SCC EMEA Limited and Subsidiary Undertakings

Annual Report and Financial Statements
for the Year Ended 31 March 2021
Company Number: 04279856

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

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The directors present their Annual Report for the Year Ended 31 March 2021 for SCC EMEA Group comprising SCC EMEA Limited and its Subsidiary Undertakings

Contents

2021 Financial Highlights

Turnover	Operating Profit	Profit before Tax
£2.5 Bn +8.4%	£45.9m +49.4%	£44.5m +55.1%
FY20 £2.3bn	FY20 £30.7m	FY20 £28.7m

Cash generated by operations	Net Assets
£103.1m +0.5%	£196.9m +16.0%
FY20 £102.5m	FY20 £169.1m

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

James Rigby
Chief Executive Officer

Whilst the government restrictions and support mechanisms varied from country-to-country we have strived to provide our employees with the right level of support and job protection. The safety and the wellbeing of our employees has been a constant priority. Covid 19 impact assessments were proactively undertaken, and we have followed government guidelines implementing remote working wherever possible and appropriate whilst maintaining service levels to our customers who were managing their own challenges. In response our employees adapted well to introduce new ways of working, maintain operational focus and support the needs of our customers.

In the France and UK, SCC was designated an essential supplier during the Covid 19 period. Our engineers, data centre technicians, supporting specialists and staff have been delivering critical IT services around the clock to many organisations including enabling the UK government's remote working solutions and supporting many National Health Service organisations.

Financial performance was impacted by Covid 19 particularly in the first half of the year where our services operations across Europe were less able to deliver the normal volume of activity. Across the Group, plans to manage our cost base were enacted and action taken to ensure adequate cash reserves and cash availability. We acknowledge and appreciate the support which governments have provided and the impact this has had on our readiness for an exit to the pandemic.

Throughout Europe, many of our customers faced restricted operational capability due to Covid 19 and have seen downturns in their sectors, bringing them challenges to reduce both their capital expenditure and operating costs. This has, in turn, put pressure on both our professional services and managed services businesses across our territories. In the UK our data centre performance remained fairly stable, and we saw an uplift in demand for hybrid and cloud solutions which we were able to deliver through our partnerships. We have also benefitted from the growth of our Audio-Visual business which we acquired back in 2019 and is now fully integrated into our service offering.

The impact of lock down measures put in place by national governments have restricted our ability to travel and have required our sales and service delivery teams to think differently about how we do business. Our internal IT infrastructures have provided a robust and flexible platform which has enabled us to continue to support our customers.

The final quarter saw a return of product activity in most sectors, with previously postponed projects being brought back to life driving our professional services business. We have also seen volumes for field service and print related services increase as many of our customers are able to start a return to work.

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

Group revenues grew to £2.5 billion from £2.3bn, driven primarily by a significant increase in demand from our customers for software and assets to facilitate remote working in both the UK and France. Our innovative approach to service delivery remains the cornerstone of our strategy. We continue to introduce new solutions to enhance our specialisms in connectivity, remote-working and flexible financing options to ensure we satisfy the demands of our customers for new technology whilst helping them to control costs.

Overall, our businesses are robust and agile with strong balance sheets and management teams enabling us to respond to the challenges of today and the future.

This year has certainly been a test of our strategy, business operating model and resilience of our business and we are proud of the way that we have adapted to these challenges and continued to support our customers. I would like to thank all our employees for their response to this period of unprecedented change to our working conditions and the demands of our customers and to thank our customers for the trust that they continue to place in us.

Looking to the Future

More than ever this last year has taught us that digital transformation is a key enabler for businesses to meet the challenges of the future. Our collaborative partnering approach has been a significant factor in our financial success this year and will continue to be fundamental in helping our customers to manage their ongoing digital journeys. We remain committed to further adapting our operations to improve efficiency and developing our services so that we remain relevant to both vendors and customers. We will continue to monitor the impacts of Covid 19 and other sources of economic uncertainty. Our business remains robust and resilient, our financial strength will sustain us and we are well prepared for future success over the coming years.

James Rigby
SCC EMEA Group
Chief Executive Officer

SCC at a glance

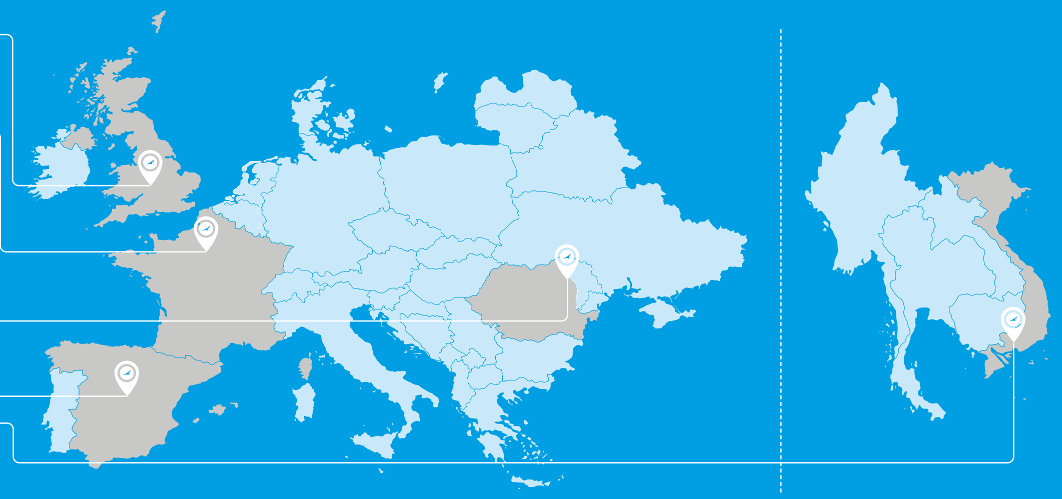
UK - International HQ
Birmingham

France
Paris

Spain
Madrid

Romania
Iași

Vietnam
Ho Chi Minh City



Supporting customers across Europe

Lending strategic partner to 50+ leading vendors

Multi-award winning Managed Services & Data Centres

Multi lingual global delivery centres

More than 5,500 employees

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

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

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

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

The refurbishment of our Global Headquarters in Birmingham was completed in January 2021, providing a modern and people led space

Our Operations

Our capability across the Infrastructure extends from Data Centre Services through the network to the PC and printer devices at the edge and can help our customers with our expertise in newer areas of technology, covering the Digital Workplace, Hybrid Cloud, Security, as well as in considering the impact of Data and Artificial Intelligence.

Working with our people, customers and partners to help champion sustainable IT, we help to deliver competitive advantage through reduced costs, improved efficiency and enhanced brand value and reputation.

The Global Delivery Centres in Romania and Vietnam provide our customers with 24x7 access to over 1000 staff dedicated to flexible support solutions to meet their needs. These centres complement our in-country delivery centres in the UK and in France enabling national and global support solutions.

SCC Always Evolving

Our portfolio of services spans from supply through to fully managed services, infrastructure optimisation, unified communications and Data Centre services

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

Innovation is at the core of our business. In 2020 we launched our innovative Oworx solution using technology to help our Customers make their transition to the cloud faster, smarter and more secure.

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

We have been trusted to run IT infrastructure services for leading businesses for 46 years. SCC has a comprehensive end to end service offering through to the cloud and is a long-term business with a strong and stable long-term investor.

Strategy

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

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

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

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

We will be:

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

Our strategic objectives

Lead with Service | Enhance relationships | Improve productivity | Innovate our services

The enablers

People	Technology	Service
Pre Sales Skills – Enhanced Work Spaces – Skill Development	Establish Innovation Hub – Optimise DCS Assets – Differentiate Services	Business Systems – Operational Support – Commercial Management

Progress this year

People	Technology	Service
New head office opened	Digital innovation Hub launched with South Warwickshire NHS Foundation Trust	Board of Directors changes
New Intranet platform to keep people connected	IoT Unify - uses AI to manage data	New Field Service Solution went live
Supporting communities		ERP development
		Service Now

Business Model

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

Our solution areas

Distributed cloud

Software

Innovation

Security

Workplace productivity

Business process outsourcing

Networks and communications

The engagement model

Consultative

Engagement model

Customer relationship

Our customers

Private sector

Public sector

System integrators

Solutions Model

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

Shared Services Model

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

Engagement Model

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

Distributed cloud

Simplifying your cloud services strategy by utilising Public Cloud, Hybrid Cloud and Edge Computing.

- Discover
- Design
- Supply
- Implement
- Manage
- Optimise

Software

Save time. Save Money. Maintain control

- Select, buy and renew
- Consume
- Manage
- Optimise

Innovation

SCC Innovation: supporting the UK Industrial strategy and NHS long term plan.

- Artificial Intelligence
- Augmented Reality
- Virtual Reality
- Blockchain
- 3D Printing
- Drones
- IoT
- Robotics
- 3D Printing

Security

Managing the security Impact of Covid 19 and the Increased cyber security threat.

- Discover
- Design
- Supply and implement
- Manage
- Optimise

Workplace productivity

Managing the modern workplace and Implementing hybrid working solutions.

- Collaboration and Communication
- Unified End Point Management
- Microsoft 365 (Core & Security)
- Application Modernisation
- Product Provisioning
- Service Desk
- IT Service Management
- End User support

Business process outsourcing

Organisations can often struggle to manage non-care activities which are essential functions.

- Flexible Resourcing
- Managing a Field-based Workforce
- Payroll
- Service Delivery Centre
- ServiceNow
- Supply Chain Services

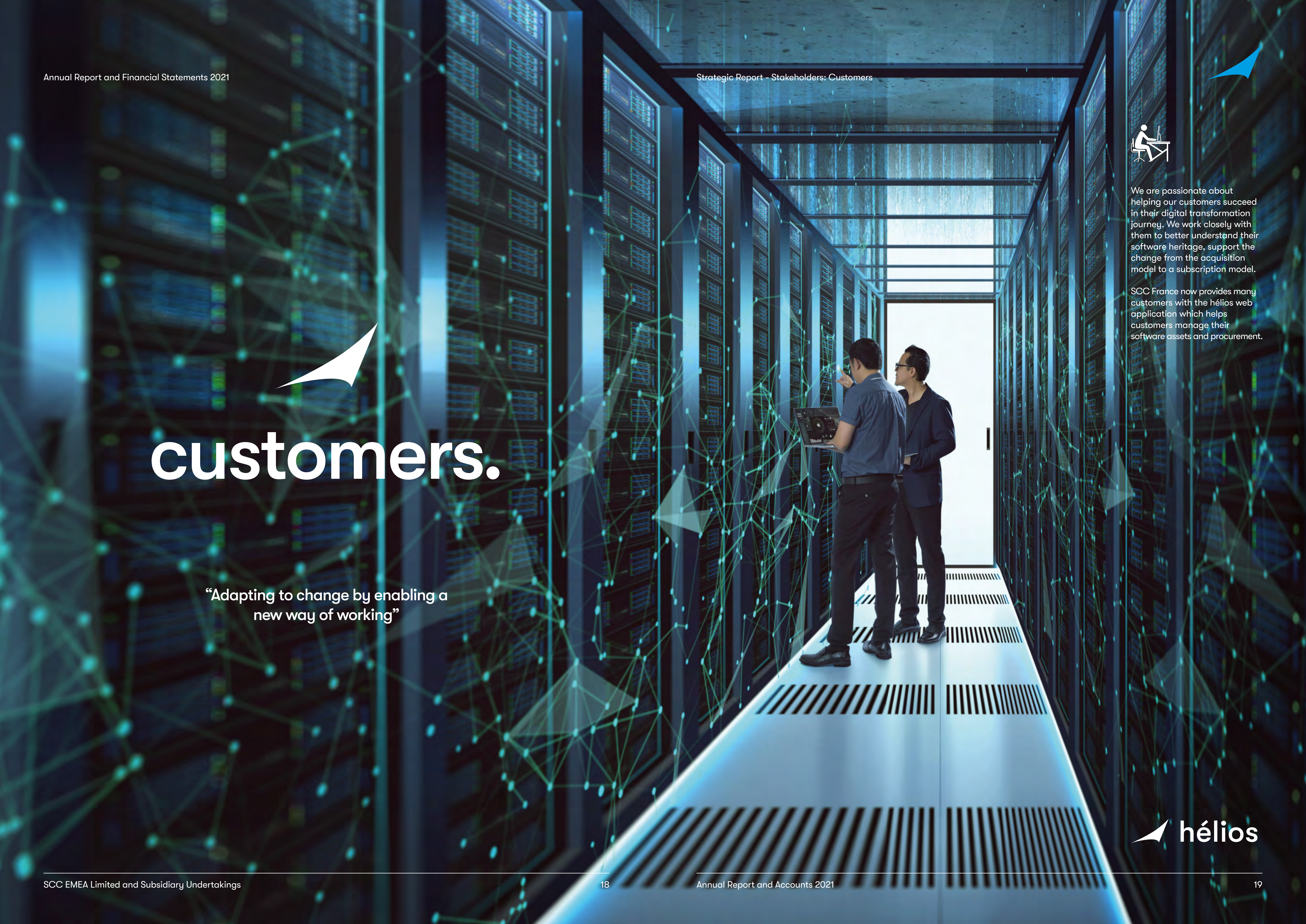
Networks and Communications

Managing the increased demands on your secure network from the hybrid workforce connected to it.

- Discover and design
- Supply and Implement
- Manage and Optimise

Many of our customers optimise their IT procurement using our financial services solutions. SCC partners with financing specialist Rigby Capital Ltd to spread the cost of IT investment by matching optimum procurement processes with cash budgets. Working with customers in all sectors we use flexible financing options to help customers access the range of solutions we offer.

RIGBYCapital



customers.

"Adapting to change by enabling a new way of working"

We are passionate about helping our customers succeed in their digital transformation journey. We work closely with them to better understand their software heritage, support the change from the acquisition model to a subscription model.

SCC France now provides many customers with the hélios web application which helps customers manage their software assets and procurement.

hélios

Cannes Hospital

"SCC supported us in the design of this new architecture, provided us with the necessary technological advice and allowed us to move forward in hyperconvergence."

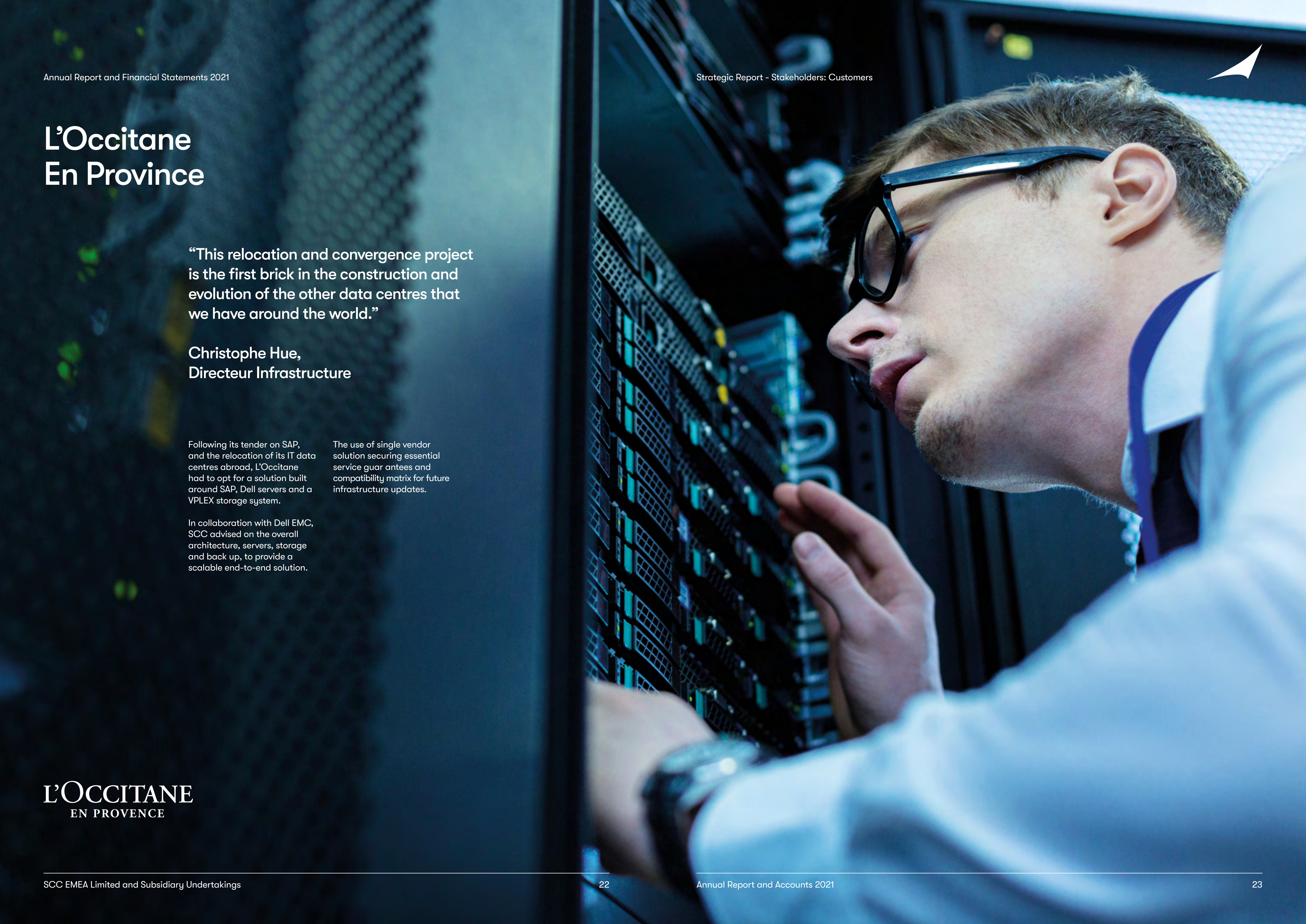
Jérôme Gouaux,
IS Manager

The Cannes Hospital Centre sought to renew its ageing infrastructure and secure their information systems to improve the user experience. In addition, they needed to consider their financing options for the entire project.

