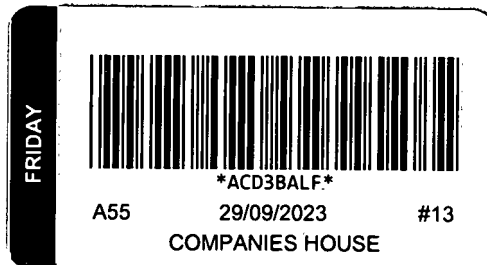


Computacenter (UK) Limited
Report and Financial Statements

31 December 2022



Computacenter (UK) Limited

Registered No. 1584718

Directors

M J Norris
M C Jehle (appointed 1 June 2023)
F A Conophy (resigned 1 June 2023)
J Beard (appointed 1 April 2022)
K J James (resigned 1 April 2022)

Secretary

S Pereira

Auditor

KPMG LLP
Challenge House
Sherwood Drive
Bletchley
Milton Keynes
MK3 6DP

Registered Office

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

Computacenter (UK) Limited

Strategic report

The Directors present their strategic report for the year ended 31 December 2022.

Principal activities

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

Review of the business

Revenues decreased by 13.1 percent to £1,258.9 million (2021: £1,448.1 million). The Company saw a significant growth in gross invoiced income*, however, this did not reflect in revenue growth due to a shift in product mix towards software and resold services where only the gross margins on the software and resold services business, which are naturally low, are reported as revenue, following the change to our accounting policy for agent versus principal recognition as detailed in note 5.2.1 to the financial statements. So, whilst the amount billed to customers increased significantly due to rising overall business volumes, this change in mix resulted in a reduced revenue as only the margins earned, rather than the amount invoiced, is recorded as revenue. Further, the shift away from workplace business within the product mix dampened demand for related pull-through or follow-on Services.

Demand from public sector customers has diminished since the pandemic, and there were a small number of non-renewals within public sector contracts in 2021 which impacted 2022. Political uncertainty also delayed spending decisions in the second half of the year. However, the corporate sector performed better as more employees returned to their offices.

With economic conditions becoming more difficult, some customers are slowing down their investments, particularly for hardware upgrade projects. However, we believe this is creating pent-up demand and that we will benefit as they resume investing in their businesses. We have continued to invest to broaden our customer base and have been successful in growing the number of target-market customers. A return on this investment should materialise in future years, as we work with those customers and increase the range and value of our sales to them.

Overall gross margins in the United Kingdom increased by 178 basis points, with gross profit at 19.7 per cent of revenues (2021: 17.9 per cent). This result was impacted by the significant swing from hardware to software and resold services within Technology Sourcing during the year, where the margins are recorded directly as net revenue as a result of our recent change in revenue recognition accounting policies as noted above.

Despite the increase in gross invoiced income* and gross margins, overall gross profit declined by 4.4 percent to £248.4 million (2021: £259.9 million). This result was impacted by the significant swing from hardware to software and resold services within Technology Sourcing and lower Services revenue. Whilst the product mix change benefitted the gross margin ratio, the absolute margins recorded on these revenues are lower than on higher value transactions within areas such as workplace, data center, networking infrastructure and security that have reduced.

Higher administrative costs reflected the impact of inflation on people costs, the expansion of our sales force in the previous year to grow our customer base, and the return of domestic and international travel. We intend to pass most of the inflationary impact on our people costs on to our customers, through higher prices. We are carefully managing travel by using technology, while applying a carbon travel levy to ensure that we make carbon-efficient choices. During the year, our people increasingly came back to the office and met our customers face to face. We opened new collaboration spaces in our United Kingdom head office in Hatfield. Travel overall remains below pre-pandemic levels. Other operating expenses increased by 3.3 percent to £164.9 million (2021: £159.7 million).

* Gross invoiced income is based on the value of invoices raised to customers, net of the impact of credit notes and excluding VAT and other sales taxes and includes all items recognised on an 'agency' basis within revenue, on a gross income billed to customers basis, as adjusted for deferred and accrued revenue.

Computacenter (UK) Limited

Strategic report (continued)

Review of the business (continued)

Overall, this resulted in operating profit decreasing by 16.7 percent to £83.5 million (2021: £100.2 million).

Technology Sourcing performance

Technology Sourcing revenue decreased by 17.2 percent to £792.1 million (2021: £956.4 million).

The reduction in Technology Sourcing revenues reflected a shift in product mix towards software and resold services, which improved gross margins but had less impact on reported revenue as they are booked on an agency or net basis. We saw lower demand for hardware during the year, primarily in workplace, as some customers completed their Windows 10 rollouts. The reduced workplace activity affected utilisation and cost absorption of our Integration Centers, where we add value for customers, for example by configuring their devices. We have seen improved availability of hardware components for workplace and data center but this remains an issue for networking.

