

Computacenter (UK) Limited
Report and Financial Statements

31 December 2023

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COMPANIES HOUSE

Computacenter (UK) Limited

Registered No. 01584718

Directors

M J Norris
M C Jehle (appointed 1 June 2023)
J A Beard
F A Conophy (resigned 1 June 2023)

Secretary

S Pereira

Auditor

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG
United Kingdom

Registered Office

Computacenter (UK) Limited
Hatfield Avenue
Hatfield
Hertfordshire
United Kingdom
AL10 9TW

Computacenter (UK) Limited

Strategic report

The Directors present their strategic report for the year ended 31 December 2023.

Principal activities

The Company's principal activities are the supply, design, project management, implementation and support of integrated information technology systems. Our activities are diversified across sale of goods, comprising of our Technology Sourcing business, and rendering of services which consists of Managed Services and Professional Services. Within Technology Sourcing, we assist organisations in removing cost, complexity and risk from their IT supply chain. Our Services activities are focused on providing solutions to optimise customers' technology as well as maintenance, support, transformation and management of customers' IT infrastructures and operations.

Review of the business

The UK market softened during the year due to unsettled economic conditions, with businesses and organisations delaying project implementations and investment decisions.

	2023 £m	2022 £m	Change
Technology Sourcing gross invoiced income*	1,944.7	1,847.2	5.3%
Services revenue			
Professional Services revenue	130.5	146.8	(11.1%)
Managed Services revenue	310.7	320.0	(2.9%)
Total gross invoiced income*	2,385.9	2,314.0	3.1%
Technology Sourcing revenue	778.5	792.1	(1.7%)
Services revenue			
Professional Services revenue	130.5	146.8	(11.1%)
Managed Services revenue	310.7	320.0	(2.9%)
Total revenue	1,219.7	1,258.9	(3.1%)
Gross profit	240.9	248.4	(3.0%)
Net operating expenses	(196.2)	(164.9)	19.0%
Operating profit	44.7	83.5	(46.5%)

The Company delivered a reduced result in a difficult market, especially for workplace activity. Total gross invoiced income* increased by 3.1% reflecting growth in Technology Sourcing, partly offset by a 5.5% decline in Services revenue. However, total revenue decreased by 3.1% to £1,219.7m (2022: £1,258.9m) reflecting a higher mix of software.

Software sales are treated as agency sales and therefore only the margin is recorded as revenue. This benefits the gross margin ratio which is reported as gross profit as a percentage of revenue, however, as the absolute gross profit recorded on software sales is typically lower than that of revenues on higher value transactions within other Technology Sourcing product types, revenue has fallen as gross invoiced income, where the software agency deals are recorded in full, has increased.

* Gross invoiced income is based on the value of invoices raised to customers, net of the impact of credit notes and excluding VAT and other sales taxes and includes all items recognised on an 'agency' basis within revenue, on a gross income billed to customers basis, as adjusted for deferred and accrued revenue. The difference between gross invoiced income and revenue is the adjustment to gross invoiced income for income recognised as an agent. This adjustment was £1,166.2m (2022: £1,055.1m).

Computacenter (UK) Limited

Strategic report (continued)

Review of the business (continued)

Early in the year, we implemented new leadership followed by significant structural changes within the wider sales organisation, to enhance our focus on our target market of large corporate and public sector organisations and maximise growth. As part of this, we expanded our sales sectors from four to five, allowing us to get closer to our customers, better understand their needs and preferences, and ultimately drive increased sales opportunities. While near-term demand remains uncertain, we are encouraged by some significant Services contract wins towards the end of the year.

Gross margin remained flat at 19.7% of revenues (2022: 19.7%) with a lower margin in Technology Sourcing offset by an improved margin in the Services business. Due to a decrease in revenue, overall gross profit declined by 3.0% to £240.9m (2022: £248.4m).

Net operating expenses increased by 19.0% to £196.2m (2022: £164.9m) largely reflecting inflation and higher people costs due to the expansion of our sales sectors and implementation of the new leadership followed by significant structural changes. During the year spend on strategic corporate initiatives was up by £13m over 2022 to £28m, and we expect to maintain our spending at this level in 2024. Most of the investment is focused on our systems. We are not just upgrading but also moving to new systems to obtain the security and support we need and to develop competitive advantage through new toolsets and processes, all of which will help secure future growth.

Overall, this resulted in operating profit decreasing by 46.5% to £44.7m (2022: £83.5m).

Technology Sourcing performance

Technology Sourcing revenue decreased slightly by 1.7% to £778.5m (2022: £792.1m).

Technology Sourcing gross invoiced income* increased by 5.3% to £1,944.7m (2022: £1,847.2m).

Demand for hardware was subdued, particularly in the workplace, although we increased share with our key vendors. This follows customers' significant investments through the pandemic to support home and hybrid working and the completion of a number of large Windows 10 rollouts. As anticipated, this has led to a lag in customer adoption of Windows 11. Workplace activity is an important driver of utilisation at our Integration Centers, where our costs remain largely fixed. Software demand was stronger in technology areas such as data center and cloud.

Volumes started the year strongly but softened as the year progressed. Gross margin decreased by 16 basis points, primarily due to a change in the sales mix towards lower margin product.

We expect the adoption of Windows 11 to gain momentum during the second half of 2024. This will likely drive increased demand for new hardware, as customers upgrade their systems to align with the new operating system.

Services performance

Services revenue saw an overall decrease of 5.5% to £441.2m (2022: £466.8m), although a number of contract wins towards the end of the year are expected to support growth in 2024 and beyond. Gross margin increased by 40 basis points, reflecting good recovery of cost inflation.

Professional Services declined by 11.1% to £130.5m (2022: £146.8m). The lower demand in Technology Sourcing has had a ripple effect in Professional Services, which led to lower demand for workplace-related activities. This outweighed the significant growth achieved in supporting customers' adoption of public cloud and expanding and securing their networks.

* Gross invoiced income is based on the value of invoices raised to customers, net of the impact of credit notes and excluding VAT and other sales taxes and includes all items recognised on an 'agency' basis within revenue, on a gross income billed to customers basis, as adjusted for deferred and accrued revenue. The difference between gross invoiced income and revenue is the adjustment to gross invoiced income for income recognised as an agent. This adjustment was £1,166.2m (2022: £1,055.1m).

Computacenter (UK) Limited

Strategic report (continued)

Review of the business (continued)

Services performance (continued)

Managed Services decreased by 2.9% to £310.7m (2022: £320.0m). We concluded a large number of contract renewals during the year. Encouragingly, towards the end of the year we secured a large public sector contract as well as a number of smaller corporate contracts, all of which also provide growth opportunities in Technology Sourcing and Professional Services.

Outlook

In 2023, the Company had excellent cash generation driven by effective inventory management with cash and cash equivalents increasing by £109.5m to £277.2m (31 December 2022: £167.7m), further reinforcing our balance sheet strength.

The Company has a resilient balance sheet position, with net assets of £169.9m as at 31 December 2023 (31 December 2022: £217.6m). Excluding the impact of £100m of dividends paid, net assets would have increased by £52.3m in the year, with the Company making a profit after tax of £45.8m for the year ended 31 December 2023. Our cash and borrowing capacity provide sufficient funds to meet the foreseeable needs of the Company.

As anticipated, Technology Sourcing volumes normalised during the first half of 2024 versus a strong H1 2023. In the early part of 2024 demand for hardware has been weaker than expected, with customers exercising greater caution and purchasing decisions taking longer to conclude. We were pleased with the performance in the second quarter of 2024 with growth against Q2 2023 giving us momentum into the remainder of the year.

Looking to the full year, whilst we are mindful of the backdrop of continuing geopolitical and macro uncertainty across the globe, we expect stronger momentum in the second half underpinned by the size of our committed product order backlog and wider pipeline of opportunities to lead to a stronger H2 than that seen in 2023.

Key performance indicators (KPIs)

The Directors of Computacenter Group, headed by Computacenter plc (the Company's parent undertaking), manage the Group's operations which include the Company being a wholly owned trading subsidiary. The Directors, M J Norris and M C Jehle are also members of the Board that approves Group plans and reviews performance. Therefore, the Directors of the Company believe that an analysis using KPIs for the Company is not necessary or appropriate. The KPI's, development, performance and position of the Group's UK operations, which include the Company, are discussed on page 38 to 39 of Computacenter plc Annual Report and Accounts 2023.

Section 172(1) statement and stakeholder engagement

Details of compliance with section 172 of the Companies Act 2006 and stakeholder engagement are included on page 13.

Principal risks and uncertainties

The Company and the Computacenter Group, headed by Computacenter plc (the Company's parent undertaking), have wide ranging programmes designed to identify risks, develop and implement an appropriate range of controls, and ensure that these controls are suitably resilient. Summarised below are the principal risks that present a material threat to the successful implementation of the Company's strategy:

Computacenter (UK) Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Risk Categories	Alert Status	Appetite	Risks	Principal impact	Response to risk	Risk Owner
Strategic Risks	Our response continues to mature in line with market and customer changes. Increased geopolitical volatility is offset by well-managed internal responses	Our risk appetite relating to geopolitical risk and our location strategy is balanced. By utilising multiple locations we increase the likelihood of an event or events occurring, but we reduce the impact that an event in any one location would have on the business, coupled with our business continuity strategy	<p>Market shift in technology usage, making what we do less relevant or superfluous and we fail to invest appropriately to defend our competitiveness</p> <p>The increasingly global nature of our operations exposes us to additional and specific political and economic influences, such as geopolitical risk relating to our operational base and changes in the competitive landscape for certain business activities which attract large global competitors</p>	<p>Reduced margin</p> <p>Excess operational employees</p> <p>Contracts not renewed</p> <p>Missed business opportunities</p>	<p>Well-defined strategy, backed by an annual strategy process that considers our offerings against market changes</p> <p>New Portfolio Board which meets quarterly to align and define our go-to-market strategy by Service and by business line/ solution area</p> <p>In the Managed Services Service Line, the Capabilities and Innovation function reviews the Service Line's specific needs and strategy for competitiveness and growth</p> <p>Location strategy coupled with well-defined business continuity processes</p> <p>Regular location risk monitoring covering political, economic, social, technological, legal and environmental risks</p> <p>Investments and Strategy Board, which considers strategic initiatives</p> <p>Additional measures including CEO-led country, sector and win/loss reviews</p>	<p>Group Development Director</p> <p>Managing Director Managed Services</p>

Computacenter (UK) Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Risk Categories	Alert Status	Appetite	Risks	Principal impact	Response to risk	Risk Owner
Contractual / Operational Risks	The main contractual and operational risks have remained at the same level, underlined by our robust governance structures	We operate in a competitive services marketplace and normally compete for business with other market participants. Our risk appetite is therefore expressed in the price/margin we bid and any specific risk provision/contingency that is identified. Risk appetite is therefore specific to a deal/client and is controlled through governance processes. The risk appetite from a pure compliance perspective is very low, however we focus on ensuring that this risk is managed in a manner that reflects business needs, efficiency and effectiveness, driving compliance	<p>Lack of effective pre-contract processes relating to design, costing and pricing and lack of effective post-contract management and delivery, both leading to loss-making contracts, problems with service delivery and inability to win new contracts</p> <p>Failure to comply with applicable laws and regulations, including contractual obligations, or to meet our commitments in relation to the protection of employees and customers' personal data, and in relation to environmental, social and governance matters, leading to potential litigation, fines and/or reputational damage with customers and other stakeholders</p> <p>Breakdown of strategic vendor relationships and supply chain shortages leading to excessive working capital investment and potential customer dissatisfaction</p> <p>Lack of effective acquisition integration and failure to deliver on acquisition objectives</p>	<p>Customer dissatisfaction</p> <p>Financial penalties</p> <p>Contract cancellations</p> <p>Reputational damage</p> <p>Reduced margins</p> <p>Loss-making contracts</p> <p>Reduced service and technical innovation</p> <p>Loss of employees</p>	<p>Mandatory governance processes relating to bids and new business take-ons, including risk-based decision-making assessments and new tooling</p> <p>Focus on service excellence underpinned by associated processes such as the Deal Lifecycle Framework and Deal Assurance</p> <p>Management oversight of significant bids</p> <p>Early warning system and assurance provided by the Quality Management & Assurance function over key bids and delivery programmes</p> <p>Delivery Management Framework to monitor customer relationship status, obligation compliance and service level agreement (SLA) performance</p> <p>Regular commercial 'deep dives' into troubled contracts and challenging transformation projects</p> <p>Close working relationship with key vendors</p> <p>Working closely with customers to stabilise scheduled deliveries</p> <p>Data privacy audit programme</p>	<p>Managing Director Managed Services</p> <p>Group Legal & Compliance Director</p> <p>Group Development Director</p> <p>Chief Commercial Officer</p>

