher product sales (versus services) as well as the increased sales of lower margin, workplace productivity products, within those product sales. This Covid-driven demand for workplace productivity products is not a trend that we expect to continue, with margins improving during the second half of the year due to an improved mix of product.



“Strong balance sheet with improved liquidity and continued focus on investment”

Operating Profit

2% Decline
2.5% of Turnover
8% 5 Year CAGR

Operating profit for the year remained relatively flat at £18m as the reduction in margin was offset by reductions in the overhead cost base. Operating profit margin of 2.5% was 0.1%pt lower than in the previous year.

Operating profit included £5.9m of CJRS Grant income. As many of our customers were compelled to close their sites as part of the nation's Covid response, in order to avoid large scale redundancies in our services business units, we took the decision to furlough staff and take CJRS support, protecting roles into the future. The Company took difficult decisions to remove roles where it was deemed that customer demand and activity would not return to historical levels in the foreseeable future. Average headcount for the year reduced by 8% in order to protect the remaining roles and right-size the workforce. As a result, Administrative expenses were 6% below 2020 levels.

Profit before tax

1% Decline
2.4% of Turnover
5% 5 Year CAGR

Profit Before Tax was also flat at £17m. Finance costs of £0.6 (FY20: £0.8m) predominantly represent interest on our finance facilities, which decreased slightly during the year.

Cash & Net Debt

SCC's keen focus on working capital and cash availability ensured that the Company was well positioned to trade through the economic downturn due to Covid. Cash generated from operations increased by £25m this year. The company will continue to focus on working capital and cash generation in future years.

During the year, work was completed on the refurbishment of the global headquarters building on the Birmingham Technology Campus. The building was handed over in November 2020, with a cash cost of £4m during the year.

We closed the year with Net Cash (cash less overdrafts) growing

by 22% to £200m, as our normal business cycle continues to deliver a strong year-end cash position.

SCC has banking arrangements in place covering recourse, non-recourse and overdraft

facilities. These agreements provide considerable headroom and are more than adequate in supporting the cash requirements driven by changes in SCC's customer and vendor mix.

Net Assets and Dividends

Net Assets increased by £13m during the year to £140m.

SCC has a dividend policy which, during normal times, allows for the payment of 50% of PAT as dividends. This policy was suspended for the year ending 31st March 2021, and no dividends were declared during the year. It is expected that the dividend declarations will resume in FY22.

Capital Expenditure and Investments

As noted above, during the year our new corporate headquarters was completed.

We also continued to invest in our corporate systems, with our new Field Service management platform going live in December 2020. Total investment in our core systems was £3m.

Data Centres continue to be a significant part of our business and we invested £1m in our data centres during the year.

Future Investments

SCC has a strong balance sheet and high cash availability. We expect to continue to invest organically in our business, but are also alive to the prospect of acquisitions that would fit with

our strategy. We anticipate such investment being made from cash reserves initially, although we have access to debt if appropriate.

Approved by the Board of directors and signed on its behalf on 13th July 2021.

James Rigby
Director

The directors present their directors report, of the Company for the year ended 31 March 2021.

Strategic Report

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

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

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

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

The going concern of the Company is considered as part of the Viability Statement within the Strategic Report.

Summary Performance and Dividends Declared

The Company's activities during the year generated turnover of £712m compared to £708m in the prior year. Profit before tax for the year was £17.2m compared to £17.3m in the prior year.

No dividend has been declared for the year (2020: £7.4m). No dividend has been proposed after the year end.

Net Assets of the business have now grown to £140m, an increase of £13m over previous year

Research and Development Expenditure

£2.2m has been spent on research and development activity during the year to develop innovative solutions to meet our customers' needs, £0.7m of which has been capitalised. The year's expenditure is in line with our annual investment levels which exceed £2m per year on average over the last five years.

Directors and Directors' Indemnities

The following directors have held office since 1 April 2020 and up to the date of signing: Sir Peter Rigby, Ms PA Rigby, Mr JP Rigby, Mr SP Rigby, Mr MJ Swain, Mrs PA Swain, Mr PN Whitfield (resigned 01 December 2020), Mr A Clarke, Mr PM Dove (appointed 01 November 2020), Mr MT Nutter (appointed 01 December 2020).

The company held 10 scheduled meetings of the board of directors during the year. Average attendance over the year at these meetings was 84%. In addition, a significant number of ad-hoc meetings were held, in particular focussing on the Company's response to the Covid 19 pandemic.

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

Branches

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

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year.

Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland". Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

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

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

Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approval of Reduced Disclosures

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

Statement of Disclosure to the Auditor

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

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

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

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor of the company.

A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

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



James Rigby
Director
13th July 2021



we simplify the complex

we transform.

Specialist Computer Centres PLC

FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2021

049

Report on the audit of the financial statements.

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of the company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 26.

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

Generally Accepted Accounting Practice).

Basis for opinion

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

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included GDPR, employment law, health & Safety and building regulations.

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

As a result of performing the above, we identified the greatest potential for fraud is in relation to revenue recognition. Specifically the fraud risk is in relation to the judgements in the percentage of completion on long term-contracts which are typically complex and have higher consideration values than product sales. 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 contracts results 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 reviewed a sample of on-going contracts and traced these through to latest customer confirmations, sales invoices and cash receipts, as well as 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 and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.