In order to meet these challenges, SCC proposed using Nutanix's hyperconvergence solutions, to simplify and modernize the architecture and technical administration, reduce the complexity of environment management through the rationalisation of silo's, and improve operational performance securing high availability and planning for future scalability.

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

HÔPITAL DE CANNES
SIMONE VEIL



L'Occitane En Province

"This relocation and convergence project is the first brick in the construction and evolution of the other data centres that we have around the world."

Christophe Hue,
Directeur Infrastructure

Following its tender on SAP, and the relocation of its IT data centres abroad, L'Occitane had to opt for a solution built around SAP, Dell servers and a VPLEX storage system.

In collaboration with Dell EMC, SCC advised on the overall architecture, servers, storage and back up, to provide a scalable end-to-end solution.

The use of single vendor solution securing essential service guar antees and compatibility matrix for future infrastructure updates.

L'OCCITANE
EN PROVENCE

University Hospitals of North Midlands

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

Mark Bostock, Director of Information Management and Technology

University Hospitals of North Midlands NHS Trust (UHNM) has become the first UK healthcare organisation to deploy innovative new thermographic technology to protect front-line NHS workers and patients from a second wave of Covid 19 cases, leading the way on the UK's road to recovery, in partnership with SCC.

UHNM, which runs Royal Stoke University Hospital and County Hospital in Stafford, is a long-standing strategic customer of SCC, who installed the first of eight thermographic cameras at Royal Stoke University Hospital in May 2020.

The ceiling-mounted camera unit is part of SCC's Thermographic Screening solutions, which is powered by Artificial Intelligence (AI) and uses devices ranging from handheld to fixed multi-camera systems to record body temperature and identify anyone displaying signs of fever, with real-time alerts to enable interception and help prevent the spread of Covid 19 and other contagious diseases.

Wirral Council

Wirral Council chose SCC as consulting partner for IoT deployments

Challenges

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

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

Solution

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

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

manage.

CCI Brest

"As part of the business continuity plan, we tested the data centre infrastructure quite severely. We were able to verify that we were keeping all the data."

Pierre-Yves Nicolas
DSI de la CCI de Brest

As part of the construction of a new business campus, the Brest CCI has created two new Data Centres to house all of its IT production. Including the major challenge to put in place an effective business continuity plan.

SCC has put in place operable infrastructure: storage, servers and software and tested a business continuity plan subjecting the infrastructure to severe tests.

support.

CCI MÉTROPOLITAINE
BRETAGNE OUEST

Châteauroux Métropole

"We quickly noticed an improvement with a daily anomaly rate divided by 6, a volume of calls from users to the helpdesk divided by 8 and a time saving multiplied by 3."

Firas Mseddi,
Directeur des Systèmes d'Information

Châteauroux Métropole is at the centre of the recent pooling of services in the city of Châteauroux and the 13 castelroussine municipalities.

The challenges:

- Develop the digitalization of its portfolio of services to offer more choices to residents
- Redesign the information system while continuing to serve the users of the 14 town halls.

To meet these challenges, SCC proposed the following:

To set up a resilient and scalable infrastructure in two separate buildings with a simple administration tool for small teams.

The hyperconvergence solution proved to be the most relevant, as it allowed simultaneous renewal of servers, storage and network.

CHÂTEAUROUX
Métropole

suppliers.

“We work with over 100 strategic partners across the world”

Suppliers

During the year SCC UK and SCC France have been awarded Advanced Partner status with Amazon Web Services (AWS) for its combined capabilities in the UK and France. It has taken the firm just under 12 months to reach this level and demonstrates what is achievable when it combines its expertise and capabilities across countries

We have established relationships with vendors which we maintain for the long term as these vendor partnerships are fundamental to our long-term success.

We work hard to maintain these relationships which are central to the business being able to provide vendor independence to our customers. Partnerships have been established with many vendors of which AWS, HP, HPE, DELL, Veritas, EMC, Cisco, IBM, VMWare, Microsoft, NetApp, Lenovo and Oracle are pre-eminent. We are a multi-award-winning business, underpinned by best practice IT accreditations and processes to deliver market-leading solutions for our global customers. See some of our highlights below:

We are a multi-award-winning business, underpinned by best practice IT accreditations and processes to deliver market-leading solutions for our global customers.

AWS Global Partner Program (APN)

A member of the AWS Global Partner Program (APN) SCC leverages Amazon Web Services to build solutions and services for customers.

"SCC offer at every stage to provide background and support to their customers interlocked with great technical knowledge to help validate requirements if needed by the end customer. They are strong proponents of the AWS solution set and are readily available to provide detailed overviews and technical understanding if required."

Angus McDonald, Post Office Ltd

HP Amplify Power Services partner

SCC is a leading HP Amplify Power Services partner for HP FY21. Holding the highest level accreditation across HP, SCC has maintained a long standing relationship as one of the largest partners across EMEA. Together SCC and HP deliver world class device solutions optimising workplace productivity and improving collaboration.

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

Neil Sawyer, HP Channel Director UK&I

HPE Global Partner Summit

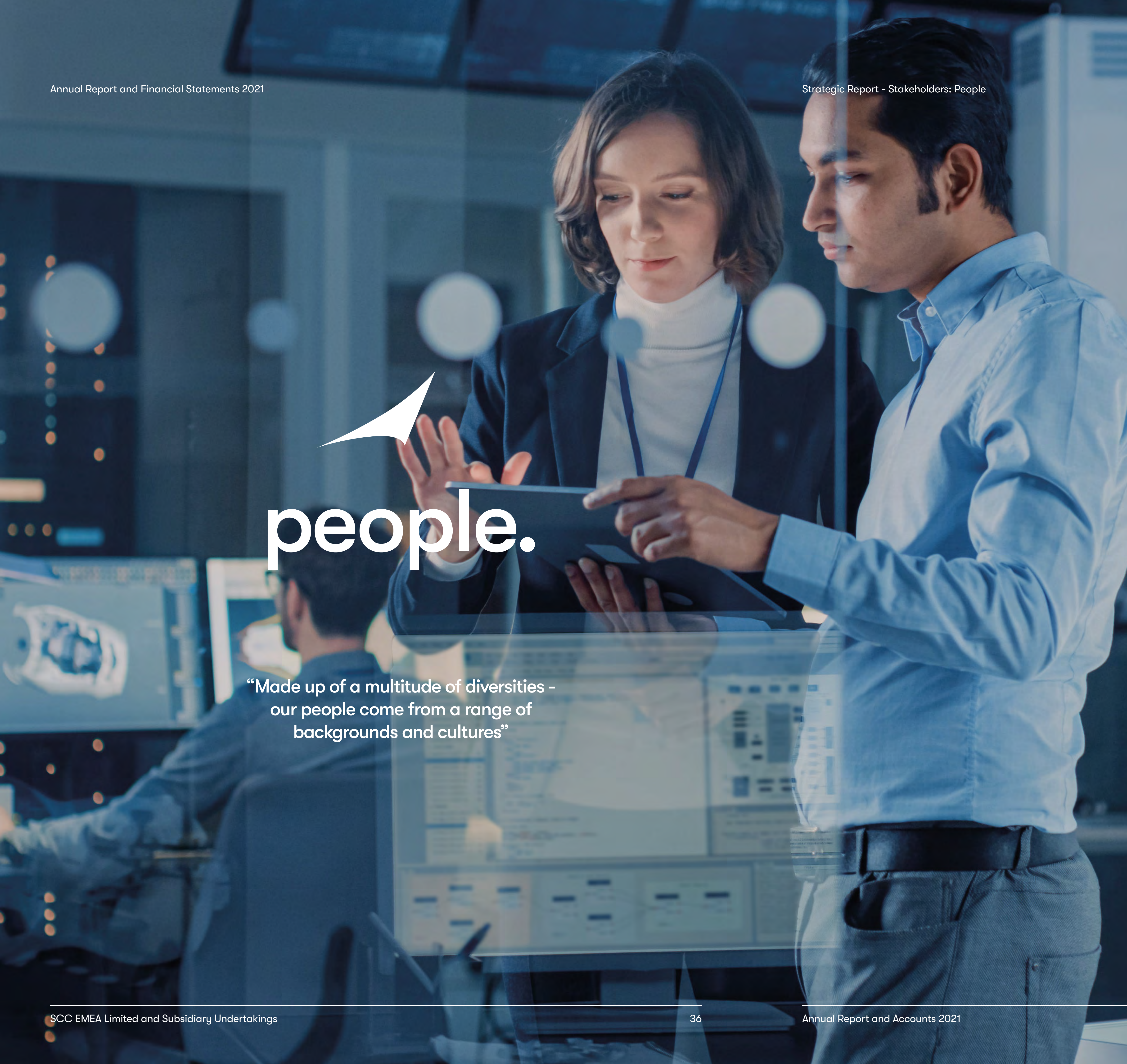
SCC and HPE have a relationship spanning over 30 years. SCC's Cloud+ offering is powered by over 3,000 HPE racks in our own UK based Data Centres.

"Congratulations SCC, on winning two awards at the HPE Global Partner Summit Virtual Experience 2020. I am thrilled to see you recognised for your outstanding performance, commitment to customer excellence and focus on growth over the last year. On behalf of Hewlett Packard Enterprise, thank you for your inspiring partnership."

Lewis Simmonds,
HPE UK Channel Sales Leader

Dell Technologies

We have achieved Titanium Black partner status as a result of this longstanding relationship and continued investment in our capabilities with Dell Technologies' products and solutions. This level is invite-only and highlights SCC's European-wide strategic importance to Dell Technologies' goals as a business.



people.

“Made up of a multitude of diversities - our people come from a range of backgrounds and cultures”

Equality and Diversity

Diversity is one of our 5 new values selected by our employees and management during the year, see page 45.

SCC's continued growth and accomplishments come from the fantastic people within the business. No matter what their role, all of our employees contribute towards the business' success and enable it to thrive. We are committed to providing equal opportunities and promoting diversity in all aspects of employment. All applicants are treated equally with decisions to employ candidates being made solely on their aptitude to perform the role. Furthermore, we recognise the importance of employing individuals based on their knowledge and skills and that different experiences and personalities can help build innovation and diversity.

Gender

We acknowledge our people's contribution and therefore promote a culture that equally values the contribution of both men and women. As a family owned and managed business, we embrace diversity with pay principles that ensure gender is not a factor in how people at SCC are paid or rewarded.

We remain committed to attracting and retaining the very best talent irrespective of gender by encouraging more women to join and succeed with us. 50% of our French management are women.

Disabled people

Throughout our Group, we want to make our contribution to the inclusion of people with disabilities. Whatever the origin and nature of the disability; SCC adapts with support from management. Our Human Resources departments are very committed to putting in place tools and appropriate support to allow everyone to succeed.

Continued employment and where necessary training of persons who become disabled while in the Company's employment is available across all of our subsidiaries.

In France our Recycléa company is a member of the UNEA (National Union of Adapted Enterprises) in France, committed to professional inclusion of people with disabilities. The ESUS (Solidarity Company of Social Utility) status obtained by Recycléa demonstrates that the company seeks above all a significant social for disabled people.

SCC est signataire de la CHARTE DE LA DIVERSITÉ

Young Careers

Apprenticeship Schemes

In the UK SCC has a highly successful apprenticeship scheme, offering opportunities in over 18 different programmes to study role specific qualifications, with on-the-job experience and transferable skills needed to succeed in their chosen career. We work in partnership with local colleges and training providers to deliver accredited qualifications together with wrap around internal development plans so that apprentices can grow their technical, business and personal skills. Examples of recent programmes include Level 3 Infrastructure Technician, Level 4 Network Engineer, and Level 4 Business Administration.

In Romania, students are invited for a 2-month period to experience what it is like to work as an IT professional, which includes a full program of training to support their IT and workplace skills.

Graduate Schemes and Internships

In the UK we recruit cohorts of sales graduates who have been working across the business, liaising with prospective clients and vendors and introducing our clients' services to key decision makers. The scheme starts the graduates on the pathway to becoming an experienced account manager and benefits from a Technical Sales qualification, as well as a comprehensive specialist sales training plan.

In France, SCC welcomes around 100 young women and men every year as part of 3-year higher education training programme. At the end of this programme, participants are awarded a Bac+5 higher education diploma and offered a permanent employment contract SCC offers a permanent contract.

In Spain we welcome final year computer engineering students for internships.

In Romania we operate an IT internship program targeting final year students who want to start a career in IT services. This is run 2 times per year and 40% of participants go on to further their careers with us.

Learning and Development

Due to SCC's rapidly changing competitive environment, we must adapt to and anticipate changes in businesses and technologies while promoting the professional development of our employees. This is why SCC invests in the continuing education of its employees.

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

- Industry Accredited Courses and Qualifications
- Leadership and Management Development
- People Development Training
- Working with Partners
- Mentoring Scheme
- Job Shadowing
- Online Learning

SCC Academy Romania

Founded in 2014, SCC Academy is our Romanian training programme, dedicated to the continuous development of the skills of our 1,000+ employees. We are aware that our success is primarily due to the talented people in the SCC teams and that is why we invest a lot in technical, linguistic and leadership training programmes.

With dedicated training facilities both in Bacau and in Iasi, and 6 trainers, SCC Academy has offered over 370 hours of technical training annually benefitting 1,700 participants. SCC employees can obtain globally recognized certifications, accredited by the Ministry of Education, as well as participating in Team building and our annual leadership programmes.

In Spain, we have a Sales school and a Leadership school to increase the skills of our employees.

SCC Academy
Building Our Future

Health and Wellbeing

Provide employees with more opportunities to volunteer in their local communities

Health

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

In the UK, we have worked with The Healthy Employee (THE) for more than five years giving people at SCC the opportunity to improve their wellbeing with access to health assessments and healthy eating programmes.

Employee benefits

We offer our employees flexible benefits package providing them with choice and flexibility such as eye care vouchers, discounts on travel cards, discounted cinema tickets, and many more.

In some of our locations we provide free yoga and meditation classes to our staff.

We have a Cycle to Work Scheme to encourage our employees to make healthier and more environmentally friendly lifestyle choices.

Our employees are given one day a year to donate their time to a charitable cause.

Employee Engagement

Keeping in touch

Keeping our people informed is an important aspect of our culture. To ensure that our staff are provided with essential updates to keep them appraised of changes across the business and how this affects them we have various approaches: we provide news and technical resources via our intranet; monthly CEO vlogs; formal and informal meetings and presentations to share important news and developments.

We run an annual sales meeting in each country to kick off the year, which in both 2020 and 2021 were held virtually.

Shareholders

We are owned by the Rigby Group (RG) plc, a family-owned diversified group with divisions in Technology, Airports, Real Estate, Financial Services, Aviation and Hotels. To measure performance consistently over these differing businesses the group uses "EBITDA" (operating profit adjusted for depreciation and amortisation costs) as an additional measure of financial performance.

EBITDA Reconciliation

Whilst we focus our management teams on operating profit, we also track closely our EBITDA to ensure we are aligned to our parent's financial objectives. EBITDA has grown by 28% over the last financial year to £63.3m. The Group believes that this measure, which is not considered to be a substitute for or superior to FRS102 measures, provide stakeholders with helpful additional information on the underlying performance of the Group.