Computacenter (UK) Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Risk Categories	Alert Status	Appetite	Risks	Principal impact	Response to risk	Risk Owner
Contractual/ Operational Risks (continued)					Security controls as described in the Computacenter Technical and Organisational Measures Focus on data deletion to minimise storage of personal data Appropriate due diligence and acquisition integration plans in place, with ongoing monitoring of key risks to ensure success Board-endorsed sustainability strategy Climate Change Committee oversees initiatives to reduce environmental impact Strong Company culture and values Oversight by the Compliance Steering Committee including a compliance maturity project Strong corporate governance, risk management and ethics, including policies and/or training for anti-bribery and corruption, export compliance, competition law, health and safety environment and human resources, in addition to a whistleblowing hotline	

Computacenter (UK) Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Risk Categories	Alert Status	Appetite	Risks	Principal impact	Response to risk	Risk Owner
Infrastructure Risks	While cyber security risks are increasing due to the greater activity of a range of cyber threat actors, this is mitigated by significant investment in our defensive systems, organisation and people. The risks involved with the need to update some of our core systems in the coming years is being mitigated by ongoing planning	We have a very low appetite for risk relating to cyber security and availability of our core and customer-facing systems, given the impact such issues would have on our reputation in our core markets	<p>Cyber threat to Computacenter's networks and systems, arising from either internal or external security breaches, leading to system failure, denial of access or data loss. In addition, cyber threats introduced by Computacenter to its customers' networks and systems, for whatever reason</p> <p>Major failure(s) leading to unacceptably long outages or regular short outages of our customer-facing systems, leading to customer dissatisfaction, financial penalties or contract cancellations, damaging our reputation and ability to win business</p> <p>Failure to plan and execute effectively the replacement of our core internal systems, leading to loss of growth opportunities and business control</p>	<p>Inability to deliver business services</p> <p>Reputational damage</p> <p>Customer dissatisfaction</p> <p>Financial penalties</p> <p>Contract cancellations</p>	<p>Well-communicated information security and virus protection policies</p> <p>Specific inductions and training for employees working on customer sites and systems</p> <p>Specific policies and procedures for employees working behind a customer's firewall</p> <p>Ongoing and regular programme of external penetration testing</p> <p>Policies ensuring Computacenter does not run customer applications or have access to customer data</p> <p>Regular review of cyber security controls and threat analysis</p> <p>Increased Management scrutiny of cyber resilience maturity and plans</p> <p>Availability reporting, capacity reporting and operational monitoring in place, including cyber monitoring and management</p> <p>Improved patching and vulnerability processes</p>	Chief Information Officer

Computacenter (UK) Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Risk Categories	Alert Status	Appetite	Risks	Principal impact	Response to risk	Risk Owner
Infrastructure Risks (continued)					<p>Long-standing design principles underpin all core and customer-facing systems, designed to mitigate the risks to system and service availability</p> <p>All centrally hosted core systems are built and operated on high-availability data center infrastructure, clustered across two data centers in Hatfield, with disaster recovery capabilities provided in Germany. The two Hatfield data centers run on separate infrastructure and environment systems, and are powered by separate energy sources providing resilience across our data center estate</p> <p>Ongoing work on our perimeter defences to help minimise the risk that any attack on our non-core systems poses an additional threat to our central infrastructure</p>	

Computacenter (UK) Limited

Strategic report (continued)
Principal risks and uncertainties (continued)

Risk Categories	Alert Status	Appetite	Risks	Principal impact	Response to risk	Risk Owner
Financial Risks	Economic headwinds are counterbalanced by well-established internal processes, such as careful cost and working capital management and minimising fixed cost growth	In relation to working capital management, given the expectation of shareholders, suppliers and customers, our risk appetite is low and strong operating policies and procedures are in place to monitor and take action to address challenges. In relation to macroeconomic risk, we aim to minimise the impact as far as possible. Although it could benefit our Managed Services business as customers decide to outsource to save cost, should the impact continue for a prolonged period this will not offset the effect on Technology Sourcing and Professional Services demand	<p>Failure to manage working capital effectively</p> <p>Heightened macroeconomic factors specifically related to inflation, interest rate increases and potential recession, including energy shortages, leading to reduced demand for our products and services and/or margin erosion</p>	<p>Financial impact through bad debts, obsolete inventory and/or other working capital movements, and reduced margins</p> <p>To the extent that we cannot recover cost inflation, there is a risk that we will not meet earnings expectations, which could impact our financial reputation with shareholders and reduce the share price</p> <p>Inflation and prolonged recession could reduce demand for IT projects and implementation and affect internal utilisation rates of Professional Services employees</p>	<p>Implementation of debt management best practice, after centralising Europe-wide collection functions at the Budapest finance Shared Service Center</p> <p>Credit Assessment function using improved and consistent data</p> <p>Standard contract terms with departure only authorised by senior Finance management</p> <p>Setting of cash and working capital targets monthly and detailed monthly monitoring by senior Management, including the review of key risk indicators</p> <p>Inventory management controls and monitoring including an approved authorisation matrix for the purchase of inventory, with more rigid controls when the inventory is purchased without a back-to-back customer order</p> <p>Increasing use of direct delivery</p> <p>Minimisation of fixed-cost growth</p> <p>Careful management of contract margins including COLA clauses where applicable</p> <p>More active approach to moving resources offshore</p>	Chief Financial Officer

Computacenter (UK) Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Risk Categories	Alert Status	Appetite	Risks	Principal impact	Response to risk	Risk Owner
People Risks	Our risk profile has reduced following the Executive Director succession being successfully completed during the year	This succession risk will crystallise and as such the appetite is driven by the strategy and process adopted to find replacements for the CEO and CFO positions. Our talent acquisition and retention strategy is based on our workforce planning, location strategy, customer demand, business needs and general talent market trends	<p>Failure to recruit, develop and retain the right calibre of people, which includes acting as an inclusive employer, with a focus on positions in sales, services and projects and senior leadership positions</p> <p>Inadequate succession planning, management integration and execution and failure to keep the Management team current and fresh</p>	<p>Lack of adequate leadership</p> <p>Customer dissatisfaction</p> <p>Financial loss</p> <p>Contract cancellations</p> <p>Reputational damage</p>	<p>Succession plan in place for the Management and two levels down in the management structure. CFO succession successfully completed during the year</p> <p>Succession plan matrix in place</p> <p>Development programme in place for identified successors</p> <p>Regular remuneration benchmarking and Incentive plans to aid retention</p> <p>Investment in management development programmes</p> <p>Talent Acquisition function with a clear strategy and focus on talent analytics</p> <p>Leadership framework and development structure to strengthen engagement with our leaders and potential leaders</p> <p>Regular employee surveys to understand and respond to employee issues</p> <p>Specific diversity projects in place relating to accessibility and wellbeing, life balance, LGBT+ and allies, future talent, focus on women and culture</p> <p>Consistent performance management processes</p>	<p>Group Chief People Officer</p> <p>Chief Executive Officer</p>

Computacenter (UK) Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Further explanation of the Company's financial instrument risks is described below:

Financial instruments

The Company's financial instruments comprise borrowings, cash and liquid resources, and various items that arise directly from its operations. The Company's policy is not to undertake speculative trading in financial instruments.

The Company enters into hedging transactions, principally forward exchange contracts or currency swaps, to manage currency risks arising from the Company's operations and its sources of finance. As the Company continues to expand its global reach and benefit from lower-cost operations in geographies such as South Africa, Poland, Mexico and India, it has entered into forward exchange contracts to help manage cost increases due to currency movements.

The main risks arising from the Company's financial instruments are interest rate, liquidity and foreign currency risks. The overall financial instruments strategy is to manage these risks in order to minimise their impact on the Company's financial results. The policies for managing each of these risks are set out below.

Interest rate risk

The Company finances its operations through a mixture of retained profits, bank borrowings, leases and loans for certain customer contracts. The Company's general bank borrowings, other facilities and deposits are at floating rates. No interest rate derivative contracts have been entered into.

Liquidity risk

The Company's policy is to ensure that it has sufficient funding and facilities to meet any foreseeable peak in borrowing requirements. At 31 December 2023, the Company had cash and cash equivalents of £277.2m (2022: £167.7m). Total lease liabilities were £8.7m (2022: £9.7m).

Foreign currency risk

The majority of sales and purchases are denominated in pounds sterling and any other material trading exposures are eliminated through forward currency contracts.

For certain contracts, the Company's committed contract costs are not denominated in the same currency as its sales. In such circumstances, the Company eliminates currency exposure for a foreseeable period on these future cash flows, through forward currency contracts. In 2023, the Company recognised a loss of £2.8m (2022: gain of £4.0m) through other comprehensive income in relation to the changes in fair value of related forward currency contracts, where the cash flow hedges relating to firm commitments were assessed to be highly effective.

Credit risk

The Company principally manages credit risk through customer credit limits. The credit limit is set for each customer based on its creditworthiness, using credit rating agencies as a guide, and the anticipated levels of business activity. These limits are determined when the customer account is first set up and are regularly monitored thereafter.

There are no significant concentrations of credit risk within the Company. The maximum credit risk exposure relating to financial assets is represented by their carrying value as at the balance sheet date.

By order of the Board



S Pereira
Secretary
27 September 2024

Computacenter (UK) Limited

Directors' duties – compliance with section 172 of the Companies Act 2006

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 doing so have regard to the interests of stakeholders including clients, employees, suppliers, regulators and the wider society in which it operates. Computacenter (UK) Limited is a wholly owned subsidiary of Computacenter Plc and is part of Computacenter Group ("Group").

On pages 57 to 63 of the Computacenter plc Annual Report and Accounts 2023, we have set out how we have engaged with our key stakeholders and how the Board has considered their interests during the year.

The Chair's Statement on pages 4 to 5 of the Computacenter plc Annual Report and Accounts 2023 outlines how the Board considered the Group's environmental impact in 2023, and information on our environmental performance can be found on pages 78 to 93 of the Computacenter plc Annual Report and Accounts 2023.

Section 172 also places a number of other obligations on company Directors, namely, to consider the likely consequences of any decision in the long term, the desirability of the company maintaining a reputation for high standards of business conduct, and the need to act fairly between members of the Company.

Computacenter (UK) Limited Board naturally takes a long-term view in its decision making. The Company's business is based on developing multi-year relationships with customers, as evidenced by more than half of our top 50 customers having been with us for more than a decade. The Directors of the Group also have a substantial combined shareholding in the Group (which includes Computacenter (UK) Limited), totalling 42.3% of total voting rights as at 31 December 2023, and therefore have a significant interest in ensuring the business's continued success in the long term.

The Group (which includes Computacenter (UK) Limited) has a reputation for high standards of business conduct, including putting customers first and delivering on its promises. This is shown both by our Winning Together values and by the work we have done in recent years to turn around problem contracts. Maintaining a strong reputation in the market is also important to our Technology Providers, who are crucial stakeholders for our business.

The size of the Directors' shareholding of the Group (which includes Computacenter (UK) Limited) directly aligns their interests with other shareholders, while the Board has a majority of independent Non-Executive Directors. Both these factors ensure that all shareholders are treated fairly in the Board's decision making.

Information on the matters considered by the Board during the year can be found on pages 109 to 111 of the Computacenter plc Annual Report and Accounts 2023.

Stakeholder engagement

Our stakeholders are an important part of our operations and are referenced throughout this report. Details of our key stakeholders and how we engage with them are within page 57 to 63 of Computacenter plc Annual Report and Accounts 2023.

Computacenter (UK) Limited

Directors' report

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2023. The Company is a wholly owned subsidiary of Computacenter plc and is part of Computacenter Group ("Group").

Directors

The Directors who present the accounts for the year ended 31 December 2023 and who served during the year are as follows;

M J Norris
M C Jehle (appointed 1 June 2023)
J A Beard
F A Conophy (resigned 1 June 2023)

None of the Directors had any beneficial interest in the share capital of the Company at the year end.

Results and dividends

The Company's activities resulted in a profit before income tax of £56.8m (2022: £87.5m). The profit for the year available to shareholders amounted to £45.8m (2022: £68.0m).

Dividends of £100.0m were paid during the year (2022: £150.0m).

Future developments

Management remains purposeful in the focus to strengthen and grow the Company to enable the success of our stakeholders. The demand drivers for our business appear stronger through the second half of 2024. Corporate and public sector organisations continue to have digital technologies, solutions and capabilities at the heart of their efforts to improve productivity, innovation and security. We feel we are well positioned to make positive contributions to support their ambitions. This will require a focus on short-term execution and long-term thinking – both core strengths of the Company.

IT spend continues to grow and is more critical than ever. The Company is well placed to grow by focusing on our target market, empowering our people and delivering at scale. The Company is diversified by service line and by technology area. Our long-term approach continues to serve us well and we remain confident in our ability to deliver further profitable growth.