Our software business grew rapidly, in particular through longer-term framework contracts, and we also expanded our resold services. Neither of these areas had the supply chain issues that affected hardware sales, allowing us to rapidly fulfil customer demand. In the enterprise solution areas, we are seeing good growth in our data center and cloud business, again driven by software sales.

Services performance

Services revenue saw an overall decrease of 5.1 percent to £466.8 million (2021: £491.7 million). This resulted from a decline in Professional Services of 4.4 percent to £146.8 million (2021: £153.5 million) and a decrease in Managed Services of 5.4 percent to £320.0 million (2021: £338.2 million).

The lower workplace demand in Technology Sourcing also affected Professional Services, which rolls out technology we have sold to our customers. We also saw a slight decline in the number of large programmes of work that are on an outcome-based commercial model. However, we benefited from increased demand for adopting public cloud and for expanding and securing customer networks. We also grew our resources on demand business, where we provide specialist resources to support our customers' operations. Profitability in Services was held back by additional costs to improve performance on a small number of Professional Services contracts, which we addressed during the year. The pipeline for Professional Services is strong, giving us confidence that growth opportunities are realisable.

Revenue in Managed Services was lower, reflecting the full-year impact of contract losses in 2021 and delays to some contract awards we had anticipated in 2022. However, we had a good year for renewals and won a significant contract that will benefit revenues going forwards. In 2021, we won a significant Managed Services contract with a large multinational investment bank and financial services company, to provide a device as a service model with worldwide support coverage and Technology Sourcing embedded in the contract. We have continued to roll the model out globally for the customer and our pipeline for device as a service is growing, with a second contract with a large pharmaceutical company being signed since the year end.

Principal risks and uncertainties

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

Computacenter (UK) Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Risk Categories	Alert Status	Risks	Principal impact	Response to risk	Risk Owner
Strategic Risks	Increased in line with the need to prioritise our responses	<p>Market shift in technology usage, making what we do less relevant or superfluous and we fail to invest appropriately to defend our competitiveness</p> <p>The increasingly global nature of our operations exposes us to additional and specific political and economic influences, such as geopolitical risk relating to our operational base and changes in the competitive landscape for certain business activities which attract large global competitors</p>	<p>Reduced margin</p> <p>Excess operational employees</p> <p>Contracts not renewed</p> <p>Missed business opportunities</p>	<p>Well-defined strategy, backed by an annual strategy process that considers our offerings against market changes</p> <p>Investment & Strategy Board, which considers strategic initiatives of the Company</p> <p>Additional measures including sector and win/loss reviews</p>	<p>Group Development Director</p> <p>Managing Director Managed Services</p>
Contractual / Operational Risks	Unchanged	<p>Lack of effective pre-contract processes resulting in poor design, costing and pricing, leading to loss-making contracts or a failure to win bids</p> <p>Lack of effective post-contract delivery</p> <p>Failure to comply with applicable laws and regulations or meet our commitments in relation to the protection of employees and customers' personal data, and in relation to environmental, social and governance matters, leading to potential fines and/or reputational damage with customers and other stakeholders</p> <p>Supply chain shortages leading to excessive working capital investment and potential customer dissatisfaction</p>	<p>Customer dissatisfaction</p> <p>Financial penalties</p> <p>Contract cancellations</p> <p>Reputational damage</p> <p>Reduced margins</p> <p>Loss-making contracts</p> <p>Reduced service and technical innovation</p>	<p>Mandatory governance processes relating to bids and new business take-ons, including risk-based decision-making assessments and new tooling</p> <p>Focus on service design excellence underpinned by associated processes such as the Deal Lifecycle framework and Deal Calculation Suite</p> <p>Management oversight of significant bids</p> <p>Independent assurance provided by the Quality Management & Assurance function over key bids and delivery programmes</p> <p>Regular commercial 'deep dives' into troubled contracts and challenging transformation projects</p> <p>Close working relationship with key vendors</p> <p>Working closely with customers to stabilise scheduled deliveries</p>	<p>Managing Director Managed Services</p> <p>Group Commercial Management & Assurance Director</p> <p>Group Legal & Compliance Director</p> <p>Group Development Director</p> <p>Chief Commercial Officer</p>