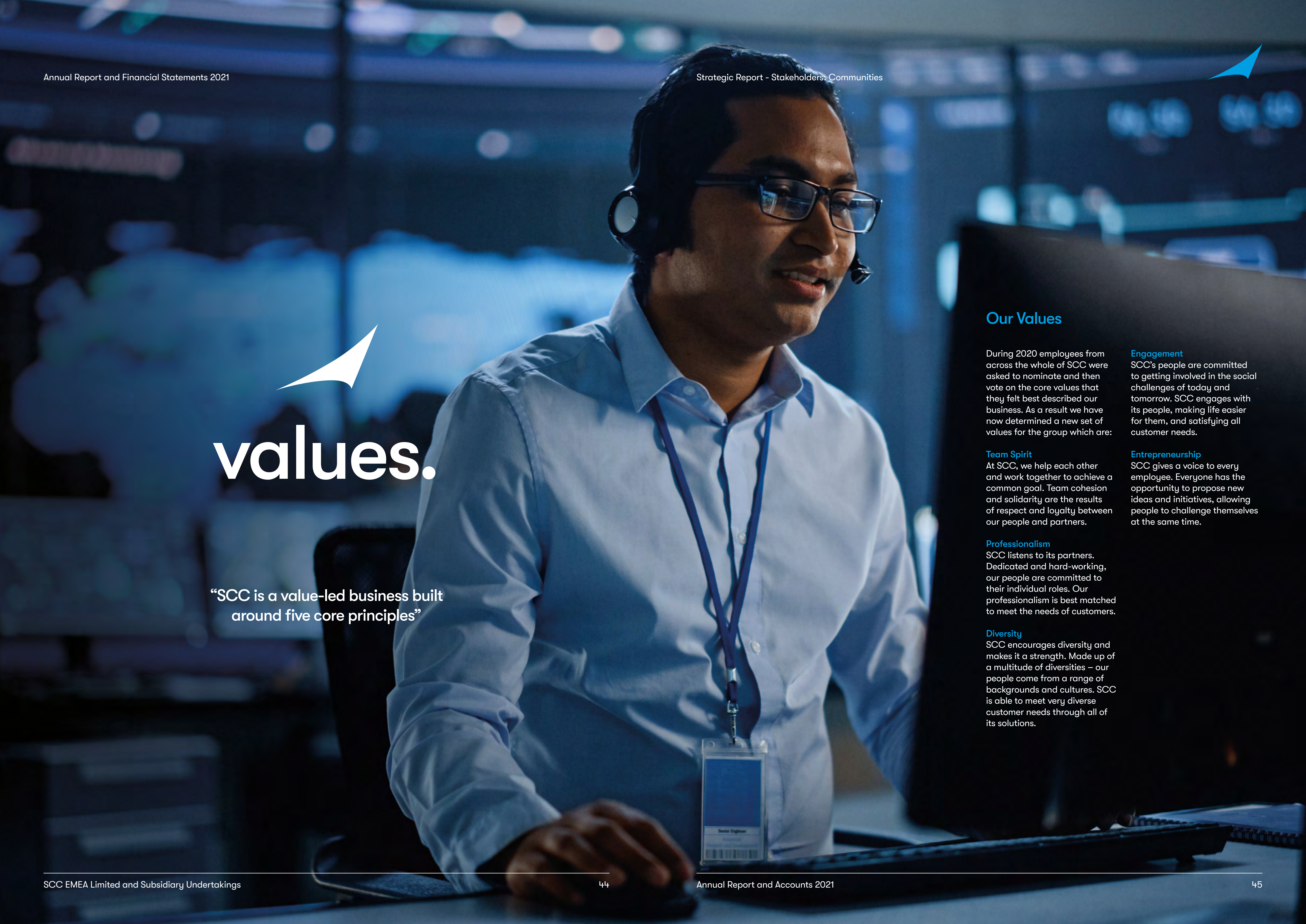
Dividends

Whilst we have a long term aim to return to our shareholder a maximum of 50% of the profit after tax generated by the group in every financial year without increasing our leverage, this year, due to the Covid 19 pandemic our shareholders took the decision that no dividends should be paid to the Rigby Group and instead management should focus on ensuring the Group has sufficient funding to cope with the ongoing uncertainty caused by the pandemic. In 2020 we paid £8.5m to Rigby Group (RG) Plc which represented 39.8% of profit after tax.

Shareholder Participation

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

	2021 £'000	2020 £'000
Operating profit	45,868	30,708
Depreciation	11,099	12,015
Amortisation	6,330	6,570
EBITDA	63,297	49,293



values.

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

Our Values

During 2020 employees from across the whole of SCC were asked to nominate and then vote on the core values that they felt best described our business. As a result we have now determined a new set of values for the group which are:

Team Spirit
At SCC, we help each other and work together to achieve a common goal. Team cohesion and solidarity are the results of respect and loyalty between our people and partners.

Professionalism
SCC listens to its partners. Dedicated and hard-working, our people are committed to their individual roles. Our professionalism is best matched to meet the needs of customers.

Diversity
SCC encourages diversity and makes it a strength. Made up of a multitude of diversities – our people come from a range of backgrounds and cultures. SCC is able to meet very diverse customer needs through all of its solutions.

Engagement
SCC's people are committed to getting involved in the social challenges of today and tomorrow. SCC engages with its people, making life easier for them, and satisfying all customer needs.

Entrepreneurship
SCC gives a voice to every employee. Everyone has the opportunity to propose new ideas and initiatives, allowing people to challenge themselves at the same time.

Ethical Policies

Our commitment and ethics

At SCC, we believe that lives can be improved through business. We also understand the imperative for businesses to operate responsibly. People want to buy from a business that works hard to integrate sustainable and responsible practices in all that they do.

We conduct our business to rigorous, ethical, professional and legal standards and operate in an environmentally responsible manner.

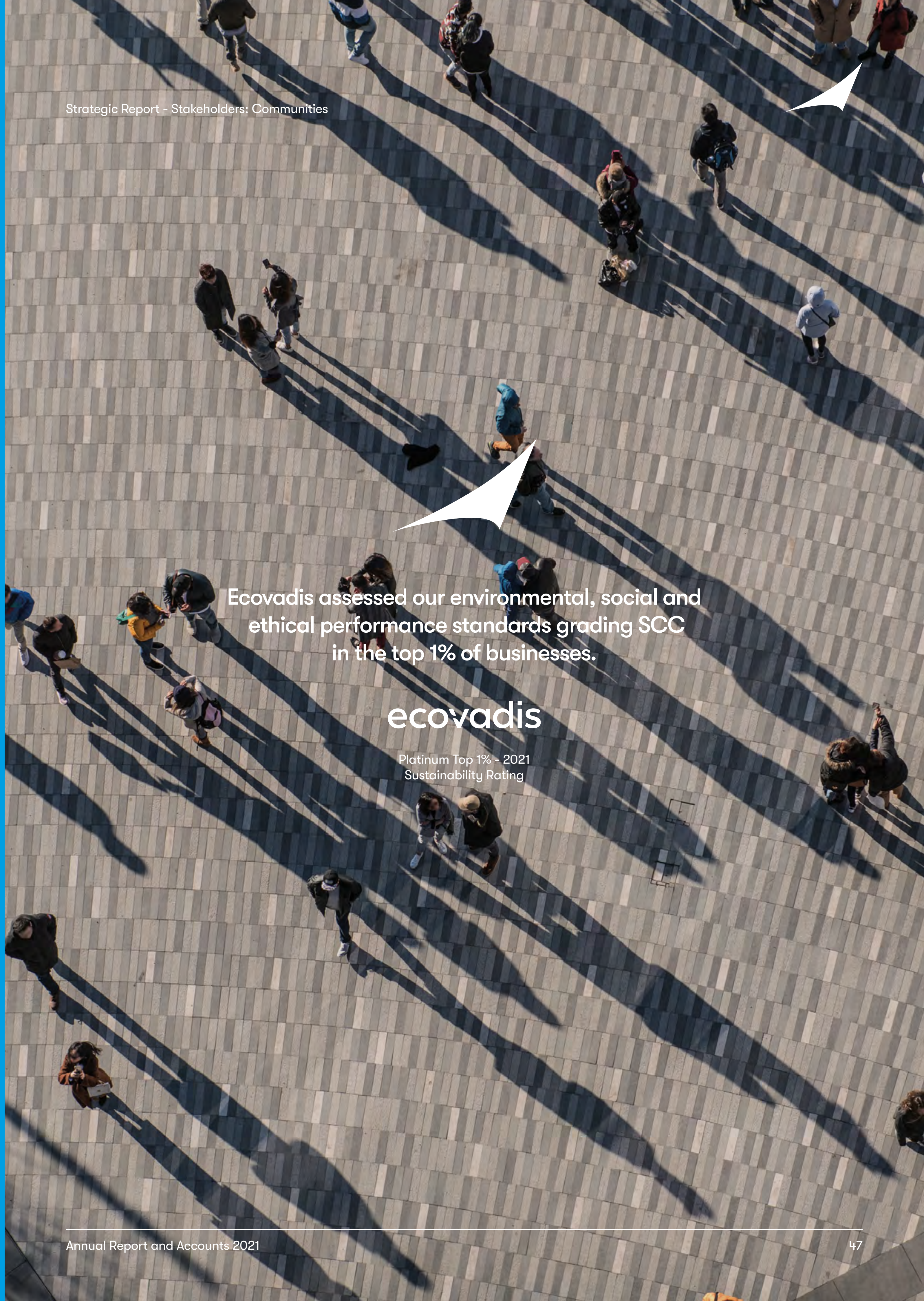
We operate clear internal policies in relation to Fraud, Bribery and Corruption, Modern Slavery, Anti-facilitation of Tax Evasion and Whistleblowing.

In France SCC has been awarded Platinum medal – the highest status by Ecovadis, the world's largest provider of business sustainability ratings. Ecovadis assessed our environmental, social and ethical performance standards grading SCC in the top 1% of businesses.

Our French business is a signatory to the UN Global Compact framework, the world's largest corporate sustainability initiative based on ten principles of human rights, employment, the environment and anti-corruption.

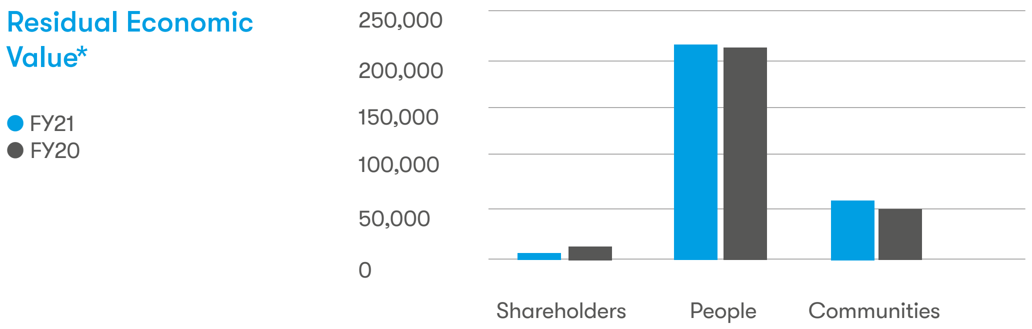
Our approach to Corporate Social Responsibility (CSR) is focused on making sure we operate in a manner consistent with our family brand values. Our main objectives are:

- To use our skills and position within the IT industry to help improve the quality of education in the community
- To encourage our employees to get involved in local initiatives that will improve and benefit the community.
- To build and maintain solid relationships with organisations within the community who can benefit from our help and support.



Distributing Economic Value to Stakeholders

Residual Economic Value*



Economic value, represented by our Turnover, generated in the last year has grown by 8.4% to £2,465m. Of the value generated 86% is consumed by operating costs paid to suppliers and the remainder is distributed between shareholders, people and communities or retained for the future investment in the business.

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

	Growth	FY21	FY20
Economic Value Generated	+8%	2,464,768	2,273,062
Shareholders	-100%	0	8,500
People	+1%	226,333	224,187
Communities	+11%	68,957	62,316
Opening Costs	+9%	2,121,018	1,938,224
Value Retained	+22%	48,460	39,835

Tax Strategy/ Policy

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

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

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

Environment

Monitoring our carbon emissions

SCC believes that working to promote sustainability for our company, our customers and our supply chain is good business practice.

We recognise the importance of our environmental responsibilities in all of the countries in which we operate; monitor to understand the effect that our business has on the environment; communicate to raise awareness; and seek to find new ways to reduce the impact which our business has on the global environment. Our travel policies reflect the opportunity we have to help the environment by restricting journeys to essential visits and by making use of technology based alternatives to travelling.

UK
Gross tCO2e have fallen 21% on prior year having made emissions of 6,821 tCO2e, which equates to 0.94 tCO2e per £100,000 of revenue from those subsidiaries.

During the year the SCC has purchased 100% renewable, REGO backed electricity where we are responsible for the supply, which our data centre customers also benefit from. They continue to work with carbon management company co2balance offsetting Scope 1, market-based Scope 2 and business travel Scope 3 emissions and are working towards achieving ISO 50001 accreditation during the next 12 months. In addition, the completion of the SCC global headquarters in Birmingham during the year is also expected to save 400MWh of electricity and 580MWh of gas annually through use of heat pumps, heat recovery ventilation, LED lighting, metering, and controls.

Carbon Emissions: UK SECR	Year ended 31 March 2021	Year ended 31 March 2020*
Energy consumption used to calculate emissions (kWh)	29,173,569	34,549,074
Emissions from combustion of gas (tCO2e)	250.30	292.26
Emissions from combustion of fuel for transport purposes (tCO2e)	944.63	1,5811.11
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (tCO2e)	110.09	686.72
Emissions from purchased electricity	5,516.64	6,128.46
Total gross tCO2e	6,821.67	8,688.55
Intensity ratio: tCo2e/£100,000 turnover	0.94	1.20
Methodology		GHG Protocol

*2020 data has been re-baselined to ensure energy consumed by and recharged to third parties is also fully excluded from our consumption figures.

Transport Policy
Our transport policy has been in place since 2014 and is focused on how to secure a sustainable approach to our transport requirements. Where possible we encourage direct delivery to customers from vendors, to reduce our travel imact of our logistics operations

Spain

In 2020, we continued our objective of reducing our carbon footprint by 15%, which is registered with the Ministry of Ecological transformation in Spain. Key parts of this initiative include:

Equipment: Using software upgrades to help retire older less energy efficient hardware. Supplying our staff with low-energy computers and monitors.

Transport: Renewal of our car / van fleet with hybrid vehicles; Reduced travelling through increased use of video-conferencing

Communication: Raising employee awareness of their impact on the environment

France

We assess our greenhouse gas emissions every 4 years as part of our statutory obligations. Our last study was completed in 2019 based on 2018 and 2017 data.

We carry out the study on our consumption of electricity, gas, fuel and also the emissions related to electricity consumption (production, transport and distribution). In 2018, our largest item was fuel consumption: 2,607 Tco2e, down 384 Tco2e compared to 2017. The second largest item was electricity and gas consumption: 483 Tco2e. Indirect emissions related to the production, transport and distribution of electricity amount to 247 TCO2e.

Our fleet of service and company vehicles is managed on a long-term rental basis and allows us to have an average fleet of 102.7 g / km of CO^2, which corresponds to B ranking of the car energy label, and includes electric vehicles and 77 hybrid vehicles.

Ethique & Conformité	Social	Environnement	Economie & Achat
Charte éthique Code anticorruption Dispositif d'alerte	2 993 actions de formation en 2020 = + 19 000 heures de formation dispensées	↘ de 8,5% des émissions de Gaz à Effet de Serre entre 2017 et 2018. Etude RSE de nos transporteurs	Signataire de la « Charte Relations Fournisseurs Responsables »
89% de nos collaborateurs ont signé « les engagements du collaborateur »	Recyclea entreprise adaptée qui emploie majoritairement des personnes en situation de handicap	13 flux de déchets recyclés sur notre site technique et logistique de Lieusaint	Etude RSE de nos fournisseurs hardware : 75% ont adhéré au code de conduite RBA.
Nos certifications ISO, gages de nos savoir-faire 9001, 14001, 18295-1, 20000, 22301, 26000, 27001, 45001.	Index égalité femmes-hommes (93/100 points en 2021) +20 points en 2 ans	Economie de fonctionnalité : Le leasing As A Service favorise l'usage à la possession.	Altimance, insertion professionnelle : 97% des collaborateurs étaient auparavant demandeurs d'emploi
NOUS SOUTENONS LE PACTE MONDIAL UN GLOBAL COMPACT	SCC est signataire de la CHARTE DIVERSITÉ	FRET 21	PLATINUM 2021 ecovadis Sustainability Rating

Bee Responsible

SCC France presented 20 beehives to the Rouen Neoma Business School campus to install on their campus in support of Bee Responsible, an association focused on biodiversity. This project has already raised awareness among more than 2,000 people on campus.

Canal & River Trust

In the UK we have adopted a stretch of canal close to our Global Headquarters and have been working closely with the Canal & River Trust to organise a volunteer day each month for employees to take part in activities to maintain the canal. The volunteer days include numerous activities such as painting, litter picking, towpath maintenance and much more.

Waste Management and Recycling

We aim to help protect nature's biodiversity by continuing to reduce our energy consumption; reduce water and waste consumption; increase recycling; decrease noise and air pollution and decrease our consumption of paper and packaging.

Our French subsidiary Recyclea specialises in the management and reuse of computer and electronic equipment at the end of life.

5%

annual reduction in waste that is not recycled or reused.

Audit
Data erasure
Cleaning
Delivery
Sale
Recycling

Recylea processes over 230,000 materials each year, with 87% of these able to have a second life.