Looking ahead to the remainder of 2024, in the context of a continuing uncertain macroeconomic backdrop, the Company is well positioned to continue to compete and gain further market share. We will continue to invest in strategic initiatives to enhance our systems and improve our competitive position to sustain our long-term performance. At the same time, we are increasingly focused on delivering productivity benefits across the Company. At the beginning of the second quarter, we commenced a large four-year public sector contract in the UK which was secured at the start of 2024.

Looking further ahead, we are excited by the pace of innovation and growth in demand for technology. With our strength in Technology Sourcing, Professional Services and Managed Services, and focus on retaining and maximising customer relationships over the long term, we believe that we are well placed to deliver profitable growth and sustained cash generation.

Financial instruments

Details of the financial risk management objectives and policies of the Company and the exposure of the Company to related risks are included in the Strategic report on page 12.

Computacenter (UK) Limited

Directors' report (continued)

Employee involvement and development

The Company is committed to involving all employees in significant business issues, especially matters which affect their work and working environment. A variety of methods are used to engage with employees, including team briefings, intranet, email and in-house publications. The Company uses one or more of these channels to brief employees on the Company's performance and the financial and economic factors affecting it. Team briefings are a primary method for engaging and consulting with employees, with managers tasked with ensuring regular information sharing, discussion and feedback.

Employee consultative forums exist, to consult employees on major issues affecting employment and matters of policy, and to enable Management to seek employees' views on a wide range of business matters. The Senior Independent Director of Computacenter plc attends at least one meeting per year, to engage directly with employee representatives and report a summary of this engagement to the Group's Board.

The Company regularly reviews employees' performance through a formal review process, to identify areas for development. Managers are responsible for setting and reviewing personal objectives, aligned to corporate and functional goals. Management closely oversees and monitors people skills and the development of talent, to meet the Company's current and future needs. Management directly monitors and closely reviews succession and plans for developing identified key senior managers.

The development of employee skills and careers, as well as the communication of the Company's goals, are driven by our Winning Together processes and tools. Annual assessments via our Winning Together processes and tools are a formal requirement of all managers.

The Company operates a Save As You Earn (SAYE) share plan for eligible employees, who are encouraged to save a fixed monthly sum for a period of either three or five years. When the plan matures, participants can purchase shares in Computacenter plc at a price set at the start of the savings period.

Equal opportunities

The Company acknowledges the importance of equality and diversity and is committed to equal opportunities throughout the workplace. The Company's policies for recruitment, training, career development and promotion of employees, are based purely on the suitability of the employee and give those who may be disabled equal treatment to their able-bodied colleagues. Where an employee becomes disabled after joining the Company, all efforts are made to enable that employee to continue in their current job. However, if, due to the specific circumstances, it is not possible for an employee to continue in their current job, they will be given suitable training for alternative employment within the Company or elsewhere.

The Company monitors and regularly reviews its policies and practices to ensure that it meets current legislative requirements, as well as its own internal standards. The Company is committed to making full use of the talents and resources of all its employees and to providing a healthy environment that encourages productive and mutually respectful working relationships. Policies dealing with equal opportunities are in place in all parts of the Company, which take account of the Company's overall commitment and also address local regulatory requirements.

Health and safety

The Company is committed to providing safe and healthy workplaces. Our policy is that, so far as is reasonably practicable, we will create and maintain an environment that is committed to eliminating or reducing health and safety risks to employees, customers, suppliers, contractors, visitors and members of the public.

It is vital that everyone concerned is made aware of their responsibilities for implementing our health and safety policy. All line managers are required to ensure that the policy is implemented within their areas of responsibility and employees must take reasonable care of their own health and safety, and that of others who may be affected by what they do. Failing to observe the policy can result in disciplinary action. The Company has continued to comply with all relevant health and safety legislation.

Computacenter (UK) Limited

Directors' report (continued)

Business ethics

A Company Ethics Policy is in place, which commits employees to the highest standards of ethical behaviour in respect of customers, suppliers, colleagues and other stakeholders in the business. The policy includes a requirement for all employees to report abuses or non-conformance with the policy and sets out the procedures to be followed.

Business relationships

For further detail on this, please refer to the Section 172 statement on page 13.

Insurance and indemnities

The Company's parent undertaking, Computacenter Plc, arranges insurance cover in respect of legal action against the Directors and, to the extent allowed by legislation, has issued an indemnity to each Director against claims brought by third parties.

Community relations and charity activities

The Company supports community and charitable projects as part of its commitment to corporate social responsibility and encourages its employees to support such projects. It also organises and supports ad-hoc charitable fundraising events. The Company has made charitable donations during the year amounting to £75,994 (2022: £89,372). During the year, the Company did not make any political donations or incur any political expenditure within the meaning of sections 362 to 379 of the Companies Act 2006.

Streamlined Energy and Carbon Reporting (SECR)

Computacenter (UK) Limited is a wholly owned subsidiary of Computacenter Plc and is part of Computacenter Group ("Group"). Details of Streamlined Energy and Carbon Reporting (SECR) and Climate-related Financial Disclosures can be found on pages 89 to 101 of the Computacenter plc Annual Report and Accounts 2023.

Corporate governance

The Computacenter Group's corporate governance arrangements, including those of the Company, are based on the requirements of the UK Corporate Governance Code ("CGC"), against which its immediate parent company, Computacenter plc (as a main market UK listed company), is required to report on a 'comply or explain' basis. Whilst certain areas of the CGC, including those applying to PLC Board leadership, are not relevant to the Company (as a UK private company), other provisions such as those related to remuneration, succession planning, and Audit, Risk & Internal control, do, for example, (i) restrict the amount that may be paid to certain employees of the Company (and the remuneration of that structure), (ii) prescribe methods to engage with the Company's workforce, (iii) require the Group to monitor the culture of the Company, (iv) require the Group to have in place adequate succession plans to develop senior group leadership members that are employees of the Company, and (v) require that formal and transparent policies and procedures are established to ensure the independence and effectiveness of those internal and external audit functions, who audit the Company as part of the wider year-end Group audit, as well as the establishment of procedures to manage risk, and oversight of an internal control framework, which apply to the business carried out by the Company.

Pages 108 to 164 of the Computacenter plc Annual Report and Accounts 2023 (available at <https://investors.computacenter.com/results-centre>) explains how the Computacenter Group applied the principles of, and complied with the provisions of, the CGC during the year.

Further detail on the Group's corporate governance arrangements can be found at: <https://investors.computacenter.com/corporate-governance>.

Computacenter (UK) Limited

Directors' report (continued)

Going concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, details of its financial risk management objectives and its exposure to interest rate, liquidity, foreign currency and credit risk are set out in the principal risks and uncertainties on pages 4 to 11 and financial instruments risks on page 12. The Company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different industries. As a consequence, the Directors believe that the Company is well placed to manage its business risk successfully.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In addition, the Company has received a letter of support from Computacenter plc which evidences the intent of the Parent to continue to provide financial support if required. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Following a tender process carried out in 2022 by the Company's parent undertaking, Computacenter plc, KPMG LLP stepped down as auditor of the Group and Grant Thornton UK LLP (Grant Thornton) were appointed for the year ended 31 December 2023.

During the year, Grant Thornton were appointed by the Directors as auditor of the Company for the year ended 31 December 2023.

The auditor, Grant Thornton, have indicated their willingness to continue in office. They were reappointed as auditor of the Group at the parent's AGM held on 14 May 2024, and will be reappointed as the Company's auditor at the next Board meeting.

By order of the Board



S Pereira
Secretary
27 September 2024

Computacenter (UK) Limited

Statement of Directors' Responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The Directors are responsible for preparing the Strategic report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Computacenter (UK) Limited

Opinion

We have audited the financial statements of Computacenter (UK) Limited (the 'company') for the year ended 31 December 2023, which comprise the profit and loss account, the statement of other comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as inflationary pressures and interest rates, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

Independent auditor's report to the members of Computacenter (UK) Limited (continued)

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the statement of director's responsibilities in respect of the directors' report and the financial statements, 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.

Independent Auditor's report to the Members of Computacenter (UK) Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and sector in which they operate and how the Company is complying with those legal and regulatory frameworks, through our commercial and sector experience, making enquiries of management and those charged with governance, and inspection of the Company's key external correspondence. We corroborated our enquiries through our inspection of board minutes and other information obtained during the course of the audit.
- We have identified the following areas within the Company's operations that are particularly susceptible to non-compliance with laws and regulations, including export legislation, the Data Protection Act 2018, health and safety, contract legislation, anti-bribery, employment law, and certain aspects of company and environmental legislation. This is due to the nature of the Company's activities, which involve the export of IT hardware and the provision of global IT services.
- In addition, we evaluated the company's compliance with laws and regulations that have a direct impact on the financial statements. These laws and regulations include financial reporting legislation (including related company legislation), distributable profits legislation, company legislation, and taxation legislation. This can be seen in the laws and regulations planning section of the audit file.
- Our assessment of the company's compliance with these laws and regulations was integrated into our procedures on the related financial statement items. We obtained an understanding of the Company's systems and processes for monitoring compliance, tested key controls, and evaluated the effectiveness of the company's compliance program. We also reviewed relevant documentation and obtained representations from management regarding their compliance with these laws and regulations.
- To gain assurance on the Company's compliance with laws and regulations, we made enquiries of management and the Board of Directors to determine if they were aware of any instances of non-compliance. Additionally, we made enquiries of the finance team, the internal audit function, internal legal counsel, and the Audit Committee to understand the company's policies and procedures related to identifying, evaluating, and complying with laws and regulations. These inquiries can be seen in the "planning inquiries" section of the audit file. We also assessed the susceptibility of the company's financial statements to material misstatement, including fraud risk.
- We obtained an understanding of the company's compliance with legal and regulatory frameworks by consulting with management and those responsible for legal and compliance procedures. These inquiries can be seen in the "planning inquiries" section of the audit file. Our findings were corroborated by our review of the board minutes. In assessing the risk of fraud, we consulted with our forensic specialists and considered management's incentives and opportunities for manipulation of the financial statements, including the risk of management override of controls.
- Our audit procedures were specifically designed to prevent and detect fraud, and included:
 - Evaluating the design and implementation of the controls that management has put in place to prevent and detect fraudulent activities;
 - Conducting journal entry testing with a focus on journals indicating large or unusual transactions or account combinations based on our understanding of the business;
 - Gaining an understanding of and tested significant related party transactions; and
 - Performing audit procedures to ensure compliance with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

Independent Auditor's report to the Members of Computacenter (UK) Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- As part of the engagement partner's assessment of the engagement team's collective competence and capabilities, we considered their understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation. We also evaluated their knowledge of the industry in which the company operates, as well as their understanding of the legal and regulatory requirements specific to the company.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

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

Use of our report

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

Stephen Osborne

Stephen Osborne
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants

27 September 2024

Computacenter (UK) Limited

Profit and Loss Account
For the year ended 31 December 2023

	Notes	2023 £m	2022 (restated*) £m
Revenue	6	1,219.7	1,258.9
Cost of sales		(978.8)	(1,010.5)
Gross profit		240.9	248.4
Distribution costs		(105.2)	(107.6)
Administrative expenses		(130.6)	(96.0)
Other operating income	7	39.6	38.7
Operating profit	7	44.7	83.5
Impairment of investment	17	(0.5)	(1.3)
Interest receivable and similar income	11	7.7	3.3
Interest payable and similar expenses	12	(2.4)	(0.4)
Dividends received		7.3	2.4
Profit before income tax		56.8	87.5
Income tax expense	13	(11.0)	(19.5)
Profit for the year		45.8	68.0

* 'Distribution costs', 'Administrative expenses' and 'Other operating income' were previously presented net as "Other operating expenses" of £164.9m. These have now been presented separately to better reflect their function. This change has no impact on the operating profit, profit before income tax and profit for the year for any of the periods presented.

All activities of the Company relate to continuing operations.

The accompanying notes on pages 27 to 58 form an integral part of these financial statements.

Computacenter (UK) Limited

**Statement of Other Comprehensive Income
For the year ended 31 December 2023**

	Notes	2023 £m	2022 £m
Profit for the year		45.8	68.0
<i>Other comprehensive income / (expense): Items that may be subsequently reclassified to the Profit and Loss Account</i>			
Gain / (loss) arising on cash flow hedge, net of amount transferred to the Profit and Loss Account		(2.8)	4.0
Income tax effect	13d	0.7	(1.0)
		<u>(2.1)</u>	<u>3.0</u>
Other comprehensive income / (expense) for the year, net of tax		<u>(2.1)</u>	<u>3.0</u>
Total comprehensive income for the year		<u>43.7</u>	<u>71.0</u>

The accompanying notes on pages 27 to 58 form an integral part of these financial statements.