Computacenter (UK) Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Risk Categories	Alert Status	Risks	Principal impact	Response to risk	Risk Owner
Contractual/ Operational Risks (continued)		Lack of effective acquisition integration and failure to deliver on acquisition objectives		<p>Data privacy audit programme</p> <p>Security controls as described in the Computacenter Technical and Organisational Measures</p> <p>Focus on data deletion to minimise storage of personal data</p> <p>Appropriate due diligence and acquisition integration plans in place, with ongoing monitoring of key risks to ensure success</p> <p>Strong Company culture and values</p> <p>Strong corporate governance, risk management and ethics, including policies and/or training for anti-bribery and corruption, export compliance, competition law, health and safety environment and Human Resources, in addition to a whistleblowing hotline</p>	
Infrastructure Risks	Increased in line with change agenda	Cyber threat to Computacenter's networks and systems, arising from either internal or external security breaches, leading to system failure, denial of access or data loss. In addition, cyber threats introduced by Computacenter to its customers' networks and systems, for whatever reason	<p>Inability to deliver business services</p> <p>Reputational damage</p> <p>Customer dissatisfaction</p> <p>Financial penalties</p> <p>Contract cancellations</p>	<p>Well-communicated information security and virus protection policies</p> <p>Specific inductions and training for employees working on customer sites and systems</p> <p>Specific policies and procedures for employees working behind a customer's firewall</p> <p>Ongoing and regular programme of external penetration testing</p> <p>Policies ensuring Computacenter does not run customer applications or have access to customer data</p>	Chief Information Officer

Computacenter (UK) Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Risk Categories	Alert Status	Risks	Principal impact	Response to risk	Risk Owner
Infrastructure Risks (continued)		Major failure(s) leading to unacceptably long outages or regular short outages of our customer-facing systems, leading to customer dissatisfaction, financial penalties or contract cancellations, damaging our reputation and ability to win business. Failure to plan and execute effectively the replacement of our core internal systems, leading to loss of growth opportunities and business control		<p>Regular review of cyber security controls and threat analysis</p> <p>All core systems are built and operated on high availability infrastructure, clustered across the two data centers in Hatfield, with disaster recovery capabilities provided in Germany</p> <p>All centrally hosted systems benefit from high availability data center infrastructure, with resilience both within and across our data centers in Hatfield. The two data centers run on separate infrastructure and environment systems, and are powered by separate energy sources</p> <p>All centrally hosted systems benefit from dual network connectivity into core data centers. Internet bandwidth has been materially increased to support greater use of cloud-based services and the new software-defined wide area network. Service delivery systems are designed such that a loss of the core (in the data centers) does not impact our ability to continue to accept voice calls from customers, to allow continuity of a base service on our delivery sites, even in the event of major issues in the core</p> <p>Ongoing work on our perimeter defences to help minimise the risk that any attack on our non-core systems poses an additional threat to our central infrastructure</p>	

Computacenter (UK) Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Financial Risks	Increased in line with the higher level of inventory and macro-economic pressures	<p>Failure to manage working capital effectively</p> <p>Heightened macroeconomic factors specifically related to inflation, interest rate increases and potential recession, including energy shortages, leading to reduced demand for our products and services and/or margin erosion</p>	<p>Financial impact through bad debts, obsolete inventory and/or other working capital movements</p> <p>Inflation and prolonged recession could reduce demand for IT projects and implementation and affect internal utilisation rates of Professional Services employees</p>	<p>Implementation of debt management best practice, after centralising Europe-wide collection functions at the Budapest finance Shared Service Centre</p> <p>Credit Assessment function</p> <p>Standard contract terms</p> <p>Detailed monthly monitoring by Management</p> <p>Inventory management controls and monitoring</p> <p>Increasing use of direct delivery</p> <p>Minimise fixed-cost growth</p> <p>Careful management of contract margins</p>	Group Finance Director
People Risks	No change	<p>Failure to recruit and retain the right calibre of employees to our talent pool, which includes acting as an inclusive employer, with a focus on senior positions in sales, services and projects</p> <p>Inadequate succession planning or insufficient depth within key senior positions</p>	<p>Lack of adequate leadership</p> <p>Customer dissatisfaction</p> <p>Financial loss</p> <p>Contract cancellations</p> <p>Reputational damage</p>	<p>Succession planning in place for the management structure across the Company</p> <p>Development programme in place for identified successors</p> <p>Regular remuneration benchmarking</p> <p>Incentive plans to aid retention</p> <p>Investment in management development programmes</p> <p>Talent acquisition function and focus on talent analytics with a clear strategy</p> <p>Leadership framework and development structure to strengthen engagement with leaders and our potential leaders</p> <p>Regular employee surveys to understand and respond to employee issues</p> <p>Specific diversity projects in place relating to accessibility and wellbeing, life balance, LGBT+ and allies, future talent, focus on women and culture</p> <p>Consistent performance management processes</p>	<p>Group Chief People Officer</p> <p>Chief Executive Officer</p>

Computacenter (UK) Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

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

Financial instruments

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

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

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

Interest rate risk

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

Liquidity risk

The Company's policy is to ensure that it has sufficient funding and facilities to meet any foreseeable peak in borrowing requirements. At 31 December 2022, the Company had cash and cash equivalents of £167.7 million (2021: £156.2 million). Total lease liabilities were £9.7 million (2021: £12.1 million).

Foreign currency risk

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

For certain contracts, the Company's committed contract costs are not denominated in the same currency as its sales. In such circumstances, the Company eliminates currency exposure for a foreseeable period on these future cash flows, through forward currency contracts. In 2022, the Company recognised a gain of £4.0 million (2021: loss of £0.9 million) through other comprehensive income in relation to the changes in fair value of related forward currency contracts, where the cash flow hedges relating to firm commitments were assessed to be highly effective.