Report on other legal and regulatory requirements.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

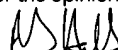
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

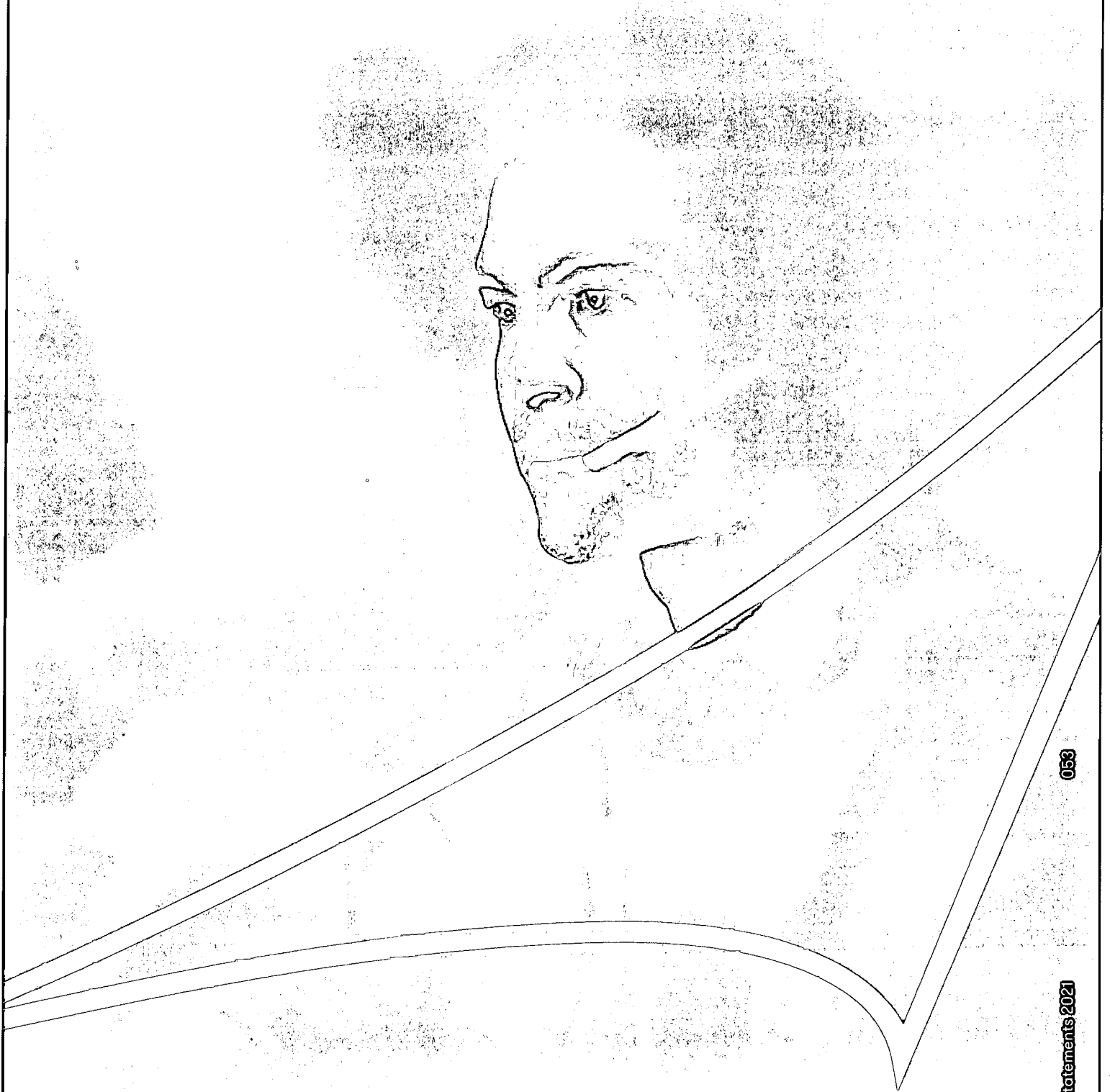
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other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



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

Statutory Auditor
Birmingham
United Kingdom

13th July 2021



Financial statements for the year ended 31st March 2021

Profit and Loss Account for the Year Ended 31 March 2021

	Notes	2021 £'000	2020 £'000
Turnover	3	712,372	708,298
Cost of sales		(614,443)	(598,232)
Gross profit		97,929	110,066
Administrative expenses		(86,545)	(92,492)
Other operating income	5	6,371	511
Operating profit		17,755	18,085
Finance costs (net)	4	(594)	(823)
Profit before taxation	5	17,161	17,262
Tax on profit	8	(3,755)	(3,421)
Profit for the financial year		13,406	13,841

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

The notes form part of these financial statements.

Statement of Comprehensive Income for the Year Ended 31 March 2021

	2021 £'000	2020 £'000
Profit for the financial year	13,406	13,841
Re-measurement of net defined benefit obligation (note 19)	(303)	116
Tax relating to items of other comprehensive income (note 18)	65	(19)
Other comprehensive (loss)/profit	(238)	97
Total comprehensive income	13,168	13,938

Balance Sheet as at 31 March
2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Intangible assets	11	26,960	25,330
Tangible assets	12	59,890	59,917
Investments	13	2,157	2,157
		89,007	87,404
Current assets			
Stocks	14	12,281	13,271
Debtors			
- due within one year	15	134,020	133,333
- due after more than one year	15	5,124	9,675
Cash at bank and in hand		200,433	164,695
		351,858	320,974
Creditors: amounts falling due within one year	16	(288,300)	(265,893)
Net current assets		63,558	55,081
Total assets less current liabilities		152,565	142,485
Creditors: amounts falling due after more than one year	17	(8,724)	(12,184)
Provisions for liabilities	18	(4,216)	(3,844)
Net assets		139,625	126,457
Capital and reserves			
Called-up share capital	20	1,158	1,158
Share premium account	20	143	143
Share based payment reserve	20	-	100
Profit and loss account	20	138,324	125,056
Shareholders' funds		139,625	126,457

Approved by the board of directors, authorised for issue on 13th July 2021 and signed on its behalf by:



James Rigby
Director

Company Registration Number: 01428210
Registered in England and Wales

Statement of Changes in Equity
for the Year Ended 31 March 2021

	Called-up share capital £'000	Share premium account £'000	Share based payment reserve £'000	Profit and loss account £'000	Total £'000
At 1 April 2019	1,158	143	122	118,435	119,858
Profit for the financial year	-	-	-	13,841	13,841
Re-measurement of net defined benefit liability (note 19)	-	-	-	116	116
Tax relating to items of other comprehensive income (note 18)	-	-	-	(19)	(19)
Total comprehensive income	-	-	-	13,938	13,938
Settlement of equity share-based payments (note 20)	-	-	(83)	83	-
Charge for equity-settled share-based payments (note 20)	-	-	61	-	61
Dividends paid (note 9)	-	-	-	(7,400)	(7,400)
At 31 March 2020	1,158	143	100	125,056	126,457
Profit for the financial year	-	-	-	13,406	13,406
Re-measurement of net defined benefit obligation (note 19)	-	-	-	(303)	(303)
Tax relating to items of other comprehensive income (note 18)	-	-	-	65	65
Total comprehensive income	-	-	-	13,168	13,168
Settlement of equity share-based payments	-	-	(100)	100	-
At 31 March 2021	1,158	143	-	138,324	139,625

Cash Flow Statement
for the Year Ended 31 March 2021

	Notes	2021 £'000	2020 £'000
Net cash flows from operating activities	21	47,791	23,127
Cash flows from investing activities			
Proceeds from sale of software and equipment		36	59
Purchase of software and equipment		(10,785)	(15,420)
Interest received		21	53
Net cash flow used in investing activities		(10,729)	(15,308)
Cash flows from financing activities			
Dividends paid		-	(2,000)
Repayment of obligations under finance leases		(694)	(988)
Interest paid		(630)	(873)
Net cash flow used in financing activities		(1,324)	(3,861)
Net increase in cash and cash equivalents		35,738	3,958
Cash and cash equivalents at beginning of year		164,695	160,737
Net increase in cash and cash equivalents		35,738	3,958
Cash and cash equivalents at end of year		200,433	164,695
Reconciliation of cash at bank and in hand			
Cash at bank and in hand at end of year		200,433	164,695
Cash and cash equivalents at end of year		200,433	164,695

1. Significant Accounting Policies

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

1.1

General information and basis of accounting

Specialist Computer Centres plc is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The registered office of the Company is provided in the Company Information section of this Annual Report. The nature of the Company's operation 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 functional currency of the Company is considered to be pound sterling because that is the currency of the primary economic environment in which the Company operates.

As a wholly owned subsidiary of SCC EMEA Limited it has taken advantage of the exemption under section 400 of the Companies Act 2006 from preparing consolidated financial statements.

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

1.2

Going concern

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

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

The Company is part of the SCC EMEA Limited Group, which has secured banking facilities in both the UK and Continental Europe used to meet its day to day working capital requirements. The current economic conditions create uncertainty particularly over the level of demand for the Group's products and services; the exchange rate between pound sterling and euro and the availability of bank finance in the foreseeable future.

The Company's forecasts and projections, taking into account the continued impact of Covid 19 as well as other reasonable possible changes in trading performance, show that the Company should be able to operate within the level of their current facilities and available cash resources. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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

1.3

Intangible assets - Goodwill

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



1.4 Intangible assets – Software costs

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

1.5 Intangible assets

Research and development

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

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

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

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision

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

Leasehold land and buildings
up to 40 years

Fixtures and equipment
3 to 20 years

Motor vehicles
3 to 5 years

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

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

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

1.7 Investments

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

1.8 Impairment of assets

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

Non-financial assets

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

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

to the extent that the revised recoverable value does not lead to a revised carrying value higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets, other than goodwill, on a pro-rata basis and then to any goodwill allocated to that CGU.

Financial assets

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

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

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

1.9 Stocks

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

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

1.10 Employee benefits

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

The Company is the registered employer for a section of the Railway Pension Scheme, a closed defined benefit scheme with no active members such that no contributions are payable by the employer or the members.

The Company is also the registered employer for a section of the Federated Pension Plan, a closed defined benefit scheme in which there are 4 active members.

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

1.11 Share based payments

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

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

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

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

The cost of awards to employees that take the form of shares or

rights to shares are recognised over the period to which the employee's performance relates.

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

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

1.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

1.13 Financial instruments

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument

is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Financial assets and liabilities

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

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

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

Financial liabilities are derecognised only when the



obligation specified in the contract is discharged, cancelled or expires.

1.14

Taxation

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

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

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

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

the value at which it is recognised, a deferred tax liability/(asset) is recognised for the additional tax that will be paid/(avoided) in respect of that difference.

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

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

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

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

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred

tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

1.15 Foreign currency	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.	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.	at the full value as determined by the contract unless alternative arrangements are put in place.
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.	1.17 Turnover	1.19 Government grants	1.21 Provisions
1.16 Lease accounting	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.	Government grants are recognised on the accruals basis and measured at the fair value of the asset received or receivable. Grants are classified as relating to either revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned.	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.
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.	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.	Government support provided to the Company in response to the Covid 19 pandemic are recognised as Other Operating Income.	
Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.	1.18 Rebates and marketing income	1.20 Contractual obligations under preferred vendor schemes	
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.	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	Where the Company enters into preferred supplier arrangements which include activity related obligations, the group tracks in detail such obligations and monitors achievement closely with the respective supplier. Provisions are made where additional obligations are payable or receivable under such schemes	



2. Critical Accounting Judgements and key sources of estimation uncertainty

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

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

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

2.1
Critical judgements in applying the Company's accounting policies

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

2.2
Key sources of estimation of uncertainty

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

Intangible Development Costs

Internal and external software development costs in respect of our continued system development programme are capitalised in accordance with FRS102 and are transferred to Software costs when assets are put into economic use and amortised over their useful economic life.