Computacenter (UK) Limited
Registered number 1584718

Balance Sheet
As at 31 December 2023

	Notes	2023 £m	2022 (restated*) £m
Fixed assets			
Intangible assets	15	26.2	23.1
Property, plant and equipment	16	20.5	17.8
Right-of-use assets	16	8.3	9.2
Investments*	17	61.0	59.4
		<u>116.0</u>	<u>109.5</u>
Current assets			
Inventories	18	16.7	19.1
Debtors*	19	631.3	697.9
Cash and cash equivalents		277.2	167.7
		<u>925.2</u>	<u>884.7</u>
Creditors: amounts falling due within one year	20	(865.3)	(769.1)
		<u>59.9</u>	<u>115.6</u>
Net current assets			
Creditors: amounts falling due after more than one year	21	(4.6)	(5.8)
Provisions for liabilities	22	(1.4)	(1.7)
		<u>169.9</u>	<u>217.6</u>
Net assets			
Equity			
Share capital	23	0.4	0.4
Share premium		11.8	11.8
Capital redemption reserve		3.9	3.9
Retained earnings*		153.8	201.5
		<u>169.9</u>	<u>217.6</u>
Total shareholders' funds			

* Refer to notes 19 and 27 for restatement of prior-year comparatives.

Approved by the Board on 27 September 2024.

Chris Jehle

M C Jehle
Director

The accompanying notes on pages 27 to 58 form an integral part of these financial statements.

Computacenter (UK) Limited

Statement of Changes in Equity
For the year ended 31 December 2023

	Share capital £m	Share premium £m	Capital redemp- -tion reserve £m	Retained earnings £m	Total £m
At 1 January 2022 (reported)	0.4	11.8	3.9	295.3	311.4
Adjustment relating to prior years (note 27)	-	-	-	(16.1)	(16.1)
At 1 January 2022 (restated)	0.4	11.8	3.9	279.2	295.3
Profit for the year	-	-	-	68.0	68.0
Other comprehensive income	-	-	-	3.0	3.0
Total comprehensive income for the year	-	-	-	71.0	71.0
Transactions with owners:					
- Share based payment charge	-	-	-	5.9	5.9
- Tax on share-based payment charge	-	-	-	(4.6)	(4.6)
- Dividends paid	-	-	-	(150.0)	(150.0)
At 31 December 2022 (restated)	0.4	11.8	3.9	201.5	217.6
Profit for the year	-	-	-	45.8	45.8
Other comprehensive expense	-	-	-	(2.1)	(2.1)
Total comprehensive income for the year	-	-	-	43.7	43.7
Transactions with owners:					
- Share based payment charge	-	-	-	5.5	5.5
- Tax on share-based payment charge	-	-	-	3.1	3.1
- Dividends paid	-	-	-	(100.0)	(100.0)
At 31 December 2023	0.4	11.8	3.9	153.8	169.9

The accompanying notes on pages 27 to 58 form an integral part of these financial statements.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Computacenter (UK) Limited (the "Company") for the year ended 31 December 2023 were approved in accordance with a resolution of the Directors on 27 September 2024. The Balance Sheet was signed on behalf of the Board by M C Jehle. The Company is a wholly owned subsidiary of Computacenter plc, a company incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), and in accordance with the Companies Act 2006. The financial statements are prepared under the historical cost convention, other than derivative financial instruments, which are stated at fair value.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the United Kingdom, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out in note 2 below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company is a wholly owned subsidiary of Computacenter plc, its ultimate parent. It is included in the consolidated financial statements of Computacenter plc and its subsidiaries (the "Group"), which are publicly available. Therefore, the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is Hatfield Avenue, Hatfield, Hertfordshire, AL10 9TW, United Kingdom.

2 Basis of preparation

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based Payment,
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations,
- the requirements of IFRS 7 Financial Instruments: Disclosures,
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement,
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, paragraph 58, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (a) paragraph 79(a)(iv) of IAS 1;
 - (b) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - (c) paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A-D, 40A-D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As applicable, equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

2 Basis of preparation (continued)

The financial statements are presented in pound sterling (£) and all values are rounded to the nearest hundred thousand, except when otherwise indicated.

New and revised accounting standards and interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2023 and which have a material impact on these financial statements.

3 Going concern

At the date of signing these financial statements, the Company is a fully owned subsidiary of Computacenter plc, and the cash resources of Computacenter plc and its subsidiaries (the 'Computacenter Group') are pooled across all subsidiaries enabling each company to be able to meet its financial obligations as they fall due. The Company has received a letter of support from Computacenter plc which evidences the intent of the Parent to continue to provide financial support where required.

Computacenter Group, of which Computacenter plc is the parent and Computacenter (UK) Limited is a subsidiary, has cash and cash equivalents at 31 December 2023 of £471.2m and the Directors have assessed future forecast cash flows for the foreseeable future for the Group and thereby, in turn for the Company.

There are no events or conditions which cast significant doubt on the ability of the Group (and hence all subsidiaries within it) to continue as a going concern. In support, the Group revenue and operating profit grew year on year by 7.0% and 4.8% respectively with an increase in cash and cash equivalents of £207.6 million during the year ended 31 December 2023.

The Computacenter Group ended the year with net funds of £343.6 million, and with an undrawn multi-currency revolving loan committed facility of £200m. After reviewing the Group's forecast and projections and taking into account the economic conditions and possible changes in trading performance of which the Company is a part, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the approval of these financial statements.

4 Summary of significant accounting policies

4.1 Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of the transaction, or where relevant, the rate of a specific forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the Balance Sheet date. All differences are taken to the Profit and Loss Account except foreign currency differences arising from the translation of qualifying cash flow hedges, which are recognised in the Statement of Other Comprehensive Income, to the extent that the hedges are effective.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transaction.

The Company's functional and presentation currency is pound sterling (£).

4.2 Revenue

Revenue is recognised when the Company's performance obligations are fulfilled to the extent of the amount which is expected to be received from customers as consideration for the transfer of goods and services to the customer.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

4 Summary of significant accounting policies (continued)

4.2 Revenue (continued)

In multi-element contracts with customers where more than one good (Technology Sourcing) or service (Professional Services and Managed Services) is provided to the customer, analysis is performed to determine whether the separate promises are distinct performance obligations within the context of the contract. To the extent that this is the case, the transaction price is allocated between the distinct performance obligations based upon relative standalone selling prices. The revenue is then assessed for recognition purposes based upon the nature of the activity and the terms and conditions of the associated customer contract relating to that specific distinct performance obligation.

The following specific recognition criteria must also be met before revenue is recognised:

4.2.1 Technology Sourcing

The Company supplies hardware, software and resold third-party services (together as 'goods') to customers that are sourced from and delivered by a number of suppliers.

Technology Sourcing revenue is recognised when the Company's performance obligations are fulfilled at a point in time when control of the goods has been transferred to the customer. Typically, customers obtain control of the goods when they are delivered to and have been accepted at their premises, depending on individual customer arrangements. Invoices are routinely generated at despatch from our Integration Centers or, in the case of direct delivery by supplier, upon receipt at customer locations. At each reporting date, a process is undertaken to ensure revenue is not recognised for goods that have not been received by customers at that reporting date. Payment for the goods is generally received on, or before, industry-standard payment terms, ordinarily within 30 days. Refer to note 5.2.1 for 'bill and hold' transactions.

Revenue is recorded at the price specified in sales invoices which is based on the customer contracts, net of any agreed discounts and rebates, and exclusive of value added tax on goods or services supplied to customers during the year.

In limited instances, the Company provides early payment discounts or rebates to its customers which create variability in the transaction price. In determining the variable consideration to be recognised, these discounts and rebates are estimated based on the terms of contractually agreed arrangements and the amount of consideration to which the Company will be entitled in exchange for supplying the goods or services. The level of estimation involved in assessing the variable consideration is minimal given the arrangements are generally prospective in nature and therefore deductions from revenue and trade receivables are appropriately accounted for at the point revenue is recognised.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Technology Sourcing principal versus agent recognition

Management assesses the classification of certain revenue contracts for Technology Sourcing revenue recognition on either an agent or principal basis. Because the identification of the principal in a contract is not always clear, Management makes a determination by evaluating the nature of our promise to our customer as to whether it is a performance obligation to pass control of the specified goods or services ourselves, in which case we are the principal, or to arrange for those goods or services to be provided by the other party, where we are the agent. We determine whether we are a principal or an agent for each specified good or service promised to the customer by evaluating the nature of our promise to the customer against a non-exhaustive list of indicators that a performance obligation could involve an agency relationship:

- we do not control each specified good or service before that good or service is delivered to the customer;
- the vendor retains primary responsibility for fulfilling the sale;
- we take no inventory risk before or after the goods have been ordered, during shipping or on return;
- we do not have discretion to establish pricing for the vendor's goods, limiting the benefit we can receive from the sale of those goods; and
- our consideration is in the form of a, usually predetermined, commission.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

4 Summary of significant accounting policies (continued)

4.2 Revenue (continued)

4.2.2 Professional Services

The Company provides skilled professionals to customers either operating within a project framework or on a 'resource on demand' basis.

For contracts operating within a project framework, revenue is recognised based on the transaction price with reference to the costs incurred as a proportion of the total estimated costs (percentage of completion basis) of the contract.

For those contracts which are 'resource on demand', where highly skilled employees work for a customer on projects and engagements managed by the customer, revenue is billed on a timesheet basis. The Company elects to use the practical expedient in IFRS 15.B16, as we have a right to consideration from our 'resource on demand' Professional Services customers in an amount that corresponds directly with the value to our customer of the Company's performance completed to date. The practical expedient applied permits the Company to recognise these 'resource on demand' Professional Services revenues in the amount to which the entity has a right to invoice. Professional Services revenue is therefore recognised throughout the term of the contract, as services are delivered, with amounts recognised based on monthly invoiced amounts, as this corresponds to the service delivered to the customer and the satisfaction of the Company's performance obligations.

Under either basis, Professional Services revenue is recognised over time. The majority of the Company's Professional Services revenue is constituted by 'resource on demand' arrangements, is recognised in this manner and represents the primary area of growth in this business line. As the majority of Professional Services revenue is recognised as 'resource on demand', the overall balance of risks to recognition for this business is decreased as compared to the scenario where the majority of Professional Services revenue would be recognised on a percentage of completion basis. This is due to the monthly timesheet nature of the billing which is agreed regularly with the customer as the service is delivered.

If the total estimated costs and revenues of a contract cannot be reliably estimated, revenue is recognised only to the extent that costs have been incurred and where the Company has an enforceable right to payment as work is being performed.

A provision for forecast excess costs over forecasted revenue is made as soon as a loss is foreseen (see note 4.13.1 for further detail). Payment for the Services, which are invoiced monthly, is generally on industry standard payment terms.

4.2.3 Managed Services

The Company sells maintenance, support and management of customers' IT infrastructures and operations.

The specific performance obligations and invoicing conditions in our Managed Services contracts are typically related to the number of calls, interventions or users that we manage and therefore the customer simultaneously receives and consumes the benefits of the services as they are performed. The Company elects to use the practical expedient in IFRS 15.B16, as we have a right to consideration from our Managed Services customers in an amount that corresponds directly with the value to our customer of the Company's performance completed to date. The practical expedient applied permits the Company to recognise Managed Services revenue in the amount to which the entity has a right to invoice. Managed Services revenue is therefore recognised throughout the term of the contract, as services are delivered, with amounts recognised based on monthly invoiced amounts, as this corresponds to the service delivered to the customer and the satisfaction of the Company's performance obligations.

Amounts invoiced relating to more than one month are deferred into contract liabilities and recognised over the relevant periods, where the Company has an unconditional right of payment. Invoice payment is generally on industry standard payment terms.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

4 Summary of significant accounting policies (continued)

4.2 Revenue (continued)

4.2.3 Managed Services (continued)

If the total estimated costs and revenues of a contract cannot be reliably estimated, revenue is recognised only to the extent that costs have been incurred and where the Company has an enforceable right to payment as work is being performed. A provision for forecast excess costs over forecasted revenue is made as soon as a loss is foreseen (see note 4.13.1 for further detail). On occasion, the Company may have a limited number of Managed Services contracts where revenue is recognised on a percentage of completion basis, which is determined by reference to the costs incurred as a proportion of the total estimated costs of the contract.

Costs of obtaining and fulfilling revenue contracts

The Company operates in a highly competitive environment and is frequently involved in contract bids with multiple competitors, with the outcome usually unknown until the contract is awarded and signed.