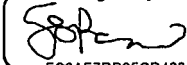
Credit risk

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

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

By order of the Board

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S Pereira

Secretary

27 September 2023

Computacenter (UK) Limited

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

Section 172 of the Companies Act 2006 requires Directors to promote the success of the company for the benefit of the members as a whole and in doing so have regard to the interests of stakeholders including clients, employees, suppliers, regulators and the wider society in which it operates. Computacenter (UK) Limited is a wholly owned subsidiary of Computacenter Plc and is part of Computacenter Group ("Group").

On pages 70 to 73 of the Computacenter plc Annual Report and Accounts 2022, we have set out how we have engaged with our key stakeholders and how the Board has considered their interests during the year.

The Chair's Statement on pages 2 to 3 of the Computacenter plc Annual Report and Accounts 2022 outlines how the Board considered the Group's environmental impact in 2022, and information on our environmental performance can be found on pages 38 to 52 of the Computacenter plc Annual Report and Accounts 2022.

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

Computacenter (UK) Limited Board naturally takes a long-term view in its decision making. The Company's business is based on developing multi-year relationships with customers, as evidenced by more than half of our top 50 customers having been with us for more than a decade. The Directors of the Group also have a substantial combined shareholding in the Group (which includes Computacenter (UK) Limited), totalling 42.8 per cent of total voting rights as at 31 December 2022, and therefore have a significant interest in ensuring the business's continued success in the long term.

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

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

Information on the matters considered by the Board during the year can be found on pages 94 to 95 of the Computacenter plc Annual Report and Accounts 2022.

Stakeholder engagement

Our stakeholders are an important part of our operations and are referenced throughout this report. Details of our key stakeholders and how we engage with them are within page 70 to 73 of Computacenter plc Annual Report and Accounts 2022.

Computacenter (UK) Limited

Directors' report

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2022. The Company is a wholly owned subsidiary of Computacenter plc and is part of Computacenter Group ("Group").

Directors

The Directors who present the accounts for the year ended 31 December 2022 and who served during the year are as follows;

M J Norris
M C Jehle (appointed 1 June 2023)
F A Conophy (resigned 1 June 2023)
J Beard (appointed 1 April 2022)
K J James (resigned 1 April 2022)

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

Results and dividends

The Company's activities resulted in a profit before income tax of £87.5 million (2021: £99.8 million). The profit for the year available to shareholders amounted to £68.0 million (2021: £84.3 million).

Dividends of £150.0 million were paid during the year (2021: nil).

Future developments

Management is resolute in the focus on continuing to strengthen and grow the Company, to enable the success of all stakeholders. The impact of the global Covid pandemic now appears to be broadly under control and should not impact our business in 2023. The fundamental demand drivers for our business continue to look strong as we enter 2023. We do recognise, however, that the prevailing economic conditions mean that we will need to continue to execute strongly, as corporate and public sector organisations focus on controlling costs. However, they continue to invest in their digital transformations and this, alongside the confidence we have in our people, makes us believe that 2023 will be another year of continued progress.

We continue to operate in accordance with our values, and therefore remain focused on our long-term success. Staying ahead of the increasingly challenging cyber security threat landscape remains a key focus. We will continue and step up our investment in the scaling and sophistication of our security capabilities, to protect our customers, systems and services. The Company also has an ambitious investment programme to enhance our competitive position and sustain our long-term performance. We also continue to invest to increase our productivity and broaden the range and quality of offering we deliver for our customers.

We are fortunate to have a customer base which includes some of the most highly regarded corporate and public sector organisations. Our purpose is helping our customers to change the world. We look forward to the rest of 2023 with confidence that our culture, people and investments will enable us to do so.

Employee involvement and development

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

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

Computacenter (UK) Limited

Directors' report (continued)

Employee involvement and development (continued)

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

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

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

Equal opportunities

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

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

Health and safety

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

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

Business ethics

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

Business relationships

For further detail on this, please refer to the Section 172 statement on page 9.

Insurance and indemnities

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

Computacenter (UK) Limited

Directors' report (continued)

Community relations and charity activities

The Company supports community and charitable projects as part of its commitment to corporate social responsibility and encourages its employees to support such projects. It also organises and supports ad-hoc charitable fundraising events. The Company has made charitable donations during the year amounting to £89,372 (2021: £51,710). During the year, the Company did not make any political donations or incur any political expenditure within the meaning of sections 362 to 379 of the Companies Act 2006.

Streamlined Energy and Carbon Reporting (SECR)

Computacenter (UK) Limited is a wholly owned subsidiary of Computacenter Plc and is part of Computacenter Group ("Group"). Details of Streamlined Energy and Carbon Reporting (SECR) and Climate-related Financial Disclosures can be found on pages 46 to 52 and pages 54 to 57 of the Computacenter plc Annual Report and Accounts 2022.