"With Recycléa, we are able to offer our French customers recycling capacities that are just as powerful as those we have in UK. Recycléa is part of a state-of-the-art European recycling network capable of processing more than half a million parts per year."
Sir Peter Rigby, Chairman of SCC EMEA Group.

In France at our central warehouse site in Lieusaint, rainwater flowing from traffic lanes and parking lots passes through our sludge trap which retains hydrocarbons and allows us to release unpolluted water into the natural environment. We use cleaning products with minimal impact on the environment. The maintenance of green spaces is carried out by limiting the use of harmful phytosanitary products.

In the UK SCC's Recycling, Environmental and IT teams carry out extensive research and system development in order to input the most accurate data into our bespoke recycling system, Radius. When customer IT equipment is received into our secure facility, we assign each item a unique SCC tracker identifier and capture all critical item details, including manufacturer, model, serial number and applicable asset numbers. The unique tracker is physically placed on items and captured into Radius, alongside all other critical item detail. Radius is a fully auditable system which records real time touch points involved in the end-to-end processing of each individual item.

Over a number of years significant investments have been made in recycling services and in the UK we have a 0% landfill objective on recycled IT. We have put in place the necessary systems to manage, control and monitor performance in respect of environmental waste. At our central warehouse facility in France, we set targets for waste recycling aiming to continuously improve our recycling rate which was 71% in 2019.

Charitable Support

Across our Group we engage in over 50 charities and causes, here are some of the highlights.

SCC continues to be an active supporter of the Rigby Foundation which is a registered charity and which operates independently of SCC. We believe that building and maintaining relationships of trust in the community is vital to the sustainability of our business.

The Foundation invests in causes relating to lifelong learning, health and education. The foundation currently has more than £1.5million invested in active projects, supported by strategic guidance and oversight from senior Rigby Group executives.

The Rigby Foundation

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

Mind

Mind provides advice and support to empower anyone experiencing a mental health problem. They campaign to improve services, raise awareness and promote understanding.

Every year, one in four of us will experience a mental health problem. But hundreds of thousands of people are still struggling. Mind believes no-one should have to face a mental health problem alone. They listen, give you support and advice, and fight your corner.

The Prince's Trust

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

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

Having been a patron for the last 7 years we are proud to have supported various schemes and campaigns, most recently, a £300,000 commitment to assist the Trust in launching a new, much needed centre in Birmingham to accelerate its excellent work in supporting and developing under privileged young people.

Molly Olly's Wishes

SCC is proud to partner with Molly Olly's Wishes. Molly Olly's Wishes supports children with terminal or life threatening illnesses and their families to help with their emotional wellbeing. They grant individual wishes and donate therapeutic toys and books to both children directly and to hospitals throughout the UK.

e-Enfance

We continued to support e-Enfance which educates people in new technology and helps young people follow good digital practices. The association supports parents and educational professionals.

Following a first sponsorship agreement signed in 2017 SCC renewed its support in January 2019 with a further 3-year agreement.

Fondation de France

"Let us remain united for the most vulnerable".

Working with the Fondation de France during digital week we developed a program of workshops which in total raised over €5,000 for medical research to support vulnerable people.

Tout Le Monde Contre Le Cancer

For 2 months in 2020, SCC ran the "KM for Change" with the Hello for Change organisation to support Tout Le Monde Contre Le Cancer, Everyone against Cancer ". For any kilometre ran or walked by an SCC employee we were able to transform their kms into Euros. Over a hundred employees took part leading to a donation of 5,000 euros.

The Everyone Against against cancer campaign has achieved more than 1000 positive interventions in French hospitals supporting patients, care givers and nursing staff.

Opéra national de Paris

As part of their programme to support local culture, SCC France elected to be patron of the Opera de National Paris to support them in their objective to make Opera accessible to the wider public. SCC France donated the time of their employees to install wireless access at both the Opéra Bastille and the Palais Garnier and offers support with IT skills training across the Opera de National Paris.

Cros pentru Scoli

In Romania, Cross for schools is an annual event that aims to raise funds for the endowment of schools and high schools in Iași County where our HQ is based. The SCC volunteer team is part of the group of over 500 campaigners who mobilized for the development of the school environment in Iași.

In Spain and Romania, we donated surplus furniture to charitable organisations following office relocations.

Our SCC Vietnam employees raised money and donated gifts and clothes to the Educational Centre for Disabled Children. The Centre provides the children with access to education and care and relies solely on contributions from the local community and benefactors. The donations were delivered during a visit by SCC Vietnam employees to the Education Centre, where the SCC team worked to bring additional festive cheer by arranging for a clown to play with the children and by participating in a variety of games and activities.

Strategic Report – Governance: Section 172

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

Section 172 of the Companies Act 2006 requires directors to promote the success of the Group for the benefit of the members as a whole and in so doing to act fairly between members and to have regard to the interests of stakeholders.

Under Section 172, directors have other obligations to:

- consider the likely impact on stakeholders of decisions in the long term,
- consider interests of employees,
- foster relationships with suppliers and customers,
- consider the impact which the Company has on the wider community and the environment,
- recognise the desirability of maintaining high standards of business conduct.

Within this report we discuss who our stakeholders are and summarise here how we have engaged with them, describing the main elements of our relationship, how we have considered what is important to them and how we have responded to address those needs in the way we have managed the Group.

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

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

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

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

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

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

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

	Shareholders	Customers	Suppliers	People	Communities
How we engage	Shareholder participation in board and executive meetings Strong internal governance	Close Executive relationships Regular Account reviews Key account management Customer feedback	Close Executive relationships Strategic Relationship reviews Clearly defined supplier engagement policy Technical forums & collaboration	Updated Internal Intranet Monthly EMEA CEO Vlog “Ask James” Group CEO mailbox Management Briefings	Well defined Environmental policies CSR committee and Collaboration with local community charities Close relationships with schools and universities
What’s important to them	Long Term Return Dividend Flow Cash Generation and Gearing Financial Discipline Ethical Behaviour, Respect for family values	Quality of Technical Expertise Relevance of Services and Solutions Service Levels Technical relevance and Vision Trusted Partnership	Long Term Collaborative Partnership Proactive Communication Aligned Commercial Objectives Technical Expertise Ethical Behaviour	Opportunity for development Diversity to enrich working practises Equality and fairness Working Environment Participation	Ethical Behaviour Actively supporting local communities Environmental Awareness and Actions
How we respond	Long term strategic planning framework Annual Budgeting and planning Regular performance reporting Dividend and Cash planning Shareholder board representation	Senior Executive engagement Focused Relationship Management Maintaining technical expertise Investment in new technology Monthly board reviews of customer pipelines, new business and challenges.	Strategic Relationships with senior execs tracking technology change. Engagement with our sales teams and at our key sales meetings Supplier Code of Conduct Skills training and investing to maintain accreditations Dedicated relationship management	Clear Employment Policies Active engagement programmes Involvement in developing our values framework Commitment to inclusive culture Flexible employment packages Access to skills and technology training	Developing our sustainability policy Employee volunteering days Support for the Rigby Foundation and for local charities Apprenticeship and graduate trainee programmes

Board Activity and Decision Making

There were 10 board meetings during the year all of which were attended by 5 of the 6 (83%) eligible directors.

The process of decision making in the EMEA Group is largely devolved to the country boards which operate monthly.

A quarterly EMEA Board meeting for executive and non-executive directors and for invited guests provides an escalation point for the country board meetings and there are a number of matters which are reserved for the EMEA Board or for the RG Board. At each country meeting, the Board receives reports from the executive directors covering the financial performance, sales and commercial activities, legal matters, strategy updates and the general business environment. Members of the executive provide relevant updates from their area of operation and decisions are made taking into account risk and the impact that those decisions have on stakeholders.

Key decisions taken during the year have considered the stakeholders and how they would be impacted. Key decisions are made with consideration of both short and long term objectives, and these considerations are continually reviewed and changed by the Board as the general business environment changes.

Key Decision	Impacted Stakeholders	How they were considered
FY22 Financial Business Plan	Shareholders, Employees, Customers, Suppliers	The Board takes into consideration factors such as the sustainability of the business for employees and customers, growth in key services, a sufficient return on investment for Shareholder and the long term investment plan when setting the Financial Business Plan. These considerations will continue to be made when setting future business plans.
Covid 19 Business Transformation plans	Employees, Customers, Suppliers, Shareholders	The Board have considered the need to support customers in the short and long term and also how to protect long term employment when taking decisions on business transformation plans. This includes considering the need to maintain supplier partnerships and the ability to reinstate services to our customers at short notice.
Dividend policy	Shareholders, Customers, Suppliers, Employees	The group has a dividend policy to ensure a long-term return to our Shareholders. In the current year this was reconsidered and a decision made to pay no dividends in relation to the current financial year. This decision took into account the Board's need to ensure that there remains sufficient cash in the business to meet current working capital requirements, and that sufficient resources remain available for longer term investments in the Group. This is also to safeguard employees and customer interests. In the long term the Board will continue to monitor the suitability to pay dividend taking into consideration the long-term returns required to our Shareholders and also the need for sufficient cash reserves into the Group.
Application for Covid 19 Governmental support	Shareholders, Customers, Suppliers, Employees	The Board took the decision to apply for Covid 19 Governmental support due to the need to provide continuity of service to customers and also considered the long-term job retention of employees. The Board also considered the need to safeguard liquidity and sustainability of the business in the short term.

"The effective management of risk contributes significantly to the successful delivery of the Group's strategic plans and objectives."

The EMEA Group is currently not required to follow a formal Corporate Governance Code, however we do take seriously our obligations to our stakeholders and we support initiatives designed to extend the good corporate culture and behaviour. Internal governance is an important aspect of our relationship with our shareholders and we keep under review how we can improve our governance processes. We are monitoring government consultations currently in progress and how they will affect governance for large private companies with an expectational that we will adopt new guidance in future.

Internal Control & Risk Management

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

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

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

Audit, Risk and Remuneration Committee (ARR)

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

Internal Audit

The SCC EMEA Group internal auditor will work closely with the ARR to identify areas of focus for internal audit assignments and to report findings and ensure recommendations are implemented.

External Audit

Our external auditor forms part of our control framework, and is a valued source of independent assurance. We support our auditors to ensure they can provide an effective annual audit which is important to our stakeholders. We are committed to supporting greater value to our shareholder from our external audit.

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

Risk Management Framework

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

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

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

Risk Appetite

The SCC EMEA group has a solid track record of delivery across all divisions. Our approach to risk balances growth ambitions with maintaining that strong reputation in all of the territories in which we operate.

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

Risk Universe

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

Risk Category	Impact	Response
Financial	Profitability, revenue streams, operating cost, debt or unrecoverable costs	Financial planning and modelling of profitability and access to cash against a range of scenarios Increased focus on rolling forecasts for both profitability and cash Bank facilities are reviewed and updated to provide additional flexibility Monitoring discretionary capital and revenue expenditure
Technology Change	Design, delivery, availability, scalability, continuity, consistency or marketing of services	Continue to develop service offerings to respond to technology consumption demand models and remote working trends to ensure we remain relevant to our customers
Commercial	Design or delivery of contracted services and associated service level agreements, including anticipated SLA breaches and service credits	Close customer relationships and flexibility on service solutions to suit the needs of our customers
Infrastructure & Security	Size, location, integrity or suitability of buildings and associated utilities Confidentiality, integrity &/or availability of information or information assets through accidental or malicious intent	Safeguard our customer with the highest level of security standards within our data-centre operations and our end point devices
Internal Systems & Productivity	Effectiveness of current processes or associated process controls	Developing software solutions, adopting new technology such as AI and adapting our processes to remote working environments both internally and for our customers
Documents & Records	Creation, processing, classification, control, integrity, availability, recovery &/or disposal of documentation and records	Alignment with GDPR requirements and best practice security protocols.
Business Continuity	Ability to recover systems, infrastructure, resources, operations and services in accordance with contracts and associated SLA's	Business continuity plans were instigated successfully with minimal operational disruption at the onset of the Covid 19 pandemic
Standards & Certification	Scope and effectiveness of certified management systems	Adherence to ISO standards
Systems & Communications	Accessibility, integrity and availability of systems and communications	Remote working executed with minimal operational implications

Risk Category	Impact	Response
People	Quantity, availability, and competency of appropriately skilled employees	Continual technical training to ensure our people remain up to date with industry developments
Strategy	Suitability of current strategic objectives	Executive planning workshops referencing market and technology changes ensure strategic objectives are relevant
Reputation	Credibility, confidence or public profile either locally, nationally or internationally	Our values and culture underpin how we do business ethically and responsibly
Legal Compliance	Criminal prosecution, custodial sentence, class action, prohibition notice, civil action, improvement notice, personal claims, or industrial tribunal	Comprehensive policy suite. In house legal expertise at Rigby Group and SCC EMEA group combine with external legal advice as required
Health & Safety	Physical or mental health and welfare of employees or the public	Adherence to government guidelines to safeguard the well-being of our employees was a primary focus during the Covid 19 pandemic
Business Environment	Economic and political uncertainty	Increased proximity to customers with frequent and in-depth contact to ensure alignment to their needs
Environmental	Environment or public health	Sensitive to the environmental impact of our business and commitment to the Co2 agenda
Suppliers & Sub-contractors	Loss of critical suppliers, service level and contract breaches or disagreements	Collaboration with suppliers to remain aligned to industry developments

Principal Risks and Mitigations

Infrastructure Security	Trend
• Loss of Data Centre operations due to Cyber-attacks or a failure of physical or technical fail over procedures resulting in interruption of services to customers and reputational damage. • Cyber-attack to our systems leading to a loss of customer, personal or business data. • Loss of service of internal systems disrupting internal operations or customer experience.	
Mitigation	**Update**
• Industry Standard Network Protection and Data Centre Infrastructure. • Ongoing security testing and investment programmes to maintain protection. • Extensive Information Security Policy and Procedures	• General cyber risks are growing • Change to work patterns due to Covid 19 have increased cyber risks • Constant monitoring

Technology Change	Trend
• Decline in demand for our services or knowledge • Failure to identify new technology demands or vendor developments. • Investing in the wrong technology. • Failure to invest appropriately in internal and customer facing software. • Failure to understand our customers and respond to changes in their requirements.	
Mitigation	**Update**
• Established business with experienced executive practised in managing technology change • Long standing customer and vendor relationships. • Vendor Independence allowing a selection of the most appropriate solutions for customers. • Close involvement of senior executives in operations and technology strategy. • Rolling programme of Strategic Review for each business unit. • Innovation team dedicated to identifying technology trends and our response	• Covid 19 impacts on remote working and workplace dynamics has accelerated pace of change • Executives keep pace with change and Business growth indicates continued relevance Strategic Business reviews reference changes in demand in the market for example in relation to technology consumption models

Commercial	Trend
• Long term contracts become onerous due to poor risk identification and competitive pressures • Contract management and delegated authorities become inadequate to identify and mitigate contractual risks. • Failure to deliver contractual obligations and meet required service levels. • Customer loss or failure to pay	
Mitigation	**Update**
• Clear engagement and contract approval processes engaging all appropriate stakeholders from bid to contract signature • Specialist skills engage in commercial bid and contracting process Senior Executive review via major opportunities • Long Term customer relationships are maintained with high levels of service and close attention of management • Setting of appropriate credit limits and insurance with leading global insurance partners	• Covid 19 has increased general uncertainty and demand for service flexibility. We monitor and manage those demands carefully and closely. Our contract management policy remains effective • Development of "as a service" and financing solutions in response to customer needs.