When accounting for costs associated with obtaining and fulfilling customer contracts, the Company first considers whether these costs fit within a specific IFRS standard or policy. Any costs associated with obtaining or fulfilling revenue contracts which do not fall into the scope of other IFRS standards or policies are considered under IFRS 15. All such costs are expensed as incurred, other than the two types of costs noted below:

1. *Win fees* – The Company pays ‘win fees’ to certain employees as bonuses for successfully obtaining customer contracts. As these are incremental costs of obtaining a customer contract, they are deferred along with any associated payroll tax expense to the extent they are expected to be recovered. These balances are presented as prepayments within Trade and other receivables in the Balance Sheet. The win fee balance that will be realised after more than 12 months is disclosed as non-current.

2. *Fulfilment costs* – The Company often incurs costs upfront relating to the initial set-up phase of an outsourcing contract, which the Company refers to as ‘Entry Into Service’. These costs do not relate to a distinct performance obligation in the contract, but rather are accounted for as fulfilment costs under IFRS 15 as they are directly related to the future performance on the contract. They are therefore capitalised to the extent that they are expected to be recovered. These balances are presented as prepayments within Trade and other receivables in the Balance Sheet.

Both types of assets resulting from capitalised win fees and Entry Into Service costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods and services to which the asset relates over the contract term. The amortisation charges on win fees and Entry Into Service costs are recognised in the Profit and Loss Account within Administrative expenses and cost of sales, respectively.

Any bid costs incurred by the Company’s Central Bid Management Engines are not capitalised or charged to the contract, but instead directly charged to Administrative expenses as they are incurred. These costs associated with bids are not separately identifiable nor can they be measured reliably as the Company’s internal bid teams work across multiple bids at any one time.

4.2.4 International contracts

A number of customer contracts are international in nature where the goods/services are provided by a group undertaking in one national jurisdiction (“Billing Country”), but the account is managed and owned from another (“Home Country”). For these contracts, the revenue and nearly all of the margin earned is passed back to the Home Country from the Billing Country. This is known as the “International Model”.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

4 Summary of significant accounting policies (continued)

4.2 Revenue (continued)

4.2.4 International contracts (continued)

The Company acts as both a Home Country on certain contracts and a Billing Country on others and recognises revenue in line with the International Model on the basis that:

- the Home Country is primarily responsible for providing specified goods/services as it retains sales ownership, customer management, operational management, managing changes to the contract framework in relation to billing/scope and the overall relationship with the customer;
- the Home Country has discretion in establishing prices for specified goods/services as it is responsible for agreeing the framework agreement with the customer; and
- the Billing Country is under the direction of the Home Country to source the required equipment and deliver to the customer.

Management has assessed the above indicators of control and is satisfied that performance obligations under the International Model are, in substance, satisfied by the Home Country. This reflects better where portfolio coordination and operational responsibilities lie and where the benefits should accrue.

4.2.5 Contract assets and liabilities

A contract asset is recognised when the Company has a right to consideration for goods or services which have been transferred to the customer but have not been billed, therefore excluding receivable balances. Contract assets typically relate to longer-term Professional and Managed Services contracts where work has been performed but has not been invoiced to the customer, and are included as accrued income within trade and other receivables on the Balance Sheet.

A contract liability is recognised when a customer pays the Company, or the Company has a right to consideration that is unconditional, before the transfer of the goods or services to which it relates. Contract liabilities typically relate to longer-term Professional and Managed Services contracts where consideration has been received under agreed billing timelines for which work has yet to be performed, and are included as deferred income within creditors on the Balance Sheet.

4.3 Other operating income

Other operating income is recognised on an accruals basis and relates to income which is considered to be part of normal recurring operating activities, but which does not represent revenue. It includes licence fee charged to other group entities which is equivalent to 1% of revenue recorded by those entities and reflects the value of the best practice and know-how that is owned by the Company and used by the group undertakings.

4.4 Interest receivable and similar income

Income is recognised as interest accrues.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

4 Summary of significant accounting policies (continued)

4.5 Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. Where an asset does not have independent cash flows, the recoverable amount is assessed for the cash-generating unit (CGU) to which it belongs. These assets are tested across an aggregation of CGUs that utilise the asset. The recoverable amount is the higher of the fair value less costs to sell and the value-in-use of the asset or CGU. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the Profit and Loss Account in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. As the Company has no assets carried at revalued amounts, such reversal is recognised in the Profit and Loss Account.

4.6 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation, down to residual value, is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Freehold buildings	25 - 50 years
Short leasehold improvements	shorter of seven years and period to expiry of lease
Fixtures and fittings:	
- head office	5 - 15 years
- other	shorter of seven years and period to expiry of lease
Office machinery and computer hardware	2 - 15 years
Motor vehicles	three years

Freehold land is not depreciated. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Profit and Loss Account in the year the item is derecognised.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

4 Summary of significant accounting policies (continued)

4.7 Leases

4.7.1 Company as a lessee

Recognition of a lease

The contracts are assessed by the Company, to determine whether a contract is, or contains a lease. In general, arrangements are a lease when all of the following apply:

- it conveys the right to control the use of an identified asset for a certain period, in exchange for consideration;
- the Company obtains substantially all economic benefits from the use of the asset; and
- the Company can direct the use of the identified asset.

The Company elects to separate the non-lease components.

Measurement of a right-of-use asset and lease liability

Right-of-use asset

The Company measures the right-of-use asset at cost, which includes the following:

- the initial amount of the lease liability, adjusted for any lease payments made at or before the lease commencement date;
- any lease incentives received; and
- any initial direct costs incurred by the Company as well as an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lease contract. Cost for dismantling, removing or restoring the site on which it is located and/or the underlying asset is only recognised when the Company incurs an obligation to do so.

The right-of-use asset is depreciated over the lease term, using the straight-line method.

Lease liability

The lease liability is initially measured at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease, or if the rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments included in the measurement comprise fixed payments, variable lease payments that depend on an index or a rate, amounts to be paid under a residual value guarantee and lease payments in an optional renewal period, if the Company is reasonably certain to exercise an extension option, as well as penalties for early termination of a lease, if the Company is reasonably certain to terminate early. If there is a purchase option present, this will be included if the Company is reasonably certain to exercise the option.

Leases of low-value assets and short term

Leases of low-value assets (< £5,000) and short term leases with a term of 12 months or less are not required to be recognised on the Balance Sheet and payments made in relation to these leases are recognised on a straight-line basis in the Profit and Loss Account.

4.7.2 Company as a lessor

The Company has entered into lease agreements as a lessor on certain items of IT equipment and software. Leases for which the Company is a lessor are classified as either operating or finance leases. The Company assesses whether it transfers substantially all the risks and rewards of ownership. Those leases that do not transfer substantially all the risks and rewards are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration of the contract.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

4 Summary of significant accounting policies (continued)

4.7 Leases (continued)

4.7.2 Company as a lessor (continued)

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease.

In cases where the Company acts as an intermediate lessor, it accounts for its interests in the head-lease and the sub-lease separately.

4.8 Intangible assets

4.8.1 Software and software licences

Software and software licences include computer software that is not integral to a related item of hardware. These assets are stated at cost less accumulated amortisation and any impairment in value. Amortisation is calculated on a straight-line basis over the estimated useful life of the asset. Currently software is amortised over four years.

The carrying values of software and software licences are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

4.8.2 Software under development

Costs that are incurred and that can be specifically attributed to the development phase of management information systems for internal use are capitalised only if the expenditure can be measured reliably, the management information system is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the system.

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Directly attributable costs that are capitalised typically include professional fees and cost of material/services consumed.

Capitalised development costs are recorded as intangible assets and amortised over their useful life from the point at which the management information system is ready for use.

Costs associated with maintaining in-use software programs are recognised as an expense as incurred.

4.9 Goodwill

After initial recognition, goodwill is stated at cost less any accumulated impairment losses, with the carrying value being reviewed for impairment at least annually and whenever events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill is allocated to the related CGU monitored by Management, usually at business segment level or statutory company level as the case may be. Where the recoverable amount of the CGU is less than its carrying amount, including goodwill, an impairment loss is recognised in the Profit and Loss Account.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

4 Summary of significant accounting policies (continued)

4.10 Investments

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

4.11 Inventories

Inventories are carried at the lower of weighted average cost and net realisable value after making allowance for any obsolete or slow-moving items. Costs include those incurred in bringing each product to its present location and condition, on a first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

4.12 Financial assets

Financial assets are recognised at their fair value, which initially equates to the sum of the consideration given and the directly attributable transaction costs associated with the investment. Subsequently, the financial assets are measured at either amortised cost or fair value, depending on their classification under IFRS 9.

4.12.1 Trade receivables

Trade receivables, which generally have 30- to 90-day credit terms, are initially recognised and carried at their original invoice amount less an allowance for any uncollectable amounts. The business model for trade receivables is that they are held for the collection of contractual cash flows, therefore they are subsequently measured at amortised cost. The trade receivables are derecognised on receipt of cash from the customer. The Company sometimes uses debt factoring, without recourse, to manage liquidity and, as a result, the business model for factored trade receivables is that they are not held for the collection of contractual cash flows.

As a result, subsequent to initial recognition, they are measured at fair value through other comprehensive income (except for the recognition of impairment gains and losses and foreign exchange gains and losses, which are recognised in profit or loss).

Factored trade receivables are derecognised on receipt of cash from the factoring party. Given the short lives of the trade receivables, there are generally no material fair value movements between initial recognition and the derecognition of the receivable.

The Company assesses for doubtful debts (impairment) using the expected credit losses model as required by IFRS 9. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from the initial recognition of the receivables. Material or high-risk balances are reviewed and provided for individually based on a number of factors including:

- the financial strength of the customer;
- the level of default that the Company has suffered in the past;
- the age of the receivable outstanding; and
- the Company's trading experience with that customer

4.12.2 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand, and short-term deposits with an original maturity of three months or less. Cash is held for the collection of contractual cash flows which are solely payments of principal and interest and therefore is measured at amortised cost subsequent to initial recognition.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

4 Summary of significant accounting policies (continued)

4.13 Financial liabilities

Financial liabilities are initially recognised at their fair value and, in the case of loans and borrowings (including credit facility), net of directly attributable transaction costs.

The subsequent measurement of financial liabilities is at amortised cost, unless otherwise described below:

4.13.1 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Customer contract provisions

Management continually monitors the financial performance of contracts, and where there are indicators that a contract could result in a negative margin, the future financial performance of that contract will be reviewed in detail. If, after further financial analysis, the full financial consequence of the contract can be reliably estimated, and it is determined that the contract is potentially loss-making, then the best estimate of the losses expected to be incurred until the end of the contract will be provided for.

In establishing if future costs are forecast to exceed the future revenue, Management will take into account the anticipated inflationary impact on the cost base, offset by any rights to increase pricing under Cost of Living Adjustment (COLA) clauses that have been incorporated in the customer contract.

The Company applies IAS 37 – 'Provisions, Contingent Liabilities and Contingent Assets' in its assessment of whether contracts are considered onerous and in subsequently estimating the provision. The Company's approach is to apply the full cost approach, which considers total estimated costs (i.e. directly attributable variable costs and fixed allocated costs) in the assessment of whether the contract is onerous or not and in the measurement of the provision.

A provision for onerous contracts is made as soon as a loss is foreseen and is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

4.13.2 Pensions and other post-employment benefits

The Company operates a defined contribution pension scheme available to all UK employees. Contributions are recognised as an expense in the Profit and Loss Account as they become payable in accordance with the rules of the scheme.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

4 Summary of significant accounting policies (continued)

4.14 Derecognition of financial assets and liabilities

4.14.1 Financial assets

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets, is derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass-through arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

4.14.2 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

4.15 Derivative financial instruments and hedge accounting

The Company uses foreign currency forward contracts to hedge its foreign currency risks associated with foreign currency fluctuations affecting cash flows from forecast transactions and unrecognised firm commitments.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of both the hedging instrument and the hedged item or transaction and then the economic relationship between the two, including whether the hedging instrument is expected to offset changes in cash flow of the hedged item. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows. The Company designates the full change in the fair value of the forward contract (including forward points) as the hedging instrument. Forward contracts are initially recognised at fair value on the date that the contract is entered into and are subsequently remeasured at fair value at each reporting date. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. Forward contracts are recorded as assets when the fair value is positive and as liabilities when the fair value is negative.

For the purposes of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability, a highly probable forecast transaction, or the foreign currency risk in an unrecognised firm commitment.

Cash flow hedges that meet the criteria for hedge accounting are accounted for as follows: the effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised immediately in the Profit and Loss Account in Administrative expenses.

Amounts recognised within the Statement of Other Comprehensive Income are transferred to the Profit and Loss Account, within Administrative expenses, when the hedged transaction affects the Profit and Loss Account, such as when the hedged financial expense is recognised.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to the Profit and Loss Account within Administrative expenses. If the hedging instrument matures or is sold, terminated or exercised without replacement or rollover, any cumulative gain or loss previously recognised within the Statement of Other Comprehensive Income remains within the Statement of Other Comprehensive Income until after the forecast transaction or firm commitment affects the Profit and Loss Account.