Corporate governance

The Company's parent undertaking, Computacenter plc, as a listed company, is subject to the UK Corporate Governance Code (2018) (the 'Code'). Pages 83 to 139 of the Computacenter plc Annual Report and Accounts 2022 (available at <https://investors.computacenter.com/results-centre>) explains how the Group applied the principles of, and complied with the provisions of, the Code during the year.

The Company did not apply a code, because its parent undertaking applied the Code, which was applied throughout the Group. Further detail on the Group's corporate governance arrangements can be found at: <https://investors.computacenter.com/corporate-governance>.

Going concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, details of its financial risk management objectives and its exposure to interest rate, liquidity, foreign currency and credit risk are set out in the principal risks and uncertainties on pages 3 to 7 and financial instruments risks on page 8. The Company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different industries. As a consequence, the Directors believe that the Company is well placed to manage its business risk successfully.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure of information to the auditor

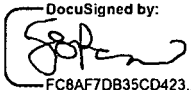
The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself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

Auditor

Following an audit tender process carried out in 2022 by the Company's parent undertaking, Computacenter plc, KPMG LLP stepped down from its role as auditor of the Group at the parent's 2023 AGM. At the same meeting, Grant Thornton UK LLP (Grant Thornton) was appointed as auditor of the Group for the year ending 31 December 2023. The appointment of Grant Thornton as auditor of the Company will be proposed at the next Board meeting.

By order of the Board

S Pereira
Secretary
27 September 2023

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Computacenter (UK) Limited

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

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

Opinion

We have audited the financial statements of Computacenter (UK) Limited ("the Company") for the year ended 31 December 2022 which comprise the profit and loss account, statement of other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 4.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources was lower than expected trading volumes.

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of financial resources indicated by the Company's financial forecasts. We also assessed the completeness of the going concern disclosure.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

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

Fraud and breaches of laws and regulations – ability to detect (continued)

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that Technology sourcing bill and hold sales and Technology sourcing non-bill and hold sales are recorded in the wrong period, and the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition of Managed Services and Professional Services because the level of estimation and judgement over contracts spanning the year end is low.

We did not identify any additional fraud risks.

In determining the audit procedures, we considered the results of our evaluation and testing of the operating effectiveness of the company-wide fraud risk management controls. We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts, those with unusual descriptions, and round number adjustments to provisions.
- Assessing whether the judgements made when recognising revenue are indicative of a potential bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards). We also discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: export and overseas legislation, GDPR compliance, health and safety, contract legislation, anti-bribery, employment law, and certain aspects of company and environmental legislation, recognising the nature of the Company's activities to export IT hardware and provide global IT services. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management, and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

Fraud and breaches of laws and regulations – ability to detect (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 13, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



David Arnold (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Challenge House,
Sherwood Drive,
Bletchley, Milton Keynes
MK3 6DP
27 September 2023

Computacenter (UK) Limited

Profit and Loss Account
For the year ended 31 December 2022

	Notes	2022 £m	2021 (Restated*) £m
Revenue	6	1,258.9	1,448.1
Cost of sales		(1,010.5)	(1,188.2)
Gross profit		248.4	259.9
Other operating expenses		(164.9)	(159.7)
Operating profit	7	83.5	100.2
Impairment of investment	17	(1.3)	(0.6)
Interest receivable and similar income	11	3.3	0.7
Interest payable and similar expenses	12	(0.4)	(0.5)
Dividends received		2.4	–
Profit before income tax		87.5	99.8
Income tax expense	13	(19.5)	(15.5)
Profit for the year		68.0	84.3

* The comparative information is restated on account of a change in accounting policy for Technology Sourcing revenue and cost of sales, see note 5. Gross profit, operating profit, and profit before and after taxes have remained unchanged.

All activities of the Company relate to continuing operations.

The accompanying notes on pages 22 to 49 form an integral part of these financial statements.

Computacenter (UK) Limited

**Statement of Other Comprehensive Income
For the year ended 31 December 2022**

	Notes	2022 £m	2021 £m
Profit for the year		68.0	84.3
<i>Other comprehensive income / (expense):</i>			
<i>Items that may be subsequently reclassified to the Profit and Loss Account</i>			
Gain / (loss) arising on cash flow hedge, net of amount transferred to the Profit and Loss Account		4.0	(0.9)
Income tax effect	13	(1.0)	0.2
		<u>3.0</u>	<u>(0.7)</u>
Other comprehensive income / (expense) for the year, net of tax		<u>3.0</u>	<u>(0.7)</u>
Total comprehensive income for the year		<u>71.0</u>	<u>83.6</u>

The accompanying notes on pages 22 to 49 form an integral part of these financial statements.