Strategy	Trend
• Long Term Planning process needs to be in sufficient detail to respond to the market, innovation and future potential • Executive lacking time to focus on the long term • Operating models not adaptable to facilitate organic and acquisitive growth • Strategy not reviewed sufficiently frequently to keep up with industry change	
Mitigation	**Update**
• Detailed 3-year planning processes with executive focus and subsequent performance reporting • Long term incentive plans support correct behaviours • History of integrating acquisitions	• Continuation of annual strategic planning and forecasting activity • Current refresh of Strategy references current market trends in 2021

Financial	Trend
• Poor control of overheads. • Underinvesting in indirect costs resulting in failure to identify and win new business or to deliver required customer experience. • Short term cost management detracting from the long term need to invest in supporting infrastructure necessary to maintain and enhance productivity. • Weak working capital management. • Inadequate Financing facilities with inappropriate counterparties which do not match with the working capital profile.	
Mitigation	**Update**
• Detailed financial reviews are carried out by senior executives combined with closely controlled delegation of purchasing authority. • Regular reviews of organisation structure, its size and shape to ensure adequate resources are in place. • Detailed monitoring of working capital drivers, linking pay to performance and embedding working capital considerations into commercial proposals. Facilities with long term stable counterparties are matched to working capital needs.	• Continued control over discretionary revenue and capital spend to focus on protecting liquidity and access to cash. • Medium & long term business planning has been enhanced with greater short term scenario management focusing on cash availability and profit projections

People	Trend
• Maintaining wrong skill sets to support customer requirements or generate new business. • Poor succession planning. • Inadequate depth to management creating dependence on individuals. • Failure to attract and retain our most talented colleagues.	
Mitigation	**Update**
• Regular reviews of technical skill sets with prompt action to train and enhance skills mix. • Periodic reviews of the organisational structure to enhance its depth and effectiveness. • Incentive plans are in place for executives. • Provide ongoing opportunities for personal and professional development.	• Change to working patterns post Covid 19 require flexibility to retain staff • Some home working flexibility arrangements have been agreed with the unions in France

Business Environment	Trend
• Uncertainties arising from the economic and political environment impacting customers investment decisions • UK's exit from the EU impacting customer confidence, and nature of investment decisions • Increased uncertainty from the ongoing Covid 19 pandemic. • Extension to Data Protection regulations under GDPR from May 2018 adding uncertainty for businesses with access to third party data • Supply chain risk from global chip shortage	
Mitigation	**Update**
• Maintaining a supply chain dominated by long standing relationships with world class vendors and specialist distributors of scale and resources adequate to ensure continuity of supply • Ongoing review at board meetings to assess impact and readiness	• Programme of continued development in systems to deliver operational efficiencies and enhance customer experience. • Covid 19 increases uncertainty driving potential decline in demand and delay in decision making

Internal Systems Productivity	Trend
• Absence of detailed Business Continuity Plans to ensure short term business viability • Lack of technical support for Operating and Financial Systems. Weak systems may not deliver necessary information to manage the business • Absence of productivity improvement programmes required to counteract the commoditisation of technology services	
Mitigation	**Update**
• Continuity plans are in place in operational departments • Systems replacement programme is addressing long term system dependencies, productivity and data quality • History of integrating acquisitions	• Continued investment in the long-term systems replacement programme during the year focused on operational applications driving thegreatest productivity and efficiency impact • UK Field Services applications fully replaced in the year

Viability Statement

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

The directors have assessed the prospects of the Group over a period longer than the 12 months required by the "Going Concern" provision by reviewing the long-term strategy of the group for the future three years. In response to the uncertainties presented by Covid 19 management have increased the frequency, future timeline and complexity of forecasting and in a range of different scenarios the results of which have demonstrated that in extreme economic conditions the business remains viable with adequate cash and profitability.

Increased short term economic uncertainty encouraged a closer focus on granular cash forecasting in each division the outcome of which also supported the voracity of our existing cash projections and the adequacy of our projected access to cash even in extreme scenarios.

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

Viability Indication Factors

Current Performance

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

Strategy and Market Knowledge

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

Risks and Mitigations

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

Strategic and Financial Planning

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

A cycle of quarterly reforecasting which also covers profit and loss, balance sheet and cash flow was also in operation throughout the year. During the first half of our financial year we raised the frequency of forecasting to a minimum of monthly to ensure that we were fully in touch with the impact of Covid 19 and the mitigation measures required.

The annual strategic planning exercise performed by each division continues to focus on a 3-year horizon extended at a higher level to provide a 5-year view which the directors consider reflects their viability time horizon. We will refresh this planning in the coming financial year in the light of industry changes which we continue to follow.

Future Expectations

Despite ongoing uncertainties in the economic environment, and the decision not to pay dividends to shareholders this year the group still expects to be able to meet their short-term expectations, and the longer-term operating profit growth requirements of the shareholders.

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

Over the last year we have implemented pre-existing cost management plans and introduced new transformation programmes to reduce the cost of doing business through operational efficiency.
Not all of the benefits of these programmes have been seen in the financial performance reported to date much of which will impact the coming year.

Viability

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

Continuing economic and political uncertainties in the UK surrounding the recent exit from the EU have been considered in our planning scenarios. Worldwide chip shortages will affect all technology companies for the foreseeable future however we have an established supply chain with world leading vendors and distributors such that we do not consider this lack of availability will significantly affect our business. Our highly diversified business which delivers opportunities for our customers to reduce long terms costs through investment in technology has a proven track record of being relevant and agile enough to cope with such uncertainties, such that the directors are confident that the Group can maintain performance in these circumstances.

The additional and ongoing uncertainty arising from the impact of Covid 19 on the business and for our customers has also been considered in our planning. Throughout the last year we put the safety of our employees and our customers at the centre of what we do and will continue to do so. Our executive teams continue to ensure that the business is resilient by focussing on our cost base and cash generation. We expect that these actions will ensure that the business is ready to respond to customer needs when demand returns.

Our Executive team continue to work closely with customers to provide continuity of support during the various phases of the pandemic. Long standing relationship with vendors and a world class supply chain will support our business despite recent disruption.

As part of our approach to managing our risk, we have updated the effect of Covid 19 on our risk universe and the consequent potential impact on the Group. Our actions in response take this risk assessment into account. Management are confident that the Group is in a robust position to continue as a going concern.

Since the start of the Covid 19 crisis, we have proactively engaged with HSBC, with whom we have a long-term relationship, and have assessed our options to provide flexibility in the event of longer term economic uncertainty. All aspects of our facilities have been kept under close and continual review during the year and we will continue this activity to ensure that the facilities meet our needs during this time of ongoing uncertainty. Facility headroom and access to cash, which has grown over the year, is at a level which the board consider more than adequate to support the company through the current crisis and expected recession during the next twelve months.

Our performance since the close of the financial year whilst local health restrictions have remained in place has remained strong in France and on an improved path in the UK. We are not dependent on government support schemes for our future profitability and cashflows.

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

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

Going Concern

In the year ending 31 March 2021 the Group has delivered growth in turnover, gross profit and operating profit and has ended the year with net current assets of £112m and a cash balance of £397m. As a result of this strong performance, and that the Group has enough cash to meet all liabilities as they become due, the directors believe the Group is well placed to manage its business risks successfully. The Group's projections show that the Group should continue to be cash generative and be able to operate within the level of its current financing arrangements and projected short-term impacts on the business from economic uncertainty are manageable.

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

financial highlights.

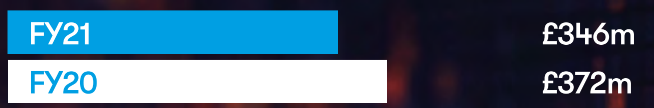
2021 Financial Highlights

Measure	2021	2020	Change
Turnover	£2,465m	2020 £2,273m	+8%
Operating Profit	£45.9m	2020 £30.7m	+49%
Services Revenue	£346m	2020 £372m	-7%
Gross Profit	£257m	2020 £258m	-0%
Cash Generated by Operations	£103m	2020 £102m	+1%
Net Cash	£390m	2020 £310m	+26%
Net Assets	£196.9m	2020 £169.1m	+16%
Profit Before Tax	£44.5m	2020 £28.7m	+55%

Total Turnover

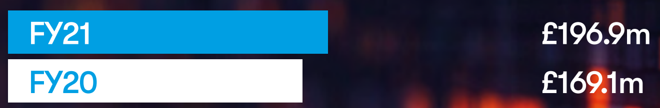
Operating Profit

Service Turnover

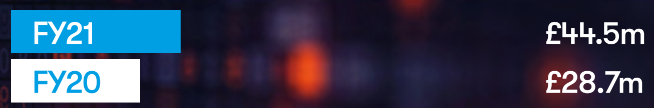


Gross Profit

Net Assets

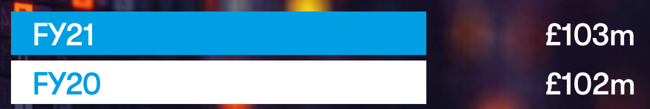


Profit before Tax



Net Cash

Cash Generated by Operations



In both the UK and France, we have been essential suppliers during the Covid 19 period. Engineer, data centre technicians and supporting specialists and staff have been delivering critical IT services around the clock to many organisations including enabling the UK government remote working and supporting many National Health Service organisations. Performance was particularly impacted in the first half of the year notably in the UK where our services operations were less able to deliver the normal volume of activity. Flexibility from furlough schemes enabled operations to resume as demand grew through the year.

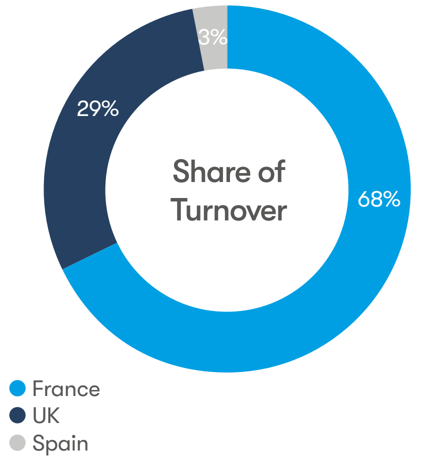
Financial performance for the group reflects the strength of our French business and its focus on supporting the government sector together with the speed at which in the UK government support was made available and management action was taken to put the business in good shape for the critical second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

Overall our businesses are robust and agile with strong balance sheets and management teams enabling us to respond to the crisis. A strong emphasis on cash management in the year helped boost cash at the close of the year by £77m. This improvement includes the impact of government support, extension of banking facilities and not paying any dividends in the year, as well as working capital improvements.

We did not undertake any acquisition activity during the past year however if circumstances permit, we will continue to invest in the future of the division.

Turnover

Group turnover has grown by 8.4% year on year and now stands at £2.5bn. In a year dominated by Covid 19, this growth has primarily been driven by strong product growth in France. Services revenue for the group has seen a 7% decline principally driven by the UK being £22m down on prior year and French business which was £3m down.



Our French business continues to deliver the largest part of group turnover at 68% up from 65% last year. UK share has fallen slightly from 32% to 29% and Spain has decreased by 1% to 3%.

In France turnover is up by 11.1% to €1.9bn driven primarily by the strong growth in the product business revenue particularly in software.

The UK operations have grown 0.6% this year delivering a record year at £728m again driven by product sales as services fell back by 10% to £205m.

After record growth of 15.4 % last year, Spain's turnover has been affected by Covid 19 with an overall decline of 17.5% to €77.3m having been hard hit across both product down 19% and services down 12%, although we have managed costs well and maintained operating profits with a stronger second half.

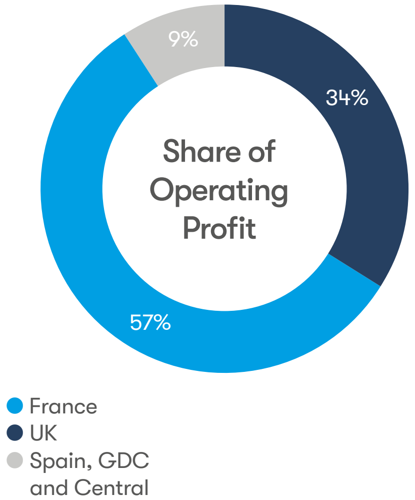
Turnover in our Global Delivery Centres (GDC) which supports our UK and France operations, has seen just modest growth of 1.5% on last year. Headcount has remained relatively stable at just over 1100 across both GDC territories.

Profitability

Gross Profit for the group has remained relatively stable at £257m, although the gross profit percentage of 10.4% is lower than prior year's 11.3%. This is mainly driven by the product mix with software driving much of the turnover growth.

Operating profit for the group at £45.9m has grown by 49% compared to prior year following recovery in the second half and last quarter in the UK.

France has increased operating profit by over 100% year on year to €29.4m and now contributes 57% of the group profitability, an increase from 41% in the prior year. This improvement has been driven by improvements across both its product and services business.



The UK now accounts for 34% of the group profit, compared to 50% last year, with operating profit in the UK growing by just 0.7% to £15.5m. Whilst on site services and the print sector have struggled to deliver growth this year our core product and software businesses have performed well along with the AVS business which has delivered a 50% growth in profit before tax to £0.9m.

In Spain, profitability before tax this year has increased by 64% to €1.0m. This has been driven by stronger gross margin rate performance, combined with a management focus on overhead savings. Spain has contributed 2% of group operating profit in the current and prior year.

Our GDC's have contributed £1.6m of operating profit for the group, an increase of 20% on prior year following improved operational efficiency.

Travel and health restrictions created a lower level of business travel reducing costs in the year in all territories. As businesses have embraced remote communications through the necessity of the pandemic we expect to see a future with more remote communication and lower travel costs than in prior years.

Covid 19 impact assessment

It is not possible to measure the full adverse impact of the Covid 19 pandemic on the financial result of the group and we have not excluded any positive or negative impacts from this report although we can say that there was a significant impact on our services margins particularly in the first half of the year in the UK, where many businesses were unable to operate normally. We can report where the group has received government support to help alleviate the negative impact on margins.

Whilst part of the wider Rigby Group, SCC EMEA has had no access to funds from any other part of the Rigby Group and has not provided any support to any other group company. Shareholders in executive roles do not receive remuneration from the SCC EMEA group and shareholders of the SCC EMEA Group and the Rigby Group have not taken dividends during the year.

Support for operating costs came in the form of national equivalents of job retention schemes. The total post tax contribution of these schemes was £7.0m of which £4.9m relates to the UK where our gross profit declined by 11% over the prior year, £1.8m to France and £0.3m to Romania.

Corporation tax arising on group profits in the year totalled £13.3m and cash tax paid was £13.5m.

As we start a new financial year it is not possible to say what the Covid 19 outlook looks like despite significant progress in vaccination programmes however we do not anticipate significant use of government support in the future.

Cash Generated by Operations and Net Cash

Cash and cash generation, more than ever in this year of Covid 19, have been a critical performance measures for the group and we have monitored cash generation, working capital performance and headroom closely. Existing cash forecasting methods have been enhanced and focus on working capital already a key measure, has increased further.

£'m	2021	2020
Net Cash at beginning of year	310.2	241.0
Cash flows from operating activities	103.1	102.5
Capital expenditure	(12.7)	(21.9)
Interest received and paid	(1.3)	(1.9)
Dividends paid	(0.2)	(8.7)
New finance leases	-	(0.7)
Effects of foreign exchange rates	(8.7)	(0.1)
Net Cash at end of year	390.5	310.2
Components of net cash (debt)		
Cash at bank and in hand	397.2	320.2
Bank Loans	(0.9)	(2.2)
Obligations under finance leases and HP contacts	(5.8)	(7.7)
	390.5	310.2
Movement in Net Cash	80.2	69.2

We opened the year with a significantly improved net cash balance compared to the previous year at £310m. Cash flow from operating activities of £103m, is 1% up on last year and along with the reduction in capital expenditure year on year and the absence of dividends paid to the Rigby Group shareholders, we have been able to once again increase our net cash position, this year by £81m to £391m.

Whilst we benefitted from the UK governments VAT deferment scheme during the year to safeguard operational cash at a time when there was considerable uncertainty these funds have all been fully repaid by the close of the financial year.

We aim to continue to grow our cash balance after internal investments, payment of dividends and funding modest acquisitions. Closely managing and improving working capital management are key to enabling us to balance these objectives and we will retain focus here.

£'m	2021	2020
Cash and cash equivalents at beginning of year	320.2	254.3
EBITDA	63.3	49.3
Capital investments	(13.1)	(22.0)
Other investing activities	1.2	0.8
Working capital movements	52.5	55.9
Tax paid	13.5	(3.3)
Net cash flow used in financing activities	(4.4)	(15.0)
Exchange differences	(9.0)	0.1
Cash and cash equivalents at end of year	397.2	320.2
Net increase in cash and cash equivalents	86.0	65.7

Whilst we utilised the UK governments VAT deferment scheme during the year to safeguard operational cash at a time when there was considerable uncertainty regarding the impact of Covid 19 on the wider economy, these funds have been fully repaid by the close of the financial year.

Whist the group generated £63.3m in EBITDA we have been able to increase cash and cash equivalents over last year by £86m with all countries continuing to manage their working capital well. Most of the growth in cash has been generated by improved cash collections in the UK.

Management continues to focus on ensuring a strong cash position whilst delivering ongoing programmes of internal investment. We have closed the year with significant cash availability in the UK and in France to support the working capital requirements of the business going into the new year and have long standing banking relationships in place in both countries to give us confidence in the adequacy of funds in the future.

Bank facilities have been reviewed in the UK and in France with small amendments made to maximise flexibility.

In the current climate of increased economic uncertainty across all of the territories in which we operate, we will continue with our policy of maintaining strong cash reserves and a strong working capital policy.

Capital Expenditure and Acquisitions

Our capital expenditure programme has continued although focused on essential or committed projects and during the year we completed our head office which has been adapted to accommodate a Covid 19 safe environment for our employees. Our work enhancing our data centres, necessary to provide the required levels of service to our customers, is continuous.

Further progress has been made during the year on our long-term internal system transformation project with the implementation of field service solutions to support our UK services business and we have advanced designs for our core financial systems.

This programme will introduce market leading applications to support our customers and internal operations delivering better service, information and efficiency opportunities. Introducing new applications into our legacy environment is a complex programme which will take the time necessary to ensure we secure the continuity of our operations.

We have not made any acquisitions in the current financial year.