Any other gains or losses arising from changes in fair value on forward contracts are taken directly to Administrative expenses in the Profit and Loss Account.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

4 Summary of significant accounting policies (continued)

4.16 Taxation

4.16.1 Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

4.16.2 Deferred income tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or from an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted, or substantively enacted, at the balance sheet date.

Income tax is charged or credited directly to the Statement of Other Comprehensive Income if it relates to items that are credited or charged to the Statement of Other Comprehensive Income. Otherwise, income tax is recognised in the Profit and Loss Account. Where group relief is surrendered from other subsidiaries in the Group, the Company is required to pay to the surrendering company an amount equal to the loss surrendered multiplied by the current tax rate.

4.17 Share-based payment transactions

Employees (including Executive Directors) of the Company can receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares of Computacenter plc (equity-settled transactions).

The cost of equity-settled transactions with employees is measured by reference to the fair value of the award at the date at which they are granted. The fair value is determined by utilising an appropriate valuation model. In valuing equity-settled transactions, no account is taken of any performance conditions, as none of the conditions set are market related.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

The cumulative expense recognised for equity-settled transactions at each reporting date, until the vesting date, reflects the extent to which the vesting period has expired and the Directors' best estimate of the number of equity instruments that will ultimately vest. The Profit and Loss Account charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. As the schemes do not include any market-related performance conditions, no expense is recognised for awards that do not ultimately vest.

Movements in the estimated employer's National Insurance liability related to the awards, carried on the Balance Sheet, are recognised in the Profit and Loss Account.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

4 Summary of significant accounting policies (continued)

4.18 Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

4.19 Amounts owed by/to group undertakings

Intra-group receivables are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method, less an allowance for any uncollectable amounts. The Company assesses for doubtful debts (impairment) using the expected credit losses model, as required by IFRS 9.

Intra-group payables are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method.

4.20 Dividends received

Dividends received are recognised as income in the Profit and Loss Account when the right to receive payment is established.

4.21 Dividend distributions

Dividend distributions to the Company's shareholder are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholder.

5 Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

Due to the inherent uncertainty in making these critical judgements and estimates, actual outcomes could be different.

During the year, Management reconsidered the critical accounting estimates and judgements for the Company. This process included reviewing the last reporting period's disclosures, the key judgements required on the implementation of forthcoming standards and the current period's challenging accounting issues. Where Management deemed there is a change for an area of accounting to be considered a critical estimate or judgement, an explanation for this decision is provided in note 5.3.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

5 Critical accounting estimates and judgements (continued)

5.1 Critical estimates

Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the year in which the estimates are revised and in any future years affected. Estimates made by Management in the process of applying the Company's accounting policies, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

5.1.1 Recoverability of investments

On an annual basis the Company is required to perform a review of its investments to identify if indicators of impairment or impairment reversal exist. If such indicators are identified, the Company compares the net carrying value to the recoverable amounts of the relevant investments, based on a value-in-use calculation.

The value-in-use determination requires the Company to estimate the future cash flows expected to arise from the investee, which include estimates of future performance, and a suitable discount rate applied in order to calculate the present value.

The main assumptions used in the calculation of the recoverable amount are revenue growth and contribution margin (resulting in annual earnings before interest and tax ("EBIT")) and the discount rate.

5.2 Critical judgements

Judgements made by Management in the process of applying the Company's accounting policies, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

5.2.1 Bill and hold

The Company generates some of its revenue through its bill and hold arrangements with its customers. These arise when the customer is invoiced but the product is not shipped to the customer until a later date, in accordance with the customer's request in a written agreement. In order to determine the appropriate timing of revenue recognition, it is assessed whether control has transferred to the customer.

A bill and hold arrangement is only put in place when a customer lacks the physical space to store the product or the product previously ordered is not yet needed in accordance with the customer's schedule and the customer wants to guarantee supply of the product. In order to determine whether an arrangement is bill and hold and control has been transferred to the customer, a customer request must have been approved and all of the below criteria must have been met :

- (a) the reason for the bill and hold arrangement must be substantive (for example: the customer has requested the arrangement);
- (b) the product must be identified separately as belonging to the customer;
- (c) the product currently must be ready for physical transfer to the customer; and
- (d) the Company cannot have the ability to use the product or to direct it to another customer

Judgement is required to determine if all of the criteria (a) to (d) have been met, to recognise a bill and hold sale. This is determined by segregation and readiness of inventory and the review and approval of all customer requests, in order to assess whether the accounting policy had been correctly applied to recognise a bill and hold sale. £161.1m of product sold is held by the Company for bill and hold transactions as at 31 December 2023 (2022: £176.0m).

5.3 Change in critical estimates and critical judgements

During the year, Management reassessed the critical estimates and critical judgements.

Recoverability of investments has been included as a critical estimate in the current year and has therefore been included in the above disclosure as estimates used in determining value-in-use are sensitive enough to affect the calculation materially.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

5 Critical accounting estimates and judgements (continued)

5.3 Change in critical estimates and critical judgements (continued)

At its 20 April 2022 meeting, the IFRS Interpretation Committee (the Committee) finalised and approved its agenda decision in response to a submission from a valued added reseller to determine whether an entity should treat revenue from the resale of standard software licences on a principal or agent recognition basis under IFRS 15 Revenue from Contracts with Customers (IFRS 15).

As noted in the Company's financial statements for the year ended 31 December 2022 ("2022 Financial Statements"), the Company revised its accounting policies accordingly and implemented a series of system and process changes. The impact of this is to make the determination of Agent vs Principal routine and embedded within the transactional flows of the business, reducing significantly the day-to-day judgement required.

Therefore, Management has concluded that the level of judgement now involved in Technology Sourcing principal versus agent recognition will not result in a significant effect on the amounts recognised in the financial statements and this is no longer considered a critical judgement.

Apart from the changes discussed above, the critical accounting estimates and judgements reported in the 2022 Financial Statements are unchanged.

6 Revenue and segmental analysis

	2023 £m	2022 £m
Sale of goods*	778.5	792.1
Rendering of services	441.2	466.8
	<u>1,219.7</u>	<u>1,258.9</u>

* Included within Sale of goods shown above is Technology Sourcing revenue of £42.2m (2022: £32.2m) recognised under IFRS 16. All other Technology Sourcing revenue is recognised at a point in time under IFRS 15 as described in our accounting policy 4.2.1.

Revenue represents the amounts derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of VAT. The Company operates in one continuing principal activity, that of the design, supply, project management and long-term support of information technology systems.

All revenue originated in the UK from continuing activities. The Company's operating profit and net assets all relate to operations based in the UK. Revenue by destination is not materially different to revenue by origin.

£161.1m of product sold is held by the Company for bill and hold transactions as at 31 December 2023 (2022: £176.0m).

Computacenter (UK) Limited

Notes to the financial statements

For the year ended 31 December 2023

7 Operating profit

This is stated after charging / (crediting):

	2023 £m	2022 £m
Auditor's remuneration (note 8)	1.1	1.0
Depreciation of owned assets	4.9	5.6
Depreciation of right-of-use assets	4.2	4.2
Amortisation of software	5.5	5.5
License fee charged to group undertakings	(39.6)	(38.7)
Cost of inventories recognised as expense	<u>635.3</u>	<u>645.2</u>

For 2023, a licence fee of £39.6m (2022: £38.7m) was charged by the Company to Computacenter Germany, Computacenter France and Computacenter Belgium.

8 Auditor's remuneration

The remuneration of the auditors is further analysed, as follows:

	2023 £m	2022 £m
Audit of the financial statements	<u>1.1</u>	<u>1.0</u>
	<u>1.1</u>	<u>1.0</u>

Following a tender process carried out in 2022 by the Company's parent undertaking, Computacenter plc, KPMG LLP stepped down as auditor of the Company and Grant Thornton UK LLP (Grant Thornton) were appointed by the Directors as auditor for the year ended 31 December 2023. Therefore, the Auditor's remuneration above for 2023 and 2022 is based on services provided by each firm for the respective year.

9 Directors' emoluments

	2023 £m	2022 (restated*) £m
Remuneration	3.4	1.8
PSP awards	2.1	3.8
Pension costs	0.1	0.1
	<u>5.6</u>	<u>5.7</u>

* PSP awards were previously included at estimates of £1.3m and reported within Remuneration of £3.1m. These have now been presented separately and replaced by actuals which has reduced the remuneration by £1.3m and increased the PSP awards by £2.5m.

PSP awards are not part of the statutory directors' remuneration in accordance with applicable regulations but have been disclosed to provide additional information.

Computacenter (UK) Limited

Notes to the financial statements
For the year ended 31 December 2023
9 Directors' emoluments (continued)

	2023 No.	2022 No.
Members of money purchase pension schemes	<u>4</u>	<u>4</u>
	2023 £m	2022 (restated*) £m
In respect of the highest paid Director: Emoluments	<u>2.8</u>	<u>3.3</u>

Emoluments comprise of PSP awards £1.3m (2022*: £2.4m), remuneration £1.5m (2022: £0.9m) and pension costs £0.0m (2022: £0.0m).

* Previously reported emoluments of £1.7m included PSP awards at estimates which have been replaced by actuals resulting in an increase of £1.6m.

10 Staff costs

	2023 £m	2022 (restated*) £m
Wages and salaries*	293.8	283.1
Social security costs	33.3	33.7
Other pension costs	10.9	10.3
Total staff costs	338.0	327.1
Share-based payments	6.8	4.8
	<u>344.8</u>	<u>331.9</u>

* Management has adjusted the presentation of wages and salaries to exclude recruitment, training and travel costs which are employee-related but not wages or salaries. The comparative amount has been reduced by £10.9m from £294.0m.

The average number of persons employed by the Company, including Directors, during the year was 4,228 (2022: 4,244) and the average number of full-time equivalents was 4,173 (2022: 4,186).

The Company operates a defined contribution pension scheme. There were no outstanding or prepaid contributions as at the balance sheet date (2022: nil).

Computacenter (UK) Limited

**Notes to the financial statements
For the year ended 31 December 2023**
11 Interest receivable and similar income

	2023 £m	2022 (restated*) £m
Bank interest received	7.2	1.4
Other interest received	0.3	1.9
Interest receivable as a lessor	0.2	–
	<u>7.7</u>	<u>3.3</u>

* Figure has been analysed between bank and other interest.

12 Interest payable and similar expenses

	2023 £m	2022 £m
Bank interest paid	0.3	–
Interest paid on lease liabilities	0.4	0.4
Finance charges paid on customer-specific financing	0.3	–
Other interest paid	1.4	–
	<u>2.4</u>	<u>0.4</u>

13 Income tax**a) Tax on profit from ordinary activities**

	2023 £m	2022 £m
Tax charged in the Profit and Loss Account:		
<i>Current income tax</i>		
UK corporation tax	10.2	13.0
Adjustments in respect of prior years	(0.6)	(1.2)
Total current income tax	<u>9.6</u>	<u>11.8</u>
<i>Deferred income tax</i>		
Origination and reversal of temporary differences	2.5	4.8
Adjustments in respect of prior years	(1.1)	1.6
Change in tax rates	–	1.3
Total deferred income tax	<u>1.4</u>	<u>7.7</u>
Income tax expense in the Profit and Loss Account	<u>11.0</u>	<u>19.5</u>
Tax charged / (credited) in the Statement of Other Comprehensive Income:		
Net change in fair value of cash flow hedges reclassified to profit or loss	<u>(0.7)</u>	<u>1.0</u>

Computacenter (UK) Limited

Notes to the financial statements

For the year ended 31 December 2023

13 Income tax (continued)

b) Reconciliation of the total tax charge

Income tax expense for the year is lower (2022: higher) than, if calculated, at the standard rate of corporation tax in the UK of 23.5% (2022: 19.0%). The differences are explained below:

	2023 £m	2022 £m
Profit for the year	45.8	68.0
Income tax expense	11.0	19.5
Profit before income tax	<u>56.8</u>	<u>87.5</u>
At the UK standard rate of corporation tax of 23.5% (2022: 19.0%)	13.3	16.6
<i>Effects of:</i>		
Expenses not deductible for tax purposes	1.0	0.8
Non-taxable income	(1.7)	(1.4)
Non-deductible element of share-based payment charge	1.3	2.0
Change in tax rate	–	1.3
Adjustments in respect of prior periods	(1.8)	0.4
Relief on share options	(1.3)	(1.0)
Other differences	0.2	0.8
Tax charge	<u><u>11.0</u></u>	<u><u>19.5</u></u>

The effective income tax rate was 19.4% (2022: 22.3%).

c) Factors affecting current and future tax charge

The March 2021 Budget announced that a UK Corporation tax rate of 25% will apply with effect from 1 April 2023, and this change was substantively enacted on 11 March 2021. The deferred income tax in these financial statements reflects this. The main rate of UK Corporation tax in 2022 and up to 31 March 2023 was 19%, as enacted in the Finance Act 2020.