Computacenter (UK) Limited
Registered number 1584718

Balance Sheet
As at 31 December 2022

	Notes	2022 £m	2021 £m
Fixed assets			
Intangible assets	15	23.1	18.4
Property, plant and equipment	16	17.8	17.6
Right-of-use assets	16	9.2	11.6
Investments	17	75.5	73.9
		<u>125.6</u>	<u>121.5</u>
Current assets			
Inventories	18	19.1	25.6
Trade and other receivables	19	681.9	602.6
Income tax receivable		3.4	1.4
Deferred tax asset	13	7.0	22.7
Forward currency contracts		5.6	1.7
Cash and cash equivalents		167.7	156.2
		<u>884.7</u>	<u>810.2</u>
Creditors: amounts falling due within one year	20	(769.1)	(609.4)
		<u>115.6</u>	<u>200.8</u>
Net current assets			
Creditors: amounts falling due after more than one year	21	(5.8)	(8.2)
Provisions for liabilities	22	(1.7)	(2.7)
		<u>233.7</u>	<u>311.4</u>
Net assets			
Equity			
Share capital	23	0.4	0.4
Share premium		11.8	11.8
Capital redemption reserve		3.9	3.9
Retained earnings		217.6	295.3
		<u>233.7</u>	<u>311.4</u>
Total shareholders' funds			

Approved by the Board on 27 September 2023.

DocuSigned by:

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M C Jehle
Director

The accompanying notes on pages 22 to 49 form an integral part of these financial statements.

Computacenter (UK) Limited

Statement of Changes in Equity
For the year ended 31 December 2022

	Share capital £m	Share premium £m	Capital redemp- -tion reserve £m	Retained earnings £m	Tota £m
At 1 January 2021	0.4	11.8	3.9	196.5	212.6
Profit for the year	-	-	-	84.3	84.3
Other comprehensive expense for the year	-	-	-	(0.7)	(0.7)
Total comprehensive income for the year	-	-	-	83.6	83.6
Share based payment charge for the year	-	-	-	7.5	7.5
Tax on share-based payment charge	-	-	-	7.7	7.7
At 31 December 2021	<u>0.4</u>	<u>11.8</u>	<u>3.9</u>	<u>295.3</u>	<u>311.4</u>
Profit for the year	-	-	-	68.0	68.0
Other comprehensive income for the year	-	-	-	3.0	3.0
Total comprehensive income for the year	-	-	-	71.0	71.0
Share based payment charge for the year	-	-	-	5.9	5.9
Tax on share-based payment charge	-	-	-	(4.6)	(4.6)
Dividends paid	-	-	-	(150.0)	(150.0)
At 31 December 2022	<u>0.4</u>	<u>11.8</u>	<u>3.9</u>	<u>217.6</u>	<u>233.7</u>

The accompanying notes on pages 22 to 49 form an integral part of these financial statements.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2022

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

The financial statements of Computacenter (UK) Limited (the "Company") for the year ended 31 December 2022 were approved in accordance with a resolution of the Directors on 27 September 2023. The Balance Sheet was signed on behalf of the Board by M C Jehle. The Company is a wholly owned subsidiary of Computacenter plc, a company incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The financial statements are prepared under the historical cost convention.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards (adopted IFRSs), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out in note 2 below where advantage of the FRS 101 disclosure exemptions has been taken.

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

2 Basis of preparation

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

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based Payment,
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations,
- the requirements of IFRS 7 Financial Instruments: Disclosures,
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement,
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (a) paragraph 79(a)(iv) of IAS 1;
 - (b) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - (c) paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers

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

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

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2022

2 Basis of preparation (continued)

New and revised accounting standards and interpretations

Apart from the changes discussed within note 5.2.1, there are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 and which have a material impact on these financial statements.

3 Going concern

In determining whether it is appropriate to prepare the financial statements on a going concern basis, the Company prepares a three-year Plan (the 'Plan') annually by aggregating top-down expectations of business performance across the Company in the second and third year of the Plan with a detailed 12-month bottom-up budget for the first year, which was approved by the Directors of the Company, of which M J Norris and M C Jehle are members of the Board that approve Group plans. The Plan is subject to rigorous downside sensitivity analysis which involves flexing a number of the main assumptions underlying the forecasts within the Plan. The forecast cash flows from the Plan are aggregated with the current position to provide a total three-year cash position against which the impact of potential risks and uncertainties can be assessed. In the absence of significant external debt, the analysis also considers access to available committed and uncommitted finance facilities, the ability to raise new finance in most foreseeable market conditions and the ability to restrict dividend payments.

The Directors have identified a period of not less than 12 months as the appropriate period for the going concern assessment and have based their assessment on the relevant forecasts from the Plan for that period.