During the year a further £2.7m (2020: £7.1m) has been capitalised.

The system development programme is continuing in line with the project plan and budgets and as such the directors consider that there is no impairment in respect of these development costs.

3. Turnover

	2021 £'000	2020 £'000
By geographical destination		
United Kingdom	705,008	701,064
Continental Europe	7,326	7,212
Rest of World	38	22
	712,372	708,298
By category		
Sale of goods	512,466	486,810
Rendering of services	199,803	221,385
Government grants	103	103
	712,372	708,298

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



4. Finance Costs (NET)

	2021	2020
	£'000	£'000
Interest payable and similar charges	632	873
Investment income	(17)	(53)
Other finance costs	(21)	3
	594	823
	2021	2020
	£'000	£'000
Interest payable and similar charges		
Interest on finance facilities	551	766
Finance leases and hire purchase contracts	50	107
Other interest payable	31	-
	632	873
	2021	2020
	£'000	£'000
Interest receivable and similar income		
Other interest receivable	(17)	(53)
	(17)	(53)
	2021	2020
	£'000	£'000
Other finance costs		
Unwinding of discount on long term debtors/creditors	(29)	(8)
Net interest on defined benefit obligation (note 19)	8	11
	(21)	3

5. Profit Before Tax

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

	2021	2020
	£'000	£'000
Depreciation of tangible fixed assets	8,193	8,878
Amortisation of intangible assets	1,095	1,155
Amortisation of goodwill	205	390
Research expenditure	1,542	1,810
Government grant income	(103)	(103)
Operating lease rentals	4,782	5,450
Foreign exchange gains	(299)	(158)
Gain on disposal of fixed assets	(20)	(48)
Cost of stock recognised as an expense	479,496	451,135
Impairment of stock recognised as an expense	51	35
Other operating income - CJRS Government Grants	(5,862)	-
Other operating income - Rental Income	(509)	(511)

The analysis of auditor's remuneration is as follows:

	2021	2020
	£'000	£'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	236	190
Tax compliance services	-	10
Total non-audit fees	-	10

No services were provided pursuant to contingent fee arrangements.

Government support provided under the CJRS scheme of £5.9m is included in Other Operating Income. During the year the company also deferred VAT payments under the UK government VAT deferral scheme. As the impact of the pandemic became clearer and our liquidity remained strong, a decision was made to repay all outstanding VAT and as of 31 March 2021 all amounts had been repaid in full.

6. Staff Costs

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

	2021 Number	2020 Number
Sales	330	336
Administration	195	206
Engineering	1,101	1,242
Warehouse	124	127
	1,750	1,911

Their aggregate remuneration comprised:

	2021 £'000	2020 £'000
Wages and salaries	84,248	91,251
Social security costs	9,939	10,881
Pension costs	2,291	2,456
	96,478	104,588

The above remuneration excludes redundancy payments with a gross value of £1,489,008 (2020: £494,843).

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

7. Directors Remuneration and Transactions

Remuneration

The remuneration of the directors was as follows:

	2021 £'000	2020 £'000
Emoluments	1,528	1,279
Company contributions to money purchase schemes	67	82
	1,595	1,361

The above amounts do not include any gains made on the exercise of share options or the value of any shares or share options received. 1 director exercised share options in the year (2020 - 1). During the year, no share options were granted to the directors (2020 - nil).

In 2018 shares were issued to two directors under a long term incentive plan. These shares carry a put and call option on maturity of the plan. During the year one director exercised his put option which resulted in £1,337,000 (2020: £1,084,000) being paid to the director by the parent company.

The directors, Sir Peter Rigby, Ms P A Rigby, Mr J P Rigby and Mr S P Rigby are paid by Rigby Group (RG) plc, the ultimate parent Company, and as such their total emoluments are disclosed in the financial statements of Rigby Group (RG) plc, but it is not practicable to determine the proportions of such emoluments which are attributable to the directors' services to the Company. The emoluments of Mr P Whitfield were borne by and disclosed in the financial statements of SCC EMEA Limited up to the date of his resignation 1 December 2020.

The total remuneration of directors paid by other Group Companies was £342,000 (2020: £533,000). In addition some of these directors are accruing benefits under a Group pension scheme with total contributions of £nil (2020: £12,000) paid on their behalf.

In the current year, £1,337,000 (2020: £1,084,000) was paid to a director of the company by the parent company under a long term incentive plan.

Pensions

The number of directors for whom retirement benefits are accruing under a defined contribution scheme is 5 (2020: 4).

Remuneration of highest paid Director

	2021 £'000	2020 £'000
Emoluments	618	468
Company contributions to money purchase schemes	30	40
	648	508

8. Tax on Profit

	2021 £'000	2020 £'000
Current tax		
Corporation tax	3,292	3,037
Adjustments in respect of prior years	(73)	(353)
Total current tax	3,219	2,684
Deferred tax		
Origination and reversal of timing differences	308	815
Adjustments in respect of prior years	228	8
Effect of changes in tax rate	-	(86)
Total deferred tax (note 18)	536	737
Total tax on profit	3,755	3,421

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:

	2021 £'000	2020 £'000
Factors affecting the tax charge for the year		
Profit before tax	17,161	17,262
Tax on profit at standard UK corporation tax rate of 19% (2020: 19%)	3,261	3,280
Effects of:		
Expenses not deductible for tax purposes	170	301
Income not taxable for tax purposes	(5)	-
Transfer pricing adjustments	174	273
Adjustment in respect of prior years	155	(345)
Effects of group relief / other reliefs	-	(2)
Effect of changes in tax rate	-	(86)
Total tax charge for year	3,755	3,421

The standard rate of Corporation Tax in the UK is 19% with effect from 1 April 2017.