The Company is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in the United Kingdom, the jurisdiction in which the entity is incorporated and will come into effect for accounting periods beginning on or after 31 December 2023.

Since the Pillar Two legislation was not effective at the reporting date, the Company has no related current tax exposure. The Company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

FRS 101 provides exemption from disclosure requirements of paragraphs 88C and 88D of IAS 12. Equivalent disclosures are included in note 12 to the consolidated financial statements of Computacenter plc and its subsidiaries (the "Group"), in which the Company is consolidated.

Computacenter (UK) Limited

Notes to the financial statements
For the year ended 31 December 2023
13 Income tax (continued)**d) Deferred income tax**

Net deferred income tax assets at 31 December relates to the following:

	Balance Sheet		Charge / (Credit) to the Profit and Loss Account		Charge / (Credit) to the Statement of Other Comprehensive Income	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Deferred income tax liabilities						
Accelerated capital allowances	1.5	—	1.5	—	—	—
Revaluations of foreign exchange contracts to fair value	0.4	1.0	—	—	(0.6)	0.7
Gross deferred income tax liabilities	1.9	1.0	1.5	—	(0.6)	0.7
Deferred income tax assets						
Relief on share option gains	8.0	6.8	(0.3)	0.8	—	—
Decelerated capital allowances	—	0.6	0.6	6.0	—	—
Other temporary differences	0.8	0.5	(0.4)	0.9	—	—
Revaluations of foreign exchange contracts to fair value	0.2	0.1	—	—	(0.1)	0.3
Gross deferred income tax assets	9.0	8.0	(0.1)	7.7	(0.1)	0.3
Net deferred income tax assets	7.1	7.0	1.4	7.7	(0.7)	1.0

Deferred income tax assets have been recognised in respect of share option gains and other temporary differences where the Company believes it is probable that these assets will be recovered based upon business forecasts.

14 Dividends paid and proposed

	2023 £m	2022 £m
On ordinary shares:		
Paid in the year	100.0	150.0

Computacenter (UK) Limited

Notes to the financial statements

For the year ended 31 December 2023

15 Intangible assets

	Goodwill £m	License £m	Software £m	Total £m
Cost				
At 31 December 2021 (reported)	2.9	90.0	99.7	192.6
Prior Year Adjustment (note 15.1)	–	(90.0)	–	(90.0)
At 31 December 2021 (restated)	2.9	–	99.7	102.6
Additions	–	–	10.2	10.2
Disposals	–	–	(5.0)	(5.0)
At 31 December 2022 (restated)	2.9	–	104.9	107.8
Reclassification	–	–	(4.3)	(4.3)
Additions	–	–	11.5	11.5
Disposals	–	–	(4.1)	(4.1)
At 31 December 2023	2.9	–	108.0	110.9
Amortisation				
At 31 December 2021 (reported)	–	90.0	84.2	174.2
Prior Year Adjustment (note 15.1)	–	(90.0)	–	(90.0)
At 31 December 2021 (restated)	–	–	84.2	84.2
Charge for the year	–	–	5.5	5.5
Disposals	–	–	(5.0)	(5.0)
At 31 December 2022 (restated)	–	–	84.7	84.7
Reclassification	–	–	(1.4)	(1.4)
Charge for the year	–	–	5.5	5.5
Disposals	–	–	(4.1)	(4.1)
At 31 December 2023	–	–	84.7	84.7
Net book amount				
At 31 December 2023	2.9	–	23.3	26.2
At 31 December 2022	2.9	–	20.2	23.1

As at 31 December 2023, the software net book value of £23.3m includes £12.3m (2022: £8.6m) assets under construction.

15.1 Restatement of opening cost and accumulated amortisation – License

License intangible asset represented intellectual property licensed from the parent undertaking and was amortised over the licence period of 10 years. The asset was fully amortised prior to 31 December 2021 and subsequently no future economic benefits are expected. Therefore, the License intangible asset should be derecognised. Management has concluded that the derecognition relates to prior years and has reflected this by reducing the Cost and Amortisation to £nil at 31 December 2021. The opening and closing Net book amount, before the adjustment, was £nil for all periods presented.

There is no impact on the Profit and Loss Account and amounts reported within the Balance Sheet captions or on the Balance Sheet itself, for any of the periods presented.

Computacenter (UK) Limited

Notes to the financial statements
For the year ended 31 December 2023
16 Property, plant and equipment

	Freehold land and buildings £m	Short leasehold improve- ments £m	Fixtures, fittings, equipment and vehicles £m	Property, plant and equipment excluding Right- of-use assets £m	Right- of-use assets £m	Total £m
Cost						
As 1 January 2022	19.8	21.1	77.7	118.6	20.9	139.5
Additions	–	0.4	6.6	7.0	2.0	9.0
Disposals	–	(1.2)	(12.2)	(13.4)	(1.6)	(15.0)
At 31 December 2022	19.8	20.3	72.1	112.2	21.3	133.5
Reclassification	0.3	3.1	0.8	4.2	–	4.2
Additions	–	1.6	3.2	4.8	3.5	8.3
Disposals	–	–	(0.6)	(0.6)	(2.5)	(3.1)
At 31 December 2023	20.1	25.0	75.5	120.6	22.3	142.9
Depreciation						
As 1 January 2022	12.4	20.0	68.6	101.0	9.3	110.3
Charge for the year	0.4	0.7	4.5	5.6	4.2	9.8
Disposals	–	(1.1)	(11.1)	(12.2)	(1.4)	(13.6)
At 31 December 2022	12.8	19.6	62.0	94.4	12.1	106.5
Reclassification	–	0.1	1.3	1.4	–	1.4
Charge for the year	0.4	0.7	3.8	4.9	4.2	9.1
Disposals	–	–	(0.6)	(0.6)	(2.3)	(2.9)
At 31 December 2023	13.2	20.4	66.5	100.1	14.0	114.1
Net book value						
At 31 December 2023	6.9	4.6	9.0	20.5	8.3	28.8
At 31 December 2022	7.0	0.7	10.1	17.8	9.2	27.0

As at 31 December 2023, the net book value of recognised right-of-use assets relating to land and buildings was £3.9m (2022: £5.7m) and plant and equipment £4.4m (2022: £3.5m). The depreciation charge for the year relating to those assets was £2.3m (2022: £2.4m) and £1.9m (2022: £1.8m), respectively.

Computacenter (UK) Limited

Notes to the financial statements
For the year ended 31 December 2023
17 Investments**Investment in subsidiaries**

	2023 £m	2022 £m
Shares in subsidiary undertaking	<u>77.1</u>	<u>75.5</u>
	<u>77.1</u>	<u>75.5</u>
	2023 £m	2022 £m
<i>Reconciliation:</i>		
As at 1 January (reported)	75.5	73.9
Adjustment relating to prior years (note 27)	<u>(16.1)</u>	<u>(16.1)</u>
As at 1 January (restated)	59.4	57.8
Additions during the year	2.1	2.9
Impairment	<u>(0.5)</u>	<u>(1.3)</u>
As at 31 December	<u>61.0</u>	<u>59.4</u>

The following comprise the additions in investments during the year:

	2023 £m	2022 £m
New investments		
Computacenter Philippines Inc.	0.2	—
Computacenter Japan K.K.	—	2.9
Increase in investments		
R.D.Trading Limited	<u>1.9</u>	—
	<u>2.1</u>	<u>2.9</u>

The carrying values of investments are reviewed annually or when events or changes in circumstances indicate that the carrying value may not be recoverable. The Company assesses if such indicators exist at the end of each reporting period by considering external and internal factors including whether the carrying amount of an investment exceeds the investee's net assets or if a dividend exceeds the total comprehensive income of the investee.

During the year, the Company incurred an impairment charge of £0.5m on its investments in ITL Logistics GmbH (2022: £1.3m on investment in Pivot Solutions International (UK) Limited).

Computacenter (UK) Limited

**Notes to the financial statements
For the year ended 31 December 2023**

17 Investments (continued)

The Company's subsidiary undertakings are as follows:

<i>Name</i>	<i>Country of incorporation</i>	<i>Nature of business</i>	<i>Proportion of voting rights held</i>
Computacenter Quest Trustees Limited	England ⁱ	Employee share scheme trustees	100%
Computacenter Trustees Limited	England ⁱ	Employee share scheme trustees	100%
Digica Group Finance Limited	England ⁱ	Investment	100%
R.D.Trading Limited	England ⁱⁱ	IT infrastructure services	100%
Computacenter Pty Ltd.	Australia ^{xiv}	IT infrastructure services	100%
Computacenter Services Australia Pty Ltd	Australia ^{xxii}	IT infrastructure services	100%
Computacenter Brasil Importacao, Comercio e Servicos Ltda	Brazil ^{xxi}	IT infrastructure services	100%
Computacenter Canada Inc.	Canada ^{xix}	IT infrastructure services	100%
Computacenter Information Technology (Shanghai) Company Limited	China ^{ix}	International Call Centre Services	100%
Computacenter Pivot Hong Kong Limited	China ^{xvi}	IT infrastructure services	100%
Computacenter Services Hong Kong Limited	China	IT infrastructure services	100%
ITL Logistics GmbH	Germany ^{xx}	IT infrastructure services	100%
Computacenter Services Kft	Hungary ^{viii}	International Call Centre Services	100%
Computacenter India Private Limited	India ^{vi}	International Call Centre Services	99.99%
Computacenter Ireland Limited	Ireland ^{vii}	IT infrastructure services	100%
Computacenter Services Ireland Limited	Ireland ^{xv}	IT infrastructure services	100%
Computacenter Japan K.K.	Japan ^{xxiii}	IT infrastructure services	100%
Computacenter Services (Malaysia) Sdn Bhd	Malaysia ^v	International Call Centre Services	100%
Computacenter Mexico S.A. de C.V.	Mexico ^x	International Call Centre Services	99.99%
Pivot of the Americas, S.A. de C.V.	Mexico ^{xviii}	International call centre services	99%
Computacenter Poland Sp. z o.o.	Poland ^{xi}	International call centre services	99%
Computacenter Services S.R.L.	Romania ^{xii}	IT infrastructure Services	87.47%
Computacenter Services Singapore Pte Ltd	Singapore ^{xxiv}	IT infrastructure services	100%
Computacenter Singapore Pte. Ltd.	Singapore ^{xvii}	IT infrastructure services	100%
Computacenter (Pty) Limited	South Africa ^{iv}	Provision of offshore IT services to Computacenter Group	100%
Computacenter Services (Iberia) SLU	Spain ⁱⁱⁱ	International Call Centre Services	100%
Computacenter Philippines Inc.	Philippines ^{xiii}	IT infrastructure services	100%
Allnet Limited	England ⁱ	Dormant company	100%
Amazon Computers Limited	England ⁱ	Dormant company	100%
Amazon Energy Limited	England ⁱ	Dormant company	100%
Amazon Systems Limited	England ⁱ	Dormant company	100%
CAD Systems Limited	England ⁱ	Dormant company	100%
Compufix Limited	England ⁱ	Dormant company	100%
Computacenter (FMS) Limited	England ⁱ	Dormant company	100%
Computacenter (Management Services) Limited	England ⁱ	Dormant company	100%
Computacenter (Mid-Market) Limited	England ⁱ	Dormant company	100%