The potential impact of the principal risks and uncertainties, as set out on pages 3 to 7, is then applied to the Plan. This assessment includes only those risks and uncertainties that, individually or in plausible combination, would threaten the Company's business model, future performance, solvency or liquidity over the assessment period and which are considered to be severe but reasonable scenarios. It also takes into account an assessment of how the risks are managed and the effectiveness of any mitigating actions.

For the current year, the primary downside sensitivity relates to a modelled, but not predicted, severe downturn in the Company's revenues, beginning in 2023, simulating a continued impact for some of our customers from the Covid-19 crisis, a reduction in customer demand due to the current economic crisis, and ongoing impacts on the Company's revenues from supply shortages. This sensitivity analysis models a continued market downturn scenario, with slower-than-predicted recovery estimates, for some of our customers whose businesses have been affected by Covid-19 and a similar downturn occurring for the remainder of our customer base as a result of the emerging negative global macroeconomic environment due to the current economic crisis. A further impact on the Company's Technology Sourcing revenues through the second half of 2023 from possible ongoing vendor-related supply shortage issues has also been included in the sensitivity analysis.

The Company's cash and borrowing capacity provides sufficient funds to meet foreseeable needs. At 31 December 2022, the Company had cash and cash equivalents of £167.7 million (2021: £156.2 million). In addition, the Company had no external debt borrowings, other than lease liabilities.

The Company has a resilient balance sheet position, with net assets of £233.7 million as at 31 December 2022 (2021: £311.4 million). The Company made a profit after income tax of £68.0 million (2021: £84.3 million).

As the analysis continues to show a strong forecast cash position, even under the severe economic conditions modelled in the sensitivity scenarios, the Directors continue to consider that the Company (a wholly owned subsidiary of Computacenter Plc) is well placed to manage business and financial risks in the current economic environment. Based on this assessment, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of not less than 12 months from the date of signing these financial statements and therefore have prepared the financial statements on a going concern basis.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2022

4 Summary of significant accounting policies

4.1 Foreign currency translation

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

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

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

4.2 Revenue

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

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

4.2.1 Technology Sourcing

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

Technology Sourcing revenue is recognised when the Company's performance obligations are fulfilled at a point in time when control of the goods has been transferred to the customer. Typically, customers obtain control of the goods when they are delivered to and have been accepted at their premises, depending on individual customer arrangements. Invoices are routinely generated at despatch from our Integration Centers or, in the case of direct delivery by supplier, upon receipt at customer locations. At each reporting date, a process is undertaken to ensure revenue is not recognised for goods that have not been received by customers at that reporting date. Payment for the goods is generally received on, or before, industry-standard payment terms, ordinarily within 30 days. Refer to note 5.2.2 for 'bill and hold' transactions.

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

There are a variety of discounts and rebates provided to customers, which are assessed on a case-by-case basis as to whether the resulting payment to customers is for a distinct good or service (such as marketing) or for a promotional discount.

Technology Sourcing principal versus agent recognition

Management assesses the classification of certain revenue contracts for Technology Sourcing revenue recognition on either an agent or principal basis. Because the identification of the principal in a contract is not always clear, Management makes a determination by evaluating the nature of our promise to our customer as to whether it is a performance obligation to pass control of the specified goods or services ourselves, in that we are the principal, or to arrange for those goods or services to be provided by the other party, where we are the agent. See note 5.2.1 Technology Sourcing principal versus agent recognition for further information on this critical judgement.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2022

4 Summary of significant accounting policies (continued)

4.2 Revenue (continued)

4.2.1 Technology Sourcing (continued)

We determine whether we are a principal or an agent for each specified good or service promised to the customer by evaluating the nature of our promise to the customer against a non-exhaustive list of indicators that a performance obligation could involve an agency relationship:

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

4.2.2 Professional Services

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

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

For those contracts which are 'resource on demand', revenue is billed on a timesheet basis. The Company elects to use the practical expedient in IFRS15.B16, as we have a right to consideration from our 'resource on demand' Professional Services customers in an amount that corresponds directly with the value to our customer of the Company's performance completed to date. The practical expedient applied permits the Company to recognise these 'resource on demand' Professional Services revenues in the amount to which the entity has a right to invoice. Professional Services revenue is therefore recognised throughout the term of the contract, as services are delivered, with amounts recognised based on monthly invoiced amounts, as this corresponds to the service delivered to the customer and the satisfaction of the Company's performance obligations.

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

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

A provision for forecast excess costs over forecasted revenue is made as soon as a loss is foreseen (see note 4.12.1 for further detail).

Payment for the Services, which are invoiced monthly, is generally on industry standard payment terms.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2022

4 Summary of significant accounting policies (continued)

4.2 Revenue (continued)

4.2.3 Managed Services

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

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

Managed Services revenue is therefore recognised throughout the term of the contract, as services are delivered, with amounts recognised based on monthly invoiced amounts, as this corresponds to the service delivered to the customer and the satisfaction of the Company's performance obligations.