The Finance Act 2016 includes a reduction in the standard rate of Corporation Tax from 19% to 17% from 1 April 2020. However, on 11 March 2020 in the UK Budget it was further announced that the cut in the tax rate to 17% will now not occur and the tax rate will instead remain at 19%. This rate change was substantively enacted on 17 March 2020 via the Provisional Collection of Taxes Act 1968. As this change had been substantively enacted at the Balance Sheet date it is reflected in these financial statements. The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date and as a result, deferred tax balances as at 31 March 2021 continue to be measured at 19%.

9. Dividends

	2021 £'000	2020 £'000
Final dividend has been paid of £nil per share (2020: £7.21 per share)	-	7,400

Of the £7,400,000 dividend issued in 2020, £2,000,000 was cash settled and the remainder offset against an intercompany receivable.

10. Employee Share Schemes

In 2018 the Company issued 132,000 'A' ordinary shares under a long term incentive plan to two directors of the Company.

One director exercised his put option selling his 60,000 shares to SCC UK Holdings Limited on 24 February 2020, and one director exercised his put option on 27 July 2020 selling the remaining 72,000 shares to SCC UK Holdings Limited.

11. Intangible Fixed Assets

	Goodwill £'000	Software costs £'000	Development costs £'000	Total £'000
Cost				
At 1 April 2020	3,902	14,767	19,690	38,359
Additions	-	241	2,689	2,930
Transfers	-	11,100	(11,100)	-
At 31 March 2021	3,902	26,108	11,279	41,289
Amortisation				
At 1 April 2020	3,697	9,332	-	13,029
Charge for the year	205	1,095	-	1,300
At 31 March 2021	3,902	10,427	-	14,329
Net Book Value				
At 31 March 2021	-	15,681	11,279	26,960
At 31 March 2020	205	5,435	19,690	25,330

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 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

The transfer from Development Costs to Software costs during the year represents software development that was completed during the year, and the assets were brought into service.

The intangible assets include the company's ERP system. The capitalised costs relate to development of the software for the company's specific requirements. The elements of the ERP system which have been completed have been transferred into Software Intangible assets and are carried at a cost of £13,834,000 (2020: £2,699,000) and has an average remaining amortisation period of 14 years (2020:13 years).

The ERP development costs for those element not yet completed are within development costs as an asset in the course of construction, at a value of £11,184,000 (2020: £19,690,000). The software will begin depreciation once it has been brought into use and will be depreciated over 15 years.

There are no other individually material intangible assets.

12. Tangible Fixed Assets

	Land and Buildings		Fixtures and equipment	Motor vehicles	Assets in the course of construction	Total
	Freehold £'000	Leasehold £'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2020	10,878	19,297	80,625	2,734	5,508	119,042
Additions	207	28	4,094	8	3,844	8,181
Transfers	5,860	1,909	1,583	-	(9,352)	-
Disposals	-	-	(2,475)	(251)	-	(2,726)
At 31 March 2021	16,945	21,234	83,827	2,491	-	124,497
Depreciation						
At 1 April 2020	1,461	8,361	47,520	1,783	-	59,125
Charge for the year	261	852	6,800	280	-	8,193
Disposals	-	-	(2,472)	(239)	-	(2,711)
At 31 March 2021	1,722	9,213	51,848	1,824	-	64,607
Net Book Value						
At 31 March 2021	15,223	12,021	31,979	667	-	59,890
At 31 March 2020	9,417	10,936	33,105	951	5,508	59,917

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		Fixtures and equipment	Motor vehicles	Assets in the course of construction	Total
	Freehold £'000	Leasehold £'000	£'000	£'000	£'000	£'000
At 31 March 2021	-	-	180	630	-	810
At 31 March 2020	-	-	538	862	-	1,400



13. Investments

	Shares in subsidiary undertakings
	£'000
As at 1 April 2020 and 31 March 2021	2,157

Subsidiary undertakings

On 31 March 2020 and 31 March 2021 the Company directly held investments in 100% of the ordinary share capital of the following subsidiary undertakings, except SCC AVS Limited where it held 80% of the ordinary share capital:

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

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

14. Stocks

	2021 £'000	2020 £'000
Goods held for resale	5,735	6,533
Print consumables	4,989	5,622
Maintenance stock	1,557	1,116
	12,281	13,271

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

15. Debtors

Amounts falling due within one year:

	2021 £'000	2020 £'000
Trade debtors	98,843	90,182
Amounts owed by Group undertakings	5,171	7,418
Other debtors	9,830	9,103
Group relief debtor	1	-
Corporation tax	340	588
Prepayments and accrued income	19,835	26,042
	134,020	133,333

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

Within amounts owed by Group undertakings is an intercompany loan issued to a subsidiary entity of £1,650,000 (2020: £1,650,000). The loan is unsecured, non-interest bearing and repayable on demand.

All other amounts owed by Group undertakings arise from normal trading activities, are unsecured, non-interest bearing and repayable on demand.

Amounts falling due after more than one year:

	2021 £'000	2020 £'000
Trade debtors	2,392	5,693
Prepayments and accrued income	2,732	3,982
	5,124	9,675

16. Creditors:
Amounts falling due within
one year

	2021 £'000	2020 £'000
Obligations under finance leases and HP contracts	402	646
Trade creditors	216,223	178,451
Group relief creditor	-	536
Amounts owed to Group undertakings	3,832	18,785
Other taxation and social security	15,735	16,696
Other creditors	6,615	4,617
Government grants	103	103
Deferred revenue	23,355	26,106
Accruals	22,035	19,953
	288,300	265,893

All amounts owed to Group undertakings arise from normal trading activities, are unsecured, not subject to interest and are repayable on demand.