Computacenter (UK) Limited

Notes to the financial statements
For the year ended 31 December 2023

17 Investments (continued)

<i>Name</i>	<i>Country of incorporation</i>	<i>Nature of business</i>	<i>Proportion of voting rights held</i>
Kit Online Limited (previously known as Computacenter Consumables Limited)	England ⁱ	Dormant company	100%
Computacenter Distribution Limited	England ⁱ	Dormant company	100%
Computacenter Leasing Limited	England ⁱ	Dormant company	100%
Computacenter Maintenance Limited	England ⁱ	Dormant company	100%
Computacenter Overseas Holdings Limited	England ⁱ	Dormant company	100%
Computacenter Services Limited	England ⁱ	Dormant company	100%
Computacenter Software Limited	England ⁱ	Dormant company	100%
Computacenter Solutions Limited	England ⁱ	Dormant company	100%
Computacenter Training Limited	England ⁱ	Dormant company	100%
Computadata Limited	England ⁱ	Dormant company	100%
Computer Services Group Limited	England ⁱ	Dormant company	100%
Digica (FMS) Limited	England ⁱ	Dormant company	100%
Digica Group Holdings Limited	England ⁱ	Dormant company	100%
Digica Group Limited	England ⁱ	Dormant company	100%
Digica Limited	England ⁱ	Dormant company	100%
Digica SMP Limited	England ⁱ	Dormant company	100%
ICG Services Limited	England ⁱ	Dormant company	100%
M Services Limited	England ⁱ	Dormant company	100%
Merchant Business Systems Limited	England ⁱ	Dormant company	100%
Merchant Systems Limited	England ⁱ	Dormant company	100%

i Hatfield Avenue, Hatfield, Hertfordshire, AL10 9TW, England

ii Tekhnicon, Springwood, Braintree, Essex CM7 2YN

iii Carrer de Sancho De Avila 52, 08018 Barcelona, Spain

iv Klein D'Aria Estate, 97 Jip de Jager Drive, Bellville, 7535, Cape Town, South Africa

v Level 9, Tower 1, Puchong Financial Corporate Centre, Jalan Puteri 1/2, Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan, Malaysia

vi 4th Floor, 135/1 Purva Premiere, Residency Road, Bangalore, 560025 India

vii Skybridge House, Corballis Road North, Dublin Airport, Swords, Co. Dublin, K67P6K2, Ireland

viii Haller Gardens, Building D. 1st Floor, Soroksári út 30-34, Budapest 1095, Hungary

ix Unit 229, Block 2, Building 1, Huanhu West 2nd Road no. 888 Nanhui New Town, Putong District, Shanghai, China

x Av. Paseo de la Reforma, No. 412 floor 5, Col. Juárez, Delegación Cuauhtémoc, Zip Code 06600, México City, Mexico

xi Ul. Glogowska 31/33, 60-702, Poznań, Poland

xii "Stables Office", 20A Onisifor Ghibu, Record Park, Cluj-Napoca CJ 400185, Romania

xiii 35/F & 36/F Penthouse Units 1,2 and 4 Eco Tower Building, 32nd Street Cor. 9th Avenue, Fort Bonifacio 1630 Taguig City, Fourth District Philippines

xiv Tower 2, Darling Park, 201 Sussex Street, Sydney 2000, New South Wales, Australia

xv 6th Floor, 2 Grand Canal Square, Dublin 2, Dublin D02A342

xvi Unit 2, 10/F, NEO, 123 Hol Bun Road, Kwun Tong, Kowloon, Hong Kong, China

xvii 4 Battery Road, #25-01 Bank of China Building, Singapore 049908

xviii Presa de la Angostura 23 PB, Colonia Irrigacion 11500, Distrito Federal, Mexico City, Mexico

xix 1130 Morrison Drive, Suite 105, Ottawa, ON K2H 9N6

xx Trias Gewerbepark, Lohstrasse 25 b, Schwaig D-85445, Germany

xxi Rua Cel Jose Eusebio, no. 95, Conj 13 CEP 01239-030, Higienópolis, São Paulo, Brazil

xxii Suite 2003, 109 Pitt Street, Sydney NSW 2000, Australia

xxiii Cross Office Mita 601, 5-29-20, Shiba, Minato-ku, Tokyo, 108-0014, Japan

xxiv 51 Changi Business Park, Central 2, #04-05 The Signature, Singapore 486066

Computacenter (UK) Limited

**Notes to the financial statements
For the year ended 31 December 2023**
18 Inventories

	2023	2022
	£m	£m
Inventories held for resale (Gross)	19.7	22.4
Provisions	(3.0)	(3.3)
Inventories held for resale (Net)	16.7	19.1

There is no material difference between the balance sheet value of inventories and its replacement cost.

19 Debtors

	2023	2022
	£m	(restated) £m
Trade receivables	399.7	422.2
Other receivables	2.2	1.9
Amounts owed by group undertakings	157.3	197.7
Net investment in finance leases (note 24)	5.2	1.5
Prepayments	32.6	40.0
Accrued income	16.8	18.6
Trade and other receivables	613.8	681.9
Income tax receivable	8.6	3.4
Deferred income tax assets (note 13d)	7.1	7.0
Derivative financial instruments	1.8	5.6
	631.3	697.9

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

Out of the total balance of Net investment in finance leases, an amount of £4.1m (2022: £1.1m) is due after more than one year.

Deferred income tax assets are non-current in nature and expected to unwind over a period of more than one year.

Restatement of comparative information*Trade and other receivables*

At 31 December 2022, finance lease receivable relating to a contract of £1.5m was included as part of 'Trade receivables'. This has now been reclassified to 'Net investment in finance leases'. There is no impact on reported 'Trade and other receivables', 'Net current assets' and 'Net assets'.

Debtors

Trade and other receivables, Income tax receivable, Deferred income tax assets and Derivative financial instruments were previously reported separately on the face of the Balance Sheet. To align presentation with the detailed statutory formats, these lines have been included within total 'Debtors' which is now reported as a caption on the Balance Sheet. This aggregation has no impact on reported 'Net current assets' and 'Net assets'.

Computacenter (UK) Limited

**Notes to the financial statements
For the year ended 31 December 2023**
20 Creditors: amounts due within one year

	2023	2022
	£m	£m
Trade creditors	380.1	353.5
Amounts owed to group undertakings	264.3	187.1
Accruals	106.0	122.6
Deferred income	45.4	45.3
Other taxation and social security	63.5	55.0
Lease Liabilities	4.1	3.9
Derivative financial instruments	1.9	1.7
	865.3	769.1

Amounts owed to group undertakings incur nil (2022: nil) interest and are repayable on demand.

21 Creditors: amounts due after more than one year

	2023	2022
	£m	£m
Lease Liabilities	4.6	5.8
	4.6	5.8

22 Provisions for liabilities

The Company had the following provisions during the year:

	Property provision		Customer contract provision		Total provisions	
	2023	2022	2023	2022	2023	2022
	£m	£m	£m	£m	£m	£m
At 1 January	1.7	2.2	–	0.5	1.7	2.7
Utilised	(0.3)	–	–	(0.2)	(0.3)	(0.2)
Written back to profit and loss	–	(0.5)	–	(0.3)	–	(0.8)
At 31 December	1.4	1.7	–	–	1.4	1.7
<i>Split as:</i>						
Current	0.5	0.8	–	–	0.5	0.8
Non-current	0.9	0.9	–	–	0.9	0.9
	1.4	1.7	–	–	1.4	1.7

Assumptions used to calculate the property provisions are based on the market value of the rental charges plus any contractual dilapidation expenses on empty properties and the Directors' best estimates of the likely time before the relevant leases can be reassigned or sublet, which ranges between one year and nine years. The provisions are discounted at a rate based upon the Bank of England base rate.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

22 Provisions for liabilities (continued)

A provision for forecast excess costs over forecasted revenue is made as soon as a loss is foreseen. Management continually monitor the financial performance of contracts, and where there are indicators that a contract could result in a negative margin, the future financial performance of that contract will be reviewed in detail. If, after further financial analysis, the full financial consequence of the contract can be reliably estimated, and it is determined that the contract is potentially loss-making, then the best estimate of the losses expected to be incurred until the end of the contract will be provided for.

23 Share capital

Allotted, called up and fully paid

	US\$0.01 each 'A' Ordinary shares No.'000 Equity	Total £m
At 31 December 2022 and 31 December 2023	<u>68,008</u>	<u>0.4</u>

24 Leases as a lessor

Finance lease receivables

The Company leases items of IT equipment which have been classified as finance leases. In certain customer contracts, there are two situations which lead to a net lease receivable being recognised on the Company's Balance Sheet.

- Longer-term leasing situations where assets have been deployed to the customer's premises and funded through the Company's balance sheet. These finance lease receivables are accounted for under the Dealer/Manufacturer lessor provisions of IFRS 16.
- Leasing situations where assets have been deployed to the customer's premises, but the requisite paperwork and other steps required to sell the assets and the related net lease receivables to a financing company have not yet been completed. Once the assignment to the financing company has been completed, the net lease receivable and associated finance liability to the financing company are derecognised under the provisions of IFRS 9. Prior to assignment, these are still finance lease receivables on the Company's Balance Sheet.

Whilst there is a natural delay in terms of the administrative processing, which leads to a gap in the assignment of the lease, this is temporary as the intended outcome is for these assets to be sold in the immediate future. However, as there is no legally binding contract that insists, without recourse, that the financing company must accept funding requests following deployment, leases not yet assigned at the reporting date are retained on the Company's Balance Sheet as lease receivables. As the net lease receivables associated with these contracts are expected to have a different pattern of cash flows based on an intended, but not contractually secure prior to the assignment, outcome we describe these as 'transitory net lease receivables'.

Computacenter (UK) Limited

**Notes to the financial statements
For the year ended 31 December 2023**
24 Leases as a lessor (continued)

As at 31 December 2023, net investment in finance leases is included within Debtors:

	2023 £m	2022 £m
Current	1.1	0.4
Non-current	4.1	1.1
Net investment in finance leases (note 19)	<u>5.2</u>	<u>1.5</u>

During 2023, the Company recognised interest income on lease receivables of £0.2m (2022: nil).

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	2023 £m	2022 £m
Less than one year	1.5	0.4
One to two years	1.5	0.4
Two to three years	1.5	0.4
Three to four years	1.0	0.4
Four to five years	0.4	–
More than five years	0.2	–
Total undiscounted lease receivable	<u>6.1</u>	1.6
less: unearned finance income	<u>(0.9)</u>	<u>(0.1)</u>
Net investment in finance leases	<u>5.2</u>	<u>1.5</u>

25 Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with related parties. The transactions entered into are described below.

Biomni provides the Computacenter e-procurement system used by many of Computacenter's major customers. An annual fee has been agreed on a commercial basis for use of the software for each installation. Both PJ Ogden and PW Hulme, who are Directors of the Company's parent undertaking, are also Directors of and have a material interest in Biomni Limited.

Computacenter Services S.R.L. is 87.47% owned by the Company and provides IT infrastructure Services to group undertakings within the Computacenter Group.

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**Notes to the financial statements
For the year ended 31 December 2023**
25 Related party transactions (continued)

The table below provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	2023			2022 (restated*)		
	Sales to related parties £m	Purchases from related parties £m	Amounts owed from / (to) related parties £m	Sales to related parties £m	Purchases from related parties £m	Amounts owed from / (to) related parties £m
Biomni Limited	–	0.9	–	–	0.6	–
Computacenter Services S.R.L	–	2.9	(0.7)	–	1.5	(0.6)
	–	3.8	(0.7)	–	2.1	(0.6)

* Computacenter Services S.R.L is a group undertaking and was not previously disclosed in the table above. However, as the entity is not wholly-owned, transactions with Computacenter Services S.R.L have now been included.

In addition to the above, a relative of a Director is employed by the Company under normal terms and conditions and with remuneration commensurate with the role. Total remuneration for 2023 was £0.2m (2022: £0.2m).

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables. The Company has not recognised any provision for doubtful debts relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

26 Controlling parties

The immediate parent undertaking is Computacenter plc.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Computacenter plc. Copies of the Computacenter plc's consolidated financial statements can be obtained from the Company Secretary at Hatfield Business Park, Hatfield Avenue, Hatfield, Hertfordshire AL10 9TW.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2023

27 Adjustment relating to prior years

During the year, Management carried out a detailed review of its investment in subsidiaries which no longer trade, or their business had been hived up to other group entities in prior years. The Company assessed if there had been a change in estimates previously used to determine the recoverable amounts and compared the net carrying value of these investments to their recoverable amounts. The Company also assessed if any write down in the value of investments was identified during the review relating to subsidiaries whose business had been hived up.

Based on this analysis, the Company determined that a write down in the value of the investments of £16.1m should be recognised which relates to prior years. This has been reflected in these financial statements by reducing the retained earnings and investments balance at 1 January 2022.

The following summarises the impact on the Company's financial statements.

(i) Balance Sheet as at 31 December 2022

	As previously reported £m	Adjustment £m	Restated £m
Investments	75.5	(16.1)	59.4
Others	50.1	–	50.1
Fixed assets	125.6	(16.1)	109.5
Net assets	233.7	(16.1)	217.6
Retained earnings	217.6	(16.1)	201.5
Others	16.1	–	16.1
Total shareholders' funds / Equity	233.7	(16.1)	217.6

(ii) Profit and Loss Account and Statement of Changes in Equity for the year ended 31 December 2022

There is no impact on the Profit and Loss Account for any of the periods presented.

On the Statement of Changes in Equity, 'Retained earnings' at 1 January 2022 decreased by £16.1m which has also reduced the previously reported Retained earnings as at 31 December 2022 by the same amount.

(iii) Opening Balance Sheet as at 1 January 2022

The above adjustment resulted in a reduction of £16.1m to Retained earnings and Investments as at 1 January 2022, which has been reflected in the Statement of Changes in Equity and note 17.