Dividends

Our shareholders have decided that given the challenges faced by the group in this difficult Covid 19 year and the need to retain cash as a protection against future uncertainty, it would be inappropriate to declare cash dividends and as such the planned dividends of £8.5m to the Rigby Group have not been declared or paid. The only dividends paid across the group were those already planned in respect of the previous financial year from Spain, Romania and France into the UK holdings companies where they have been retained in cash. No dividends have been declared or paid to the Rigby Group or its shareholders during the year (2020 £8.5m).

Net Assets

The group net assets have increased 16% from £169.1m to £196.9m. This increase is driven by all of the total comprehensive income generated in the year being retained by the Group and no dividends being paid.

Segmental Analysis

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

	UK GBP	France EUR	Spain EUR	GDC GBP
Turnover	728.1m 723.4m 0.7%	1,866.6m 1,680.6m 11.1%	77.3m 93.8m -17.5%	21.5m 21.6m -0.1%
Operating Profit	15.5m 15.4m 0.6%	29.4m 14.6m 101.0%	1.0m 0.6m 68.6%	1.6m 1.3m 20.2%
Profit Before Tax	14.9m 14.5m 2.2%	28.7m 13.3m 115.4%	1.0m 0.6m 64.2%	1.5m 1.3m 20.7%
Cash From Operations	105.4m 31.7m 232.4%	64.7m 49.7m 30.1%	(17.1)m 19.7m -187.1%	2.4m 1.6m 46.6%

Movements are compared to prior year.

United Kingdom

International HQ

James House, Birmingham

Turnover

£728.1m +1%

2020 £723.4m

Operating Profit

£15.5m +1%

2020 £15.4m

Cash Generated by Operations

£105.4m +232%

2020 £31.7m

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

In spite of the Covid 19 crisis we have been able to maintain all key performance measures for our UK business. Although we did not repeat the same level of gross profit as we would have wanted or as in the prior year, we reported strong final quarter numbers as business recovered from the more difficult first half.

Inevitably, IT infrastructure decisions were delayed by the pandemic, many customers were required to close their premises and their staff were furloughed or required to work from home. Our customer onsite activities such as print services were significantly impacted by changes in office use although core annuity services such as our Data Centre activities did not face the same issues. Our specialist Audio Visual services provider SCC AVS has continued to trade as a separate legal entity and has continued to deliver 3.6% growth in turnover. It has maintained gross margin at 19% compared to 21% in prior year and delivered 53% growth in operating profit before tax.

The final quarter saw a return of product activity in most sectors, with previously postponed projects being brought back to life and driving our professional services business. We have also seen volumes for field service and print related services start to increase in the final months of the year as many of our customers are able to start a return to work.

Turnover growth has been driven by product which was 5% higher. Our services business was down 10%, inevitably declining marginally as a result of the Covid 19 impacts on our customers through office closures and remote working.

Designated a key business, we were able to continue to trade throughout the period of lockdown and our business contingency plans were successful in ensuring that we continued to support customers and to enable our employees to continue operations with minimal disruption. During the year we have benefitted from the government's Coronavirus Job Retention Scheme (CJRS) to protect employees working in those segments of our business hardest hit by the impacts of remote working and office closures. Income from the CJRS scheme partly offset the reduced profitability in the year.

Lower turnover put pressure on product and services gross margins and in response to this decline in demand and the future uncertainty we placed increased focus on costs, unfortunately reducing our headcount. Where feasible we furloughed staff and the availability of this scheme has undoubtedly saved roles in our business. Lower overheads such as travel related costs and a focussed programme of overhead cost management have been important in supporting operating profit.

Throughout the period, despite the market challenges, we have continued to take a long-term view of our business and we have continued to invest. We completed the refurbishment of our Global headquarters and our new UK Field Services IT platform went live.

Outlook in the UK

Continued uncertainty relating to Covid 19 creates pressure on the UK business environment though our business operating model has proven robust to the challenges of the past year and we remain positive that the business will continue to adapt and flex to any prolonged change in demand.

The breadth of the UK's supply and services businesses provide opportunities to support customers as their needs change in response to changes in their working patterns and investment priorities.

With a strong financial performance in the current year, sound balance sheet and access to cash, we expect that the UK business will continue to generate cash and will be able to respond to any future uncertainty having traded successfully in past recessions.

France

Head Office

Paris

Turnover

€1.9bn **+11%**

2020 €1.7bn

Operating Profit

€29.4m **+101%**

2020 €14.6m

Cash Generated by Operations

€64.7m **+30%**

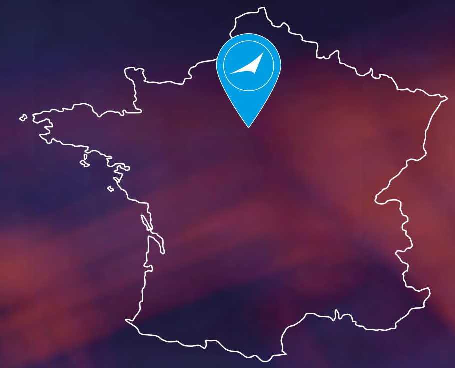
2020 €49.7m

Performance in our French business has been particularly strong with our public sector and software practices leading growth in turnover of 11% driven by new and existing customers. Our operations continue to be led by our supply business which accounts for 92% of total turnover. Strong software services with private and public sector clients supported our supply business which grew by 12.6%. Notable contracts include an extended 5 year relationship with Safran; new services contract with the Ministry of Justice, IOT contracts with SNCF and a new relationship with Klesia. We have also extended our UGAP relationship by providing consultancy licencing and services around Microsoft Workspace solutions.

During the year we have developed enhanced consultancy services and, via our Helios web platform we are now able to support existing, and many new customers with their software procurement and asset management. As software moves towards more subscription-based models, we are already helping 50 customers to join this digital journey through this new service.

The significant improvement in the growth of operating profit by 101% has been achieved by improved gross margin performance up to 9.1% from 9.0% with improvements in both supply and services. In addition, management focus on control over overheads has given rise to a 2.1% reduction year on year which has helped to deliver an overall 1.1% improvement in the operating profit margin to 2%.

Our services business turnover of €139m is down €7m (4.5%) compared to prior year, which whilst against the backdrop of Covid 19 is less of a decline than we anticipated, was still a step back from the growth we had started to see in the prior year. We have continued with our previous transformation programme into the current year and this has delivered further improvements both in operational efficiency and contract profitability management.



Since the introduction of the Covid 19 related health measures in response to the pandemic, customers have significantly changed their way of working, adopting remote working and cancelling IT projects. Our services operations have been particularly affected by the pandemic, with nearly 75% of these activities taking place on site and requiring a close relationship with infrastructure, equipment, the environment or directly with client users. Whilst all sectors have been impacted, private sector business in aeronautics and the automobile industries have been most severely affected. Wherever possible we adapted the working practices of our own staff to provide remote working and provided flexibility to support them with the effects of the health crisis on their own families.

Given the significant Covid 19 related uncertainty in our services business in particular, transformation plans were put in place early in the year to correct our cost base in both our product and services businesses and these programmes are still continuing. Very significant disruption to our services business during the year with varying levels of customer activity required the management team to utilise the governments partial employment scheme which provided support for 250,000 hours of partial employment during the year. This helped retain staff until such time as customer demand returned or changed permanently and resource levels could be corrected to maintain high levels of customer service.

We have continued to review the structure of our organisation making changes to our sales divisions and reorganising our operational departments to become more efficient. A key element of our transformation plan has been the modernisation of our supply chain management through creation of a new operations department to which we appointed a new Chief Operating Officer. We will improve client services, operational efficiency and will integrate this activity with our IT transformation programme to develop long term solutions and to support future logistics solutions.

Our current on shore service delivery centre in Valenciennes provides service desk operations which grew by 27% in the year and are approaching capacity in the coming period. We have increased investment in these key services by opening a new service desk, "AltimanceA" in Montlucon in the Allier region at the site of our recycling business. New customers are already being supported from this location with 60 new staff in place. The new location will complement existing activities in Valenciennes, and at our Global Delivery Centres in Vietnam and Romania which supports our multi-national clients.

Our French leasing business, Rigby Capital, which partners with our core SCC business to deliver financing solutions to end customers, has seen a 58% growth in operating profit before tax now contributing €4.9m to the overall French results. As the IT market moves towards more "as-a-service" offerings we expect this part of the business to continue to grow and make a valuable contribution towards future profitability.

SCC France were awarded the Partner Excellence Award by the data security and analysis vendor Varonis. Together with SCC in the UK, SCC France attained the status of both "Marketplace Skilled Consulting Partner" and of "Advanced Consulting Partner" with Amazon Web Services. In addition, we were recognised by Citrix and as the Purestorage partner of 2020. SCC France has received ISO27001 accreditation for their Information Security Management System and moved from a Gold to a Platinum EcoVadis certification joining the top 1% of technology businesses at this standard.

SCC France and the Rigby Group have been working with the Secretary of State for Digital Transition and Electronic Communications, and Business France to create an industrial technological hub with the first phase in the Paris-Lyon-Marseille regions. Our objective is to establish ourselves as a technological federator allowing local authorities and technological suppliers to accelerate the adoption of new applications and support for start-up companies nationwide.

In the new financial year we will continue our transformation programmes to optimise our organisational efficiency and reduce the cost of delivery in our services business, both of which are important in supporting and growing our operating profit.

Outlook in France

With Covid 19 still having an impact in France we will continue to operate our remote working solutions for as long as necessary to support our employees and our customers. In due course we will be refurbishing our Paris headquarters to make the space more modern and supportive of our staff and for enhanced collaborative working.

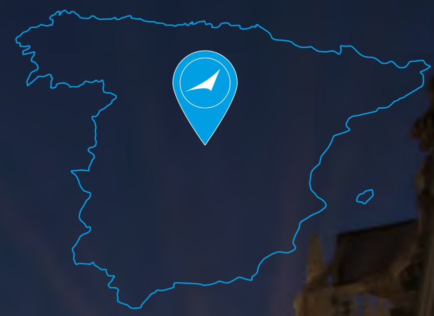
Our breadth of capabilities, strong relationships with key public sector customers and our excellent financial performance in the current year which has delivered significant access to cash, provide us with confidence that we will continue to generate cash and to trade successfully in the future.

Spain

Head Office

Madrid

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



Turnover

€77.3m -18%

2020 €93.8m

Operating Profit

€1.0m +64%

2020 €0.6m

Cash Generated by Operations

€(17.1)m -187%

2020 €19.7m

The decline in turnover by 17% follows two consecutive years of growth of 15% and 11% respectively and is due to the impacts of Covid 19. Both segments of our business have been impacted with product and services down 19% and 12% respectively.

Despite this decline in turnover our gross margin performance has improved by 2% to 9% as the product mix was stronger and not so affected by large software transactions at low margins as occurred in the prior year. The continued expansion of our range of service offerings combined with product growth are important factors in our plans to improve profitability.

Covid 19 imposed national restrictions which resulted in our employees working from home for the whole of the year during which management took the decision to move to a smaller and more sustainable head office location in the Madrid area. A continued focus on costs and a salary sacrifice scheme has helped to manage our labour costs which combined with the impacts of Covid 19 on discretionary spend on travel and entertaining has resulted in a 3% decline in overheads year on year.

Whilst cash generated by operations appears lower than last year this is largely due to surplus cash having been remitted back to the group. There has been a continued focus on cash conversion and working capital management in the year which has delivered strong cash generation with improvements in both daily sales and payables during the year.

Outlook for Spain

The Covid 19 pandemic continues to impact economic uncertainty and is likely to have an impact on our FY22 performance until such time as health restrictions ease. The local executive team continues to focus on both cash management and overheads to ensure that we are able to provide a cost-effective service to our customers. Our good financial performance in difficult circumstances give us good reason to be confident in the performance of our Spanish operations in the coming financial year.

Whilst this has been a challenging year our strategic objective remains to grow our turnover to be in excess of €100m and we will continue to focus on delivering this goal.

Outlook for the Coming Financial Year

The financial performance of the EMEA group over the last extraordinary year has been strong delivering growth in the most challenging of times reflecting the relevance of our business model, breadth of service offerings and diversity of our customer base. Our business is based on long term relationships and services which are relevant to the needs of our customers in the future. This resilient business model and sound financial management has enabled the business to grow in the past year and will support our future.

The government support we have received during the year protected jobs helping to ensure that we can quickly resume our high levels of service to support customers as they recover from the pandemic. Although the UK has an advanced vaccine programme and we can see customers benefiting in the near term, we are not yet in the same position in other countries and their recovery may be later.

Our financial position is strong and as the UK emerges from the pandemic we are not dependent on the support from government. The group's cash position is very strong as is our ability to access funds as required and we expect to continue to generate sufficient new cash in the coming period to continue to invest in the business as required to respond to the future.

Despite continued economic uncertainty we are confident that our business model remains robust. Our executive teams are continually reviewing our operating models to ensure that we are able to respond in circumstances of prolonged uncertainty and changes within the technology sector.

Approval of the Strategic Report

Approved by the Board of directors and signed on behalf on 12 July 2021.

James Rigby
Chief Executive

The directors present their annual report, audited financial statements of the Group together with the auditor's report for the year ended 31 March 2021.

Strategic Report

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

The Strategic Report sets out the details of the Group's risk management in the Governance and Risk section of the report covering all of the principal risks and uncertainties of the Group, including credit risk, liquidity risk and cash flow risk. Page 57

The Corporate Responsibility section of the Strategic Report covers the Group's policies with respect to equality and diversity, employee communications, the environment and carbon reporting, taxation and charitable donations. Page 37

Details of how the directors have met their section 172 obligations are also included in the Strategic Report. Page 55

The going concern of the Group is covered within the Viability Statement section of the Strategic Report. Page 66

Financial KPIs include Turnover, Profit before tax and Operating profit are discussed in the Strategic Report on Page 70. Non-Financial KPIs include employee turnover, and carbon emissions

Summary Performance and Dividends Declared

The group's activities during the year generated turnover of £2.5bn, a growth of 8% over the prior year. Profit before tax of £44.5m was a 55% improvement over the £28.7m reported for the prior year.

Turnover growth was driven by increased demand for IT equipment to support home and flexible work arrangements. Various overhead reduction schemes were implemented during the year to protect the Group performance from future economic uncertainty. Government support was accepted where it would protect employee jobs in divisions of the Group affected by the impact of Covid 19.

No dividends were declared during the year. In the prior year dividends of £8.5m were declared and cash settled. No dividends have been proposed after the year end.

Net assets of the Group have grown to £196.9m, 16% higher than the previous year.

Research and Development Expenditure

During the year we invested £2.2m (2020: £3.0m) in research and development activity, including capital expenditure, which is driven by the need to develop innovative solutions to meet our customers' needs. This was in line with our annual investment levels which have exceeded £2m per year on average over the last five years.

Directors and Directors' Indemnities

The following directors have held office since 1 April 2020 and up to the date of signing:

Sir Peter Rigby, Ms P Rigby, Mr J Rigby, Mr S Rigby, Mr HW Campion (Resigned 30 July 2020), Mr P Whitfield.

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

Branches

There are no branches operated by the Group.

Directors' Responsibilities Statement

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

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

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

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

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

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

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

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

Approval of Reduced Disclosures

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

Statement of Disclosure to the Auditor

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

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

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

Auditor

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

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

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

James Rigby
Chief Executive
12 July 2021

Report on the audit of the financial statements

Opinion

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

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

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statements of changes in equity;
- the cash flow statement; and
- the related notes 1 to 27

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

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

Statutory Auditor
Birmingham
United Kingdom

12 July 2021

financial statements.

SCC EMEA GroupFinancial Statements
for the year ended 31 March 2021

Consolidated Profit and Loss Account for the Year Ended 31 March 2021

	Notes	2021 £'000	2020 £'000
Turnover	3	**2,464,768**	2,273,062
Cost of sales		**(2,207,531)**	(2,015,234)
Gross profit		**257,237**	257,828
Administrative expenses		**(220,682)**	(227,120)
Other Operating Income	5	**9,313**	-
Operating profit		**45,868**	30,708
Finance costs (net)	4	**(1,338)**	(2,001)
Profit before taxation	5	**44,530**	28,707
Tax on profit	8	**(13,291)**	(7,336)
Profit for the financial year		**31,239**	21,371
Profit for the financial year attributable to:			
Non-controlling interest		**208**	121
Equity shareholder of the Group		**31,031**	21,250
		31,239	21,371

The notes form part of these financial statements.

All profit for the financial year has been generated from continuing operations.

Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2021

	2021 £'000	2020 £'000
Profit for the financial year	**31,239**	21,371
Currency translation differences on foreign currency net investments	**(2,435)**	1,127
Re-measurement of net defined benefit obligation (note 19)	**(1,138)**	(1,264)
	(3,573)	(137)
Tax relating to components of other comprehensive income (note 15)	**266**	330
Other comprehensive (loss)/profit	**(3,307)**	193
Total comprehensive income	**27,932**	21,564
Attributable to:		
Non-controlling interest	**173**	135
Equity shareholder of the Group	**27,759**	21,429
	27,932	21,564

Consolidated Balance Sheet
as at 31 March 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Intangible assets	11	43,873	46,727
Tangible assets	12	78,346	81,335
		122,219	128,062
Current assets			
Stocks	14	47,191	37,723
Debtors			
- due within one year	15	401,711	443,286
- due after more than one year	15	9,475	13,562
Cash at bank and in hand		397,172	320,151
		855,549	814,722
Creditors: amounts falling due within one year	16	(743,233)	(731,056)
Net current assets		112,316	83,666
Total assets less current liabilities		234,535	211,728
Creditors: amounts falling due after more than one year	17	(17,639)	(24,315)
Provisions for liabilities	19	(20,006)	(18,291)
Net assets		196,890	169,122
Capital and reserves			
Called up share capital	21	6,178	6,178
Share premium account	21	149	149
Other reserves	21	3,117	3,117
Profit and loss account	21	187,057	159,298
Shareholders' funds		196,501	168,742
Non-controlling interests		389	380
Total capital employed		196,890	169,122

Approved by the board of directors, authorised for issue on 12 July 2021 and signed on its behalf by:

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

Company Balance Sheet
as at 31 March 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Investments	13	72,378	72,378
		72,378	72,378
Current assets			
Debtors - due within one year	15	68,369	45,998
Cash at bank and in hand		-	1,051
		68,369	47,049
Creditors: amounts falling due within one year	16	(47,748)	(27,623)
Net current assets		20,621	19,426
Total assets less current liabilities		92,999	91,804
Net assets		92,999	91,804
Capital and reserves			
Called up share capital	21	6,178	6,178
Profit and loss account		86,821	85,626
Shareholders' funds		92,999	91,804

Profit for the year of the parent company was £1,195,000 (2020: £11,473,000).

Approved by the board of directors, authorised for issue on 12 July 2021 and signed on its behalf by:

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

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

	Called up share capital £'000	Share premium account £'000	Other reserves £'000	Profit and loss account £'000	Total £'000	Non-controlling interest £'000	Total £'000
At 1 April 2019	6,178	149	3,117	146,369	155,813	406	156,219
Profit for the financial year	-	-	-	21,250	21,250	121	21,371
Currency translation differences on foreign currency net investments	-	-	-	1,113	1,113	14	1,127
Re-measurement of net defined benefit obligation	-	-	-	(1,264)	(1,264)	-	(1,264)
Tax relating to items of other comprehensive income (note 15)	-	-	-	330	330	-	330
Total comprehensive income	-	-	-	21,429	21,429	135	21,564
Dividends declared to equity shareholders (note 10)	-	-	-	(8,500)	(8,500)	-	(8,500)
Dividends declared to non-controlling interests (note 10)	-	-	-	-	-	(161)	(161)
At 31 March 2020	6,178	149	3,117	159,298	168,742	380	169,122
Profit for the financial year	-	-	-	31,031	31,031	208	31,239
Currency translation differences of foreign current net investments	-	-	-	(2,400)	(2,400)	(35)	(2,435)
Re-measurement of net defined benefit liability (note 19)	-	-	-	(1,138)	(1,138)	-	(1,138)
Tax relating to items of other comprehensive income (note 15)	-	-	-	266	266	-	266
Total comprehensive income	-	-	-	27,759	27,759	173	27,932
Dividends declared to non-controlling interests (note 10)	-	-	-	-	-	(164)	(164)
At 31 March 2021	**6,178**	**149**	**3,117**	**187,057**	**196,501**	**389**	**196,890**

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

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 1 April 2019	6,178	82,653	88,831
Profit for the financial year and total comprehensive income	-	11,473	11,473
Dividends paid/declared to entity shareholders (note 10)	-	(8,500)	(8,500)
At 31 March 2020	6,178	85,626	91,804
Profit for the financial year and total comprehensive income	-	1,195	1,195
At 31 March 2021	**6,178**	**86,821**	**92,999**

Consolidated Cash Flow Statement for the Year Ended 31 March 2021

	Notes	2021 £'000	2020 £'000
Net cash flows from operating activities	22	103,053	102,496
Cash flows from investing activities			
Proceeds from sale of equipment		419	72
Purchase of software and equipment		(13,099)	(21,989)
Interest received		43	216
Net cash flow used in investing activities		(12,637)	(21,701)
Cash flows from finance activity			
Dividends paid to equity shareholders		-	(8,500)
Dividends paid to non-controlling interests		(164)	(161)
Repayment of borrowings		(1,275)	(2,380)
Repayment of obligations under finance leases		(1,676)	(1,922)
Interest paid		(1,318)	(2,104)
Net cash flow used in financing activities		(4,433)	(15,067)
Net increase in cash and cash equivalents		85,983	65,728
Cash and cash equivalents at beginning of year		320,151	254,284
Net increase in cash and cash equivalents		85,983	65,728
Effects of foreign exchange rates		(8,962)	139
Cash and cash equivalents at end of year		397,172	320,151
Reconciliation of cash at bank and in hand			
Cash at bank and in hand at end of year		397,172	320,151
Cash and cash equivalents at end of year		397,172	320,151

Cash and cash equivalents held but not available for use and an analysis of changes in net debt are disclosed in note 22.

Notes to the Financial Statements for the Year Ended 31 March 2021

1 Significant accounting policies

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

1.1 General information and basis of accounting

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

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

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

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

1.2 Basis of consolidation

The Group financial statements consolidate the financial statements of SCC EMEA Limited and its subsidiary undertakings drawn up to 31 March 2021. The SCC EMEA Limited consolidated financial statements represent the smallest group for which consolidated financial statements are prepared.

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

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

1.3 Going concern

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

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

As explained further in the Strategic Report, the Group's forecasts and projections take into account reasonable possible changes in trading performance and have also considered the potential impact of the Covid 19 pandemic on the performance of the Group.

Notes to the Financial Statements
For the Year Ended 31 March 2021 (continued)

The Group has put in place measures to mitigate the impact of Covid 19 by taking advantage of relevant government schemes, reviewing working practises and overheads, and reviewing potential impacts on trading performance. The combination of these measures and the financial analysis concluded that the Group expects to be able to operate within the level of their current facilities and available cash resources. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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

1.4 Intangible assets - Goodwill

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

1.5 Intangible assets – Software costs

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

1.6 Intangible assets – Other

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

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

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

1.7 Tangible fixed assets

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

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

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

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

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

Notes to the Financial Statements
For the Year Ended 31 March 2021 (continued)

1.8 Investments

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

1.9 Impairment of assets

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

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

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

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

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

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

1.10 Stocks

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

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

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

Notes to the Financial Statements
For the Year Ended 31 March 2021 (continued)

1.11 Employee benefits

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

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

In France our operations have obligations under local retirement indemnity provisions. Service costs arising during the period are charged to the profit and loss account. The net interest cost is charged to the profit and loss account and included within finance costs. Re-measurement comprising actuarial gains and losses arising from changes in assumptions are recognised immediately in other comprehensive income.

1.12 Cash and cash equivalents

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

1.13 Financial instruments

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

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

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

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

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

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

1.14 Taxation

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

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

Notes to the Financial Statements
For the Year Ended 31 March 2021 (continued)

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

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

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

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

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

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

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

1.15 Foreign currency

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

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

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

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

Notes to the Financial Statements
For the Year Ended 31 March 2021 (continued)

1.16 Lease accounting

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

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

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

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

1.17 Interest income

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

1.18 Investment income

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

1.19 Rebates and marketing income

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

1.20 Government grants

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

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

1.21 Provisions

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

1.22 Turnover

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

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

Notes to the Financial Statements
For the Year Ended 31 March 2021 (continued)

2 Critical accounting judgements and key sources of estimation uncertainty

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

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

2.1 Critical judgements in applying the Group's accounting policies

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

2.2 Key sources of estimation of uncertainty

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

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

During the year a further £2.8m (2020: £7.2m) has been capitalised.

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

Net defined benefit obligations
Provisions for retirement obligations under defined benefit arrangements in the Group of £15.2m (2020: £14.2m) are calculated by reference to key actuarial assumptions concerning the workforce. These assumptions include staff turnover rates and employee retirement dates, see note 20.

Staff turnover rates for employees over 60 years old is considered to be a sensitive assumption. The assumption used to calculate the provision is 2% (2020: 3.5%). If this was changed to 0% this would create an additional provision of £1.6m (2020: £2.2m).

3. Turnover

	2021 £'000	2020 £'000
By geographical destination		
United Kingdom	722,758	716,880
Continental Europe	1,737,138	1,552,593
Rest of World	4,872	3,589
	2,464,768	2,273,062
By geographical origin		
United Kingdom	728,139	723,390
Continental Europe	1,736,629	1,549,672
	2,464,768	2,273,062
By category		
Sale of goods	2,117,186	1,897,548
Rendering of services	346,154	373,575
Government grants	1,428	1,939
	2,464,768	2,273,062

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

In Romania, grants have been made in respect of job roles created and investment made in our global delivery centre. The grant income is recognised in the profit and loss account in accordance with the underlying costs incurred. It is a condition of the grant that the roles created are maintained for a period of five years from the date of the grant which extends to 2021 and that an appropriate level of taxes are paid within the period.

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

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

4. Finance costs (net)

	2021 £'000	2020 £'000
Interest payable and similar charges	1,303	2,064
Investment income	(81)	(208)
Other finance costs	116	145
	1,338	2,001

	2021 £'000	2020 £'000
Interest payable and similar charges		
Interest on bank loans and overdrafts	66	126
Finance leases and hire purchase contracts	361	452
Interest on invoice financing facilities	497	1,391
Other interest payable	379	95
	1,303	2,064

	2021 £'000	2020 £'000
Investment income		
Other interest receivable and similar income	81	208

	2021 £'000	2020 £'000
Other finance costs		
Unwinding of discount on long term debtors/creditors	(28)	(8)
Fair value adjustment on derivative instruments	15	-
Net interest on defined benefit obligation (see note 20)	129	153
	116	145

5. Profit before taxation

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

	2021 £'000	2020 £'000
Depreciation of tangible fixed assets	11,099	12,015
Amortisation of intangible assets	2,452	2,332
Amortisation of goodwill	3,878	4,238
Research expenditure	1,542	1,810
Government grant income	(1,307)	(1,939)
Other operating income – Furlough related government grants	(9,313)	-
Operating lease rentals	24,708	19,243
Foreign exchange (gains)/losses	(595)	19
Sublet rental income	(510)	(511)
(Gain)/loss on disposal of fixed assets	(2)	138
Cost of stock recognised as an expense	1,901,887	1,675,634
Impairment of stock recognised as an expense	87	441

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

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

Government support provided under national equivalents of furlough schemes of £9.3m has been included within other operating income. Whilst the UK also benefitted from the UK Governments VAT deferral scheme during the year these funds were fully repaid by the close of the financial year.

The analysis of auditor's remuneration is as follows:

	2021 £'000	2020 £'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	15	14
Fees payable to the Company's auditor and their associates for the audit of the Company's subsidiaries pursuant to legislation	632	588
Total audit fees	647	602
Tax compliance services	12	15
Other advisory services	44	42
Total non-audit fees	56	57

No services were provided pursuant to contingent fee arrangements.

6. Staff costs

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

	Group		Company	
	2021	2020	2021	2020
Sales	1,151	1,085	-	-
Administration	1,693	1,746	7	8
Engineering	2,829	2,869	-	-
Warehouse	273	294	-	-
	5,946	5,994	7	8

Their aggregate remuneration comprised:

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Wages and salaries	219,568	219,239	479	686
Social security costs	55,645	54,770	59	76
Pension costs - defined contribution schemes	2,321	2,569	20	29
Pension costs - defined benefit schemes	1,024	827	-	-
	278,558	277,405	558	791

Pension costs

The above remuneration excludes redundancy payments for the Group of £4,313,786 (2020: £1,690,552). There was nil redundancy cost in the Company (2020: Nil).

Pension costs relate to contributions into defined contribution schemes for the Company and Group, and for the Group also include the service cost in respect of defined benefit schemes.

7. Directors' remuneration and transactions

Remuneration

The remuneration of the directors was as follows:

	2021 £'000	2020 £'000
Emoluments	153	219
Company contributions to money purchase schemes	6	12
	159	231

Pensions

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

Remuneration of highest paid director

	2021 £'000	2020 £'000
Emoluments	153	219
Company contributions to money purchase schemes	6	12
	159	231

The highest paid director has no share options.

Mr P Whitfield was paid by SCC EMEA Limited up to December 2020 until he transferred to Rigby Group (RG) plc. The directors Sir Peter Rigby, Ms PA Rigby, Mr JP Rigby, and Mr SP Rigby are paid by Rigby Group (RG) plc, the ultimate parent company, and as such their total emoluments are disclosed in the financial statements of Rigby Group (RG) plc, but it is not practicable to determine the proportions of such emoluments which are attributable to the directors' services to the Company.

Total remuneration for these directors for the year was £276,000 (2020:£466,000). None of these directors are accruing pension benefits.

On 28 July 2020 one director exercised their put option selling their 72,000 shares issued under the long term incentive plan. No further share based long term incentive plans are currently in operation.

8. Tax on profit

	2021 £'000	2020 £'000
Current tax		
UK Corporation tax	3,469	3,155
Foreign tax	10,116	5,292
	13,585	8,447
Adjustments in respect of prior years		
UK Corporation tax	(72)	(393)
Foreign tax	25	(17)
Total current tax	13,538	8,037
Deferred tax		
Origination and reversal of timing differences	(714)	(763)
Adjustments in respect of prior years	292	54
Effect of changes in tax rates	175	8
Total deferred tax (note 15)	(247)	(701)
Total tax on profit	13,291	7,336

The standard rate of Corporation Tax in the UK is 19% with effect from 1 April 2017. The Finance Act 2016 includes a reduction in the standard rate of Corporation Tax from 19% to 17% from 1 April 2020. However, on 11 March 2020 in the UK Budget it was further announced that the cut in the tax rate to 17% will now not occur and the tax rate will instead remain at 19%. This rate change was substantively enacted on 17 March 2020 via the Provisional Collection of Taxes Act 1968. As this change had been substantively enacted at the Balance Sheet date it is reflected in these financial statements. The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date and as a result, deferred tax balances as at 31 March 2021 continue to be measured at 19%.

If all of the deferred tax relating to UK entities was to reverse at the amended 25% rate the impact on the closing deferred tax position would be to decrease the net deferred tax asset by £1,241,000.

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

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2021 £'000	2020 £'000
Factors affecting the tax charge for the year		
Profit before tax	44,530	28,707
Tax on group profit at standard UK Corporation tax rate of 19% (2020: 19%)	8,461	5,454
Effects of:		
Expenses not deductible for tax purposes	1,112	1,363
Income not taxable for tax purposes	(14)	(31)
Overseas tax relief	(62)	(178)
Transfer pricing adjustments	172	260
Utilisation or recognition of previously unrecognised losses	(350)	(1,019)
Other deferred tax asset not recognised	7	36
Effect of overseas tax rates	3,261	1,664
Other overseas taxes	284	135
Adjustment in respect of prior years	245	(356)
Effect of tax rate changes	175	8
Group total tax charge for year	13,291	7,336

9. Profit attributable to SCC EMEA limited

The profit before dividends received or paid for the financial year within the financial statements of SCC EMEA Limited was a profit of £1,195,000 (2020: profit - £559,000).

Dividends received from subsidiaries during the year were Nil (2020: £10,915,000) and dividends paid were Nil (2020: £8,500,000). As permitted by section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the Company.

10. Dividends

Amounts recognised as distributions to equity holders in the period:

	2021 £'000	2020 £'000
Dividends to equity holders		
Dividend of 0p per share (2020: 6.88p per share)	-	8,500

	2021 £'000	2020 £'000
Dividends paid by subsidiary to non-controlling interest		
Dividend of 1.11p per share (2020: 1.09p per share)	164	161

All dividends were approved by the shareholders during the year and settled in cash.

11. Intangible fixed assets

	Goodwill £'000	Software costs £'000	Development costs £'000	Total £'000
Cost				
At 1 April 2020	62,225	24,100	19,882	106,207
Additions	-	1,331	2,759	4,090
Reclassifications	-	11,114	(11,114)	-
Disposals	-	(163)	-	(163)
Exchange differences	(1,396)	(382)	(8)	(1,786)
At 31 March 2021	60,829	36,000	11,519	108,348
Amortisation				
At 1 April 2020	44,072	15,408	-	59,480
Charge for the year	3,878	2,452	-	6,330
Impairment	-	335	-	335
Disposals	-	(163)	-	(163)
Exchange differences	(1,237)	(270)	-	(1,507)
At 31 March 2021	46,713	17,762	-	64,475
Net Book Value				
At 31 March 2021	14,116	18,238	11,519	43,873
At 31 March 2020	18,153	8,692	19,882	46,727

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

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

There are no intangible fixed assets in the Company.