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

	2021 £'000	2020 £'000
Obligations under finance leases and HP contracts	79	529
Deferred income	4,472	6,528
Government grants	252	355
Trade creditors	3,921	4,772
	8,724	12,184
Net obligations under hire purchase contracts		
	2021 £'000	2020 £'000
Repayable within one year (note 16)	402	646
Repayable between one and five years	79	529
	481	1,175

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

18. Provisions for Liabilities

	Deferred contingent consideration	Defined benefit obligation (note 19)	Deferred tax	Total
	£'000	£'000	£'000	£'000
At 1 April 2020	1,915	381	1,548	3,844
Charged to the profit and loss account	-	93	536	629
Charged / (Credited) to other comprehensive	-	303	(65)	238
Utilisation of provisions	(435)	(60)	-	(495)
At 31 March 2021	1,480	717	2,019	4,216

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

Deferred Taxation

The Company's net deferred taxation liability comprises:

	2021 £'000	2020 £'000
Deferred taxation asset		
- recoverable within one year	367	123
- recoverable after more than one year	125	65
Deferred taxation liability		
- payable within one year	(21)	(100)
- payable after more than one year	(2,490)	(1,636)
	(2,019)	(1,548)
		£'000
As at 1 April 2020		(1,548)
Charged to profit and loss account		(536)
Credited to other comprehensive income		65
As at 31 March 2021		(2,019)
The net deferred taxation liability is made up as follows:		
	2021 £'000	2020 £'000
Depreciation in excess of capital allowances	(2,511)	(1,737)
Other timing differences	492	189
	(2,019)	(1,548)

At 31 March 2021, there are no deferred tax assets which have not been provided for (2020: None).



19. 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, the next valuation being due as at 31 December 2022.

(ii) the Specialist Computer Centres Section of the Federated Pension Plan, a shared final salary pension scheme which is closed to new members. The scheme has 3 active members (2020: 4 members) and the best estimate of the contributions payable by the Company for the next financial year is £42,000. A formal actuarial valuation was undertaken at 5 April 2019, the next valuation being due as at 5 April 2022.

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 has engaged external actuaries to undertake FRS 102 valuations of both schemes as at 31 March 2021.

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

	2021 %	2020 %
Inflation	3.2	2.5
Future pension increases	2.8	1.8
Discount rate	2.1	2.2

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:

	2021	2020
Male currently aged 65	20.2	21.5
Male currently aged 45	21.8	23.1
Female currently aged 65	22.9	24.1
Female currently aged 45	24.5	25.7

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

	2021 £'000	2020 £'000
Current service cost	35	37
Net interest cost	8	11
Expenses	50	13
Total amount charged in profit and loss account	93	61
Actuarial losses/(gains)	303	(116)
Total charge/(credit) relating to defined benefit obligation	396	(55)

19. Employee Benefits
(Continued)

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

	2021	2020
	£'000	£'000
Present value of defined benefit obligations	4,923	3,932
Fair value of scheme assets	(4,206)	(3,551)
Net liability recognised in the balance sheet	717	381

Movements in the defined benefit obligations were as follows:

	£'000
At 1 April 2020	3,932
Current service cost	35
Interest cost	84
Expenses	14
Contributions	4
Actuarial losses	913
Actual benefit payments	(59)
At 31 March 2021	4,923

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

	£'000
At 1 April 2020	3,551
Interest income on assets	76
Loss on plan assets	610
Contributions	64
Actual benefit payments	(59)
Administration costs	(36)
At 31 March 2021	4,206

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

	2021	2020
	£'000	£'000
Growth assets	3,362	2,862
Government bonds	546	446
Non-government bonds	276	224
Cash	22	19
Total asset value	4,206	3,551



20. Called-up Share Capital Reserves

	2021 Number	2020 Number	2021 £'000	2020 £'000
Allotted, called-up and fully-paid				
Ordinary shares of £1 each	1,026,671	1,026,671	1,026	1,026
A Ordinary Shares of £1 each	132,000	132,000	132	132
C Ordinary Shares of £1 each	-	-	-	-
D Ordinary shares of £1 each	-	-	-	-
	1,158,671	1,158,671	1,158	1,158

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

The A ordinary shares have a par value of £1, and a share premium of £1.08.

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

The Company's reserves comprise the following:

- Profit and loss account which comprises the accumulated profits and losses of the Company net of any dividends paid.
- Share premium account of £143,000 which represents the premium on the shares issued under the long term incentive plan

21. Net Cash Flows from Operating Activities

	2021 £'000	2020 £'000
Operating profit	17,755	18,085
Adjustment for:		
Depreciation of tangible fixed assets	8,193	8,878
Amortisation of intangible fixed assets	1,300	1,545
Profit on sale of tangible fixed assets	(20)	(48)
Service cost on defined benefit obligation	85	50
Operating cash flow before movement in working capital	27,313	28,510
Decrease/(increase) in stocks	990	(1,074)
Decrease in debtors	3,617	12,761
Increase/(decrease) in creditors	19,379	(13,977)
	51,299	26,220
Income tax paid	(3,508)	(3,093)
Cash generated by operations	47,791	23,127

22. Contingent Liabilities

The Company is party to a cross guarantee on the overdrafts and bank facilities of certain UK companies owned directly or indirectly by SCC EMEA Limited. At 31 March 2021, the indebtedness of these UK group undertakings amounted to £46,697,654 (2020: £64,872,905).

23. Related Party Transactions

As a 100% indirectly owned subsidiary undertaking of Rigby Group (RG) Plc, the Company has taken advantage of the exemption in FRS 102 from disclosing transactions with other wholly owned companies within the Group headed by Rigby Group (RG) plc.

During the year one director exercised their put option resulting in a repayment of £150,000 of the directors loans. In the prior year one director exercised their put option resulting in a repayment of £125,000 of the directors loans.