12. Tangible fixed assets

	Land and Buildings Freehold £'000	Leasehold £'000	Fixtures and equipment £'000	Motor vehicles £'000	Assets in the course of construction £'000	Total £'000
Cost						
At 1 April 2020	15,459	50,957	99,381	2,797	5,510	174,104
Additions	207	346	4,770	8	3,962	9,293
Reclassifications	5,860	1,923	1,640	-	(9,423)	-
Disposals	(106)	(476)	(3,059)	(278)	-	(3,919)
Exchange differences	2	(1,218)	(564)	(2)	(2)	(1,784)
At 31 March 2021	21,422	51,532	102,168	2,525	47	177,694
Depreciation						
At 1 April 2020	5,941	24,441	60,538	1,849	-	92,769
Charge for the year	261	1,597	8,960	281	-	11,099
Disposals	(5)	(201)	(3,030)	(265)	-	(3,501)
Exchange differences	-	(652)	(365)	(2)	-	(1,019)
At 31 March 2021	6,197	25,185	66,103	1,863	-	99,348
Net Book Value						
At 31 March 2021	15,225	26,347	36,065	662	47	78,346
At 31 March 2020	9,518	26,516	38,843	948	5,510	81,335

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

	Land and Buildings Leasehold £'000	Fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Net Book Value				
At 31 March 2021	9,909	179	630	10,718
At 31 March 2020	10,332	550	862	11,744

Leasehold land and buildings relates to a lease which expires in July 2022.

There are no tangible fixed assets in the Company.

13. Investments

	Shares in subsidiary undertakings £'000
Cost and net book value	
As at 1 April 2020 and as at 31 March 2021	72,378

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

Group subsidiary undertakings	Country of incorporation	Nature of holding	Holding	Principal activity
SCC UK Holdings Limited	England and Wales	Direct	100%	Holding company
SCC Overseas Holdings Limited	England and Wales	Direct	100%	Holding company
Specialist Computer Centres plc	England and Wales	Indirect	100%	Systems integration
Specialist Computer Services Limited	England and Wales	Indirect	100%	Bureau services
SCC Data Centre Services Limited	England and Wales	Indirect	100%	Dormant
SCC Capital Limited	England and Wales	Indirect	100%	Dormant
SCC (UK) Limited	England and Wales	Indirect	100%	Dormant
SCC AVS Limited	England and Wales	Indirect	80%	Audio visual services
M2 Digital Limited	England and Wales	Indirect	100%	Dormant
M2 Smile Limited	England and Wales	Indirect	100%	Dormant
Oworx Limited	England and Wales	Indirect	100%	Dormant
Rigby Capital SAS	France	Indirect	100%	Systems integration
Rigby Group SAS	France	Indirect	100%	Holding company
SCC France SAS	France	Indirect	100%	Systems integration
Large Network Administration SAS	France	Indirect	100%	Systems integration
Flowline Technologies SAS	France	Indirect	100%	Systems integration
Altimance SAS	France	Indirect	100%	Systems integration
Recyclea SAS	France	Indirect	55%	IT recycling
Specialist Computer Centres SL	Spain	Indirect	100%	Systems integration
Specialist Computer Services SL	Spain	Indirect	100%	Systems integration
S.C. SCC Services Romania S.R.L	Romania	Indirect	100%	Systems integration
Specialist Computer Centres Vietnam Company Limited	Vietnam	Indirect	100%	Systems integration

Refer the Company Information section at the end of the accounts for the registered addresses of all subsidiaries of SCC EMEA Limited.

14. Stocks

	Group 2021 £'000	Group 2020 £'000
Goods held for resale	39,840	29,172
Print consumables	5,215	6,271
Maintenance stock	2,136	2,280
	47,191	37,723

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

15. Debtors

Amounts falling due within one year:

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	177,146	185,396	-	-
Amounts owed by Group undertakings	48,857	48,553	68,344	45,662
Amounts owed by associated companies	12	48	-	-
Other debtors	57,406	76,976	-	-
VAT	742	1,132	5	5
Group relief debtor	-	-	-	61
Corporation tax	312	312	-	-
Prepayments and accrued income	115,845	130,078	9	270
Deferred taxation	1,391	791	11	-
	401,711	443,286	68,369	45,998

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

All amounts owed by associated companies undertakings relate to the Minority Interest in Recyclea SAS.
Trade debtors include receivables which act as security for confidential invoice discounting facilities.

Amounts falling due after more than one year:

	Group 2021 £'000	Group 2020 £'000
Trade debtors	2,456	9,684
Other debtors	2,801	43
Deferred taxation	4,218	3,835
	9,475	13,562

The Company had no debtors falling due after more than one year (2020: nil).

15. Debtors (continued)

Deferred Taxation
The Group's net deferred taxation asset

	2021 £'000	2020 £'000
Deferred taxation asset		
- recoverable within one year	1,391	791
- recoverable after more than one year	4,218	3,835
Deferred taxation liability		
- payable within one year	(50)	-
- payable after more than one year	(2,775)	(2,197)
	2,784	2,429

	Group £'000	Company £'000
At 1 April 2020	2,429	-
Credit to profit and loss account (See note 8)	247	11
Amount credited to other comprehensive income	266	-
Exchange differences	(158)	-
At 31 March 2021	2,784	11

The deferred taxation asset is made up as follows:

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Depreciation on revaluation of non-qualifying assets	(876)	(809)	-	-
Depreciation in excess of capital allowances	(2,894)	(2,279)	-	-
Deferred tax arising in relation to retirement benefits	3,752	3,514	-	-
Tax losses available	1,231	1,142	-	-
Other timing differences	1,571	861	11	-
	2,784	2,429	11	-

The deferred taxation asset not provided is made up as follows:

Group	2021 £'000	2020 £'000
Tax losses available	3,436	4,019

A deferred taxation asset amounting to £3,436,000 (2020: £4,019,000) in respect of non-expiring overseas trading losses has not been recognised due to limited opportunities to relieve future expected profits under local tax legislation. We have fully recognised deferred taxation assets in respect of retirement benefit provisions in the group (2020: fully recognised).

The net reversal of deferred tax assets and liabilities expected in the 12 months to 31 March 2022 is (£345,520). This is expected to arise due to the reversal of short-term timing differences depreciation in excess of capital allowances.

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

There are no unrecognised deferred taxes on the company at 31 March 2021 (2020: None)

16. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Obligations under finance leases and HP contracts (note 18)	1,365	1,620	-	-
Bank loans and overdrafts (note 18)	921	1,265	36,494	-
Trade creditors	586,282	588,589	-	59
Corporation tax	1,676	1,481	118	118
Group relief creditor	219	536	493	159
Amounts owed to Group undertakings	3,012	420	10,525	27,229
Other taxation and social security	24,559	23,676	-	-
Other creditors	52,402	39,090	-	-
Government grants	103	103	-	-
Accruals	32,087	29,789	118	58
Deferred income	40,607	44,487	-	-
	743,233	731,056	47,748	27,623

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

There are no securities over creditors except for those disclosed in note 18.

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

	Group	
	2021	2020
	£'000	£'000
Obligations under finance leases and HP contracts (note 18)	4,424	6,063
Bank loans and overdrafts (note 18)	-	961
Accruals and deferred income	9,043	11,542
Government grants	252	355
Trade creditors	3,920	5,394
	17,639	24,315

18. Borrowings

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	921	2,226	36,494	-
Obligations under finance leases and HP	5,789	7,683	-	-
	6,710	9,909	36,494	-

Borrowings are repayable as follows:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
On demand or within one year	2,286	2,885	36,494	-
Between one and two years	4,424	6,947	-	-
Between two and five years	-	77	-	-
	6,710	9,909	36,494	-

Finance Leases

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Due within one year	1,365	1,620	-	-
In more than one year but no more than two	4,424	5,986	-	-
In more than two years but no more than	-	77	-	-
	4,424	6,063	-	-

In the UK, Specialist Computer Centres Plc has a rolling facility with HSBC Invoice Finance (UK) Limited providing a combination of recourse and non-recourse financing. The facility is reviewed on an annual basis and has been increased by £5m to £80m for this year. This facility provides capacity for Specialist Computer Centres plc to be adequately financed to meet peak borrowing requirements which fluctuate during the year in line with the normal variability of transaction activity.

In France, the recourse and non-recourse invoice discounting facility with HSBC Factoring (France) provides capacity for SCC France SAS to be able to meet its peak borrowing requirements. This is a rolling facility subject to an annual review cycle, and has been maintained at €130m for this year. Additional unsecured overdraft facilities of €35.3 million exist in the French subsidiaries, which are subject to rates of between 0.5% and 0.9% over Euribor. SCC France SAS has an outstanding loan of €0.9m with Société Générale, which is subject to interest at 1.4% p.a. and is repayable in quarterly equal instalments up to October 2021. During the year new non-recourse borrowings were taken out with La Banque Postale in December 2020 for a total of €8.1m, which are subject to a rate of 3%. These borrowings are repayable monthly and have variable term end dates between January 2022 and January 2024. These borrowings are secured against customer receivables.

The obligations under finance leases and hire purchase contracts in the UK are secured over motor vehicles and print equipment. In France, an obligation under finance lease is secured over land and buildings.
The lease is subject to interest at 4.85% p.a. and has a total term of 15 years, expiring in August 2022.

The company has an bank overdraft position of £36.5m (2020: Nil).

19. Provisions for liabilities

	Deferred contingent consideration £'000	Retirement provisions £'000	Deferred tax £'000	Other £'000	Total £'000
At 1 April 2020	1,915	14,179	2,197	-	18,291
Charged to the profit and loss account	-	1,144	362	519	2,025
Charged to other comprehensive income	-	1,138	266	-	1,404
Utilisation of provision	(435)	(660)	-	-	(1,095)
Exchange difference	-	(619)	-	-	(619)
At 31 March 2021	1,480	15,182	2,825	519	20,006

The retirement provisions relates to a statutory obligation in certain French subsidiaries, and two closed defined pension obligation schemes in the UK, see note 20.

Other provisions are made up of:
£103,000 dilapidation provision for properties which were vacated in year and is expected to be settled in the current financial year.

£416,000 onerous contract provision to recognise projected future losses in respect of ongoing contracts which are due to end in 2023.

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

20. Employee benefits

Defined Benefit Schemes

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

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

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

For the purposes of these financial statements and in order to account for both schemes under the provisions of Section 28 of Financial Reporting Standard 102 (FRS 102), the Company has engaged external actuaries to undertake FRS 102 valuations of both schemes as at 31 March 2021.

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

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

Mortality assumptions

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

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

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

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

20. Employee benefits (continued)

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

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

Movements in the defined benefit obligations were as follows:

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

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

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

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

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

20. Employee benefits (continued)

Retirement Indemnity Provisions

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

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

	2021 %	2020 %
Group		
Wage inflation	1.2	1.2
Discount rate	0.8	0.9
Staff turnover rates:		
< 34 years	18.0	18.0
35 - 44 years	9.5	9.5
45 - 54 years	6.5	6.5
> 55 years	2.0	3.5

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

	2021 £'000	2020 £'000
Current service cost	930	789
Net interest cost	121	142
Total amount charged in profit and loss account	1,051	931
Recognised in other comprehensive income	835	1,380
Total cost relating to retirement indemnity provision	1,886	2,311

The average duration of the benefit obligation is 9.1 years (2020: 9.3 years).

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

	£'000
At 1 April 2020	13,798
Service cost	930
Interest cost	121
Actuarial losses	835
Benefits paid	(600)
Exchange differences	(619)
At 31 March 2021	14,465

21. Called-up share capital and reserves

	2021 £'000	2020 £'000
Allotted, called-up and fully-paid		
123,561,907 Ordinary shares of 5p each	6,178	6,178

Ordinary shareholders have full rights to receive dividends and capital distributions and each share confers upon the holder one vote. Ordinary shares are not redeemable. The Group's reserves comprise the following:

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

22. Net cash flows from operating activities

	2021 £'000	2020 £'000
Operating profit	45,868	30,708
Adjustment for:		
Depreciation of tangible fixed assets	11,099	12,015
Amortisation of intangible fixed assets	6,330	6,570
Impairment of intangible fixed assets	335	-
(Gain)/loss on sale of tangible fixed assets	(2)	138
Adjustment for pension funding	415	451
Operating cash flow before movement in working capital	64,045	49,882
(Increase) in stocks	(10,805)	(5,957)
Decrease in debtors	27,772	31,527
Increase in creditors	35,557	30,340
	116,569	105,792
Income tax paid	(13,516)	(3,296)
Cash generated by operations	103,053	102,496

At 31 March 2021, the total cash and cash equivalents included cash amounting to £5,537,000 (2020: £4,441,000) that was held as a deposit for security over the recourse and non-recourse finance facility taken out in France.

22. Net cash flows from operating activities (continued)

Net Debt Statement

	2021 £'000	2020 £'000
Net cash at beginning of year	**310,242**	241,046
Cash flows of the entity		
Cash flows from operating activities	**103,053**	102,496
Net cash capital expenditure	**(12,680)**	(21,916)
Interest received and paid	**(1,275)**	(1,888)
Dividends paid	**(163)**	(8,661)
New finance leases	**-**	(706)
Net increase in net cash	**88,936**	69,325
Effects of foreign exchange rates	**(8,715)**	(129)
Net cash at end of year	**390,462**	310,242
Components of net cash/(debt)		
Cash at bank and in hand	**397,172**	320,151
Bank Loans and overdrafts (note 18)	**(921)**	(2,226)
Obligations under finance leases and HP contracts (note 18)	**(5,789)**	(7,683)
	390,462	310,242

23. Contingent liabilities

There is a cross guarantee on the overdraft in SCC EMEA Limited. At 31 March 2021, the indebtedness of these UK group undertakings amounted to £46,697,654 (2020: £64,872,905).

24. Financial commitments

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

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

	2021		2020	
Group	Land & Buildings £'000	Other £'000	Land & Buildings £'000	Other £'000
Within one year	4,187	2,525	3,424	2,784
Between two and five years	17,724	5,758	26,608	5,164
In over five years	37,289	-	16,871	19
	59,200	8,283	46,903	7,967

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

25. Related party transactions

On 28 July one director exercised their put option resulting in a repayment of £150,000 of the directors loans. In the prior year one director exercised their put option resulting in a repayment of £125,000 of the directors loans. The Group has taken an exemption from disclosing transactions and balances with other wholly owned subsidiaries of Rigby Group (RG) Plc.

26. Controlling party

Ultimate parent undertaking

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

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

Ultimate controlling body

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

Useful information

Directors	Sir Peter Rigby Ms PA Rigby Mr JP Rigby Mr SP Rigby Mr PN Whitfield
Registered Office	James House Warwick Road Birmingham West Midlands B11 2LE United Kingdom
Auditor	Deloitte LLP Statutory Auditor Four Brindleyplace Birmingham West Midlands B1 2HZ United Kingdom
Bankers	HSBC UK Bank plc 120 Edmund Street Birmingham West Midlands B3 2QZ United Kingdom Societe Generale SA 33 Avenue de Wagram BP963-75829 Cedex 17 Paris, France Credit Industriel et Commercial SA 57 Rue de la Victorie 75452 Cedex 09 Paris, France HSBC Factoring France SA 103 Avenue des Champs-Élysées 75008 Paris, France
Lawyers	Gowling WLG (UK) LLP 2 Snowhill Birmingham West Midlands B4 6WR United Kingdom
Company Number	04279856

Useful information

Entity	Registered offices
Specialist Computer Centres plc **Specialist Computer Services Limited** **SCC AVS Limited** **SCC UK Holdings Limited** **SCC Overseas Holdings Limited** **SCC (UK) Limited** **SCC Data Centre Services Limited** **SCC Capital Limited** **Oworx Limited** **M2 Digital Limited** **M2 Smile Limited**	James House Warwick Road Birmingham West Midlands B11 2LE United Kingdom
Rigby Group SAS **SCC France SAS**	96 Rue des Trois Fontanot, 92000, Nanterre, France
Rigby Capital SAS **Large Network Administration SAS**	91 Rue Salvador Allende 92000, Nanterre, France
Flow Line Technologies SAS	575-655 Batiment D, 575 Alle Des Parcs 69800, Saint Priest, France
Altimance SAS	258 Avenue Roland, Moreno, Helios-Batiment A, Parc des Rives Creatives, 59410, Anzin, France
Recyclea SAS	Rue Michel Faye, 03410 Domerat, France
Specialist Computer Centres SL **Specialist Computer Services SL**	Calle Teide, 4 – Núcleo 2 – 1ª Planta 28703 San Sebastián de los Reyes Madrid, Spain
S.C SCC Romania S.R.L	Soseaua Pacurari no.138, Building IDEO, Postal code 700544, Iasi, Romania
Specialist Computer Centres Vietnam Company Limited	8th Floor, Maple Tree Business Centre, 1060 Nguyen Van Linh Boulevard, Tan Phong Ward, District 7, Ho Chi Minh City, Vietnam

SCC

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

T: +44 (0)121 766 7000
E: online@scc.com

scc.com