24. Financial Commitments

	2021 £'000	2020 £'000
Capital commitments contracted but not provided for:		
- Property, non-finance leases	-	3,633
- Software development	38	-

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

Group	2021		2020	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Within one year	2,364	388	2,309	871
Between two and five years	5,337	565	6,001	782
In over five years	6,704	-	6,135	-
	14,405	953	14,445	1,653

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



25. Controlling Party

Ultimate parent undertaking

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

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

Ultimate controlling body

Sir Peter Rigby, a director of Rigby Group (RG) plc, controls the Company as a result of holding 68.28% of the issued ordinary share capital and 80% of the voting rights of Rigby Group (RG) plc, the ultimate parent undertaking.

26. Post Balance Sheet Events

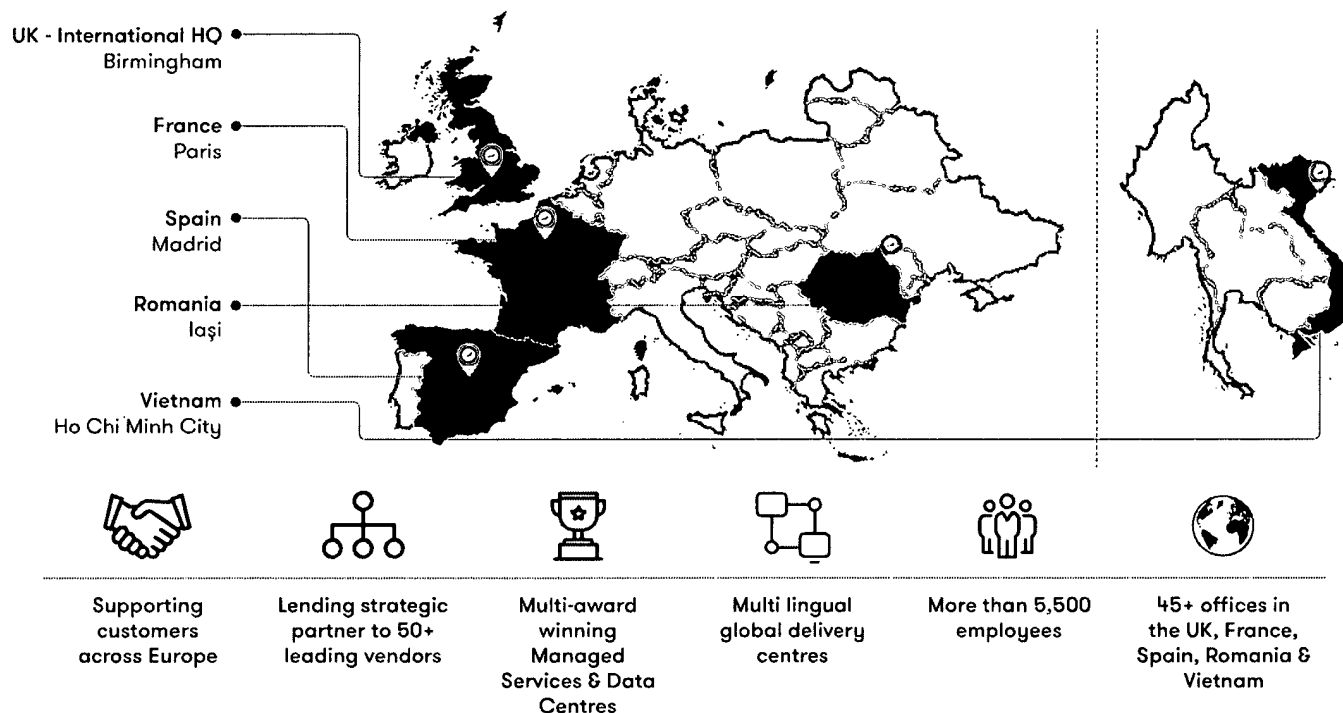
There are no post balance sheet events.

we simplify the complex

SCC EMEA Group

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

we go beyond.



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

Specialist Computer Centres plc is reported within the UK segment of the Group which has delivered a combined turnover of £728.1m and Operating Profit of £15.5m

Net Assets of the group are £197m, a growth of 8% on prior year. No dividends have been paid in the current year to the parent company Rigby Group (RG) plc (2020: £8.5m).

Movements compared to prior year

		TURNOVER	OPERATING PROFIT	PROFIT BEFORE TAX	CASH FROM OPERATIONS
	UK	£728.1m £723.7m 0.6%	£15.5m £15.4m 0.6%	£14.9m £14.5m 2.2%	£67.9m £31.7m 114.1%
	FRANCE	€1,886.6m €1,680.6m 11.1%	€29.4m €14.6m 101.0%	€28.7m €13.3m 115.4%	€55.0m €49.7m -10.6%
	SPAIN	€77.3m €93.8m -17.5%	€1.0m €0.6m 68.6%	€1.0m €0.6m 64.2%	€4.7m €19.7m -124.1%
	GDC	21.5m £21.6m -0.1%	£1.6m £1.3m 20.2%	£1.5m £1.3m 20.7%	£2.4m £1.6m 46.6%



Consolidated Financial Highlights of SCC EMEA Limited.

Consolidated results of SCC EMEA Limited

Turnover.
£2.5bn
FY20 | £2.3bn

+8%

EBIT.
£46m
FY20 | £31m

+49%

EBITDA
£63m
FY20 | £49m

+28%

Headcount.
5,946
FY20 | 5,999

-1%

Net Assets.
£197m
FY20 | £169m

+16%

2021 has been both a challenging and a rewarding year for the SCC EMEA group. The global pandemic has inevitably impacted our customers, partners and our employees.

Financial performance was impacted by Covid 19 particularly in the first half of the year.

Full year financial performance reflects the strength of our French business and its focus on supporting the government sector together with the speed at which in the UK government support was made available and management action was taken to put the business in good shape for the critical second half of the fiscal period.

Turnover

Group revenues grew to £2.5bn from £2.3bn, driven primarily by a significant increase in demand from our customers for software and assets to facilitate remote working in both the UK and France.

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

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

In Spain, a decline in revenue by 17% follows two consecutive years of growth of 15% and 11% respectively and is due to the impacts of Covid 19. Despite this operating profit grew to £1.0m, up 69% due to a continued focus on costs and a salary sacrifice scheme.

Profitability

EBIT grew 49% and EBITDA grew by 28% to £45.9m and £63.3m respectively.

Net Assets

At £197m, consolidated net assets grew by 16%. No dividend was declared in the financial year to our parent company Rigby Group (RG) plc (2020: £8.5m)

Headcount

Average headcount decreased from 5,999 in the prior year to 5,946 and the average cost per head reduced by 1.3% in the year.

Useful information.

Directors.

Sir Peter Rigby
Ms PA Rigby
Mr JP Rigby
Mr SP Rigby
Mr MJ Swain
Mrs PA Swain
Mr PN Whitfield
(resigned 1 December 2020)
Mr A Clarke
Mr PM Dove
(appointed 1 November 2020)
Mr MT Nutter
(appointed 1 December 2020)

Auditors.

Deloitte LLP
Statutory Auditor
Four Brindleyplace
Birmingham
West Midlands
B1 2HZ
United Kingdom

Bankers.

HSBC UK Bank plc
120 Edmund Street
Birmingham
West Midlands
B3 2QZ
United Kingdom

Company Secretary.

Ms GM Garratt
(Appointed 1 December 2020)
Mr OG Williams
(Resigned 1 December 2020)

Solicitors.

Gowling WLG (UK) LLP
2 Snowhill
Birmingham
West Midlands
B4 6WR
United Kingdom

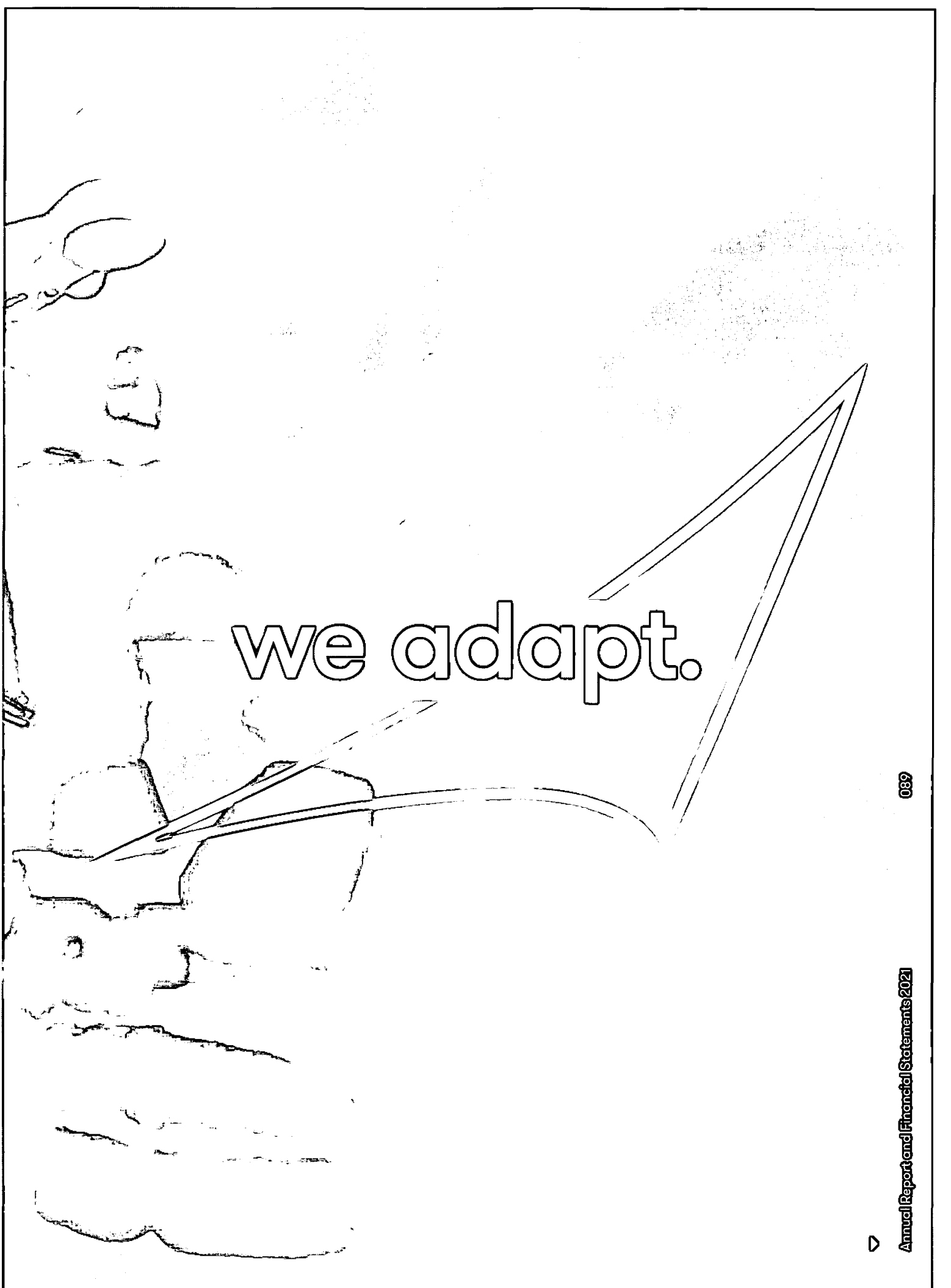
Registered Office.

James House
Warwick Road
Birmingham
West Midlands
B11 2LE
United Kingdom

Company Number.

01428210

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



we adapt.