Amounts invoiced relating to more than one year are deferred and recognised over the relevant period. Payment for the services is generally on industry standard payment terms.

If the total estimated costs and revenues of a contract cannot be reliably estimated, revenue is recognised only to the extent that costs have been incurred and where the Company has an enforceable right to payment as work is being performed. A provision for forecast excess costs over forecasted revenue is made as soon as a loss is foreseen (see note 4.12.1 for further detail). On occasion, the Company may have a limited number of Managed Services contracts where revenue is recognised on a percentage of completion basis, which is determined by reference to the costs incurred as a proportion of the total estimated costs of the contract.

Costs of obtaining and fulfilling revenue contracts

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

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

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

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

Both win fees and Entry Into Service costs are amortised on a straight-line basis over the contract term, as this is equivalent to the pattern of transfer of services to the customer over the contract term. The amortisation charges on win fees and Entry Into Service costs are recognised in the Profit and Loss Account within other operating expenses and cost of sales, respectively.

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

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2022

4 Summary of significant accounting policies (continued)

4.2 Revenue (continued)

4.2.4 International contracts

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

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

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

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

4.2.5 Contract assets and liabilities

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

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

4.3 Interest receivable and similar income

Income is recognised as interest accrues.

4.4 Impairment of assets

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

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2022

4 Summary of significant accounting policies (continued)

4.4 Impairment of assets (continued)

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

4.5 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation, down to residual value, is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Freehold buildings	25 - 50 years
Short leasehold improvements	shorter of 7 years and period to expiry of lease
Fixtures and fittings:	
- Head office	5 - 15 years
- Other	shorter of 7 years and period to expiry of lease
Office machinery and computer hardware	2 - 15 years
Motor vehicles	3 years

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

4.6 Leases

4.6.1 Recognition of a lease

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

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

The Company elects to separate the non-lease components.

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

Right-of-use asset

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

- the initial amount of the lease liability, adjusted for any lease payments made at or before the lease commencement date;
- any lease incentives received; and

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2022

4 Summary of significant accounting policies (continued)

4.6 Leases (continued)

4.6.2 Measurement of a right-of-use asset and lease liability (continued)

- any initial direct costs incurred by the Company as well as an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lease contract.
Cost for dismantling, removing or restoring the site on which it is located and/or the underlying asset is only recognised when the Company incurs an obligation to do so.

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

Lease liability

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

Leases of low-value assets and short term

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

4.7 Intangible assets

4.7.1 Software and software licences

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

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

4.7.2 Software under development

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

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

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

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

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

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2022

4 Summary of significant accounting policies (continued)

4.8 Goodwill

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

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

4.9 Investments

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

4.10 Inventories

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

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

4.11 Financial assets

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

4.11.1 Trade and other receivables

Trade receivables, which generally have 30- to 90-day credit terms, are initially recognised and carried at their original invoice amount less an allowance for any uncollectable amounts. The business model for trade receivables is that they are held for the collection of contractual cash flows, therefore they are subsequently measured at amortised cost. The trade receivables are derecognised on receipt of cash from the customer. The Company sometimes uses debt factoring, without recourse, to manage liquidity and, as a result, the business model for factored trade receivables is that they are not held for the collection of contractual cash flows. Subsequent to initial recognition, they are measured at fair value through other comprehensive income (except for the recognition of impairment gains and losses and foreign exchange gains and losses, which are recognised in profit or loss).

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

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

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

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2022

4 Summary of significant accounting policies (continued)

4.11 Financial assets (continued)

4.11.2 Cash and cash equivalents

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

4.12 Financial liabilities

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

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

4.12.1 Provisions

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

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

Customer contract provisions

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

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

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

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

4.12.2 Pensions and other post-employment benefits

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

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2022

4 Summary of significant accounting policies (continued)

4.13 Derecognition of financial assets and liabilities

4.13.1 Financial assets

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

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

4.13.2 Financial liabilities

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

4.14 Derivative financial instruments and hedge accounting

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

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

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

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

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

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

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

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2022

4 Summary of significant accounting policies (continued)

4.15 Taxation

4.15.1 Current tax

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

4.15.2 Deferred tax

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

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

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

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

4.16 Share-based payment transactions

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

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

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

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

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

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2022

4 Summary of significant accounting policies (continued)

4.17 Fair value measurement

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

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

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

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

4.18 Amounts owed by/to group undertakings

Intra-group receivables are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method, less an allowance for any uncollectable amounts. The Company assesses for doubtful debts (impairment) using the expected credit losses model as required by IFRS 9. For intra-group receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from the initial recognition of the receivables.

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

4.19 Dividends received

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

4.20 Dividend distributions

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

5 Critical accounting estimates and judgements

The preparation of the financial statements requires Management to exercise judgement in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

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

During the year, Management reconsidered the critical accounting estimates and judgements for the Company. This process included reviewing the last reporting period's disclosures, the key judgements required on the implementation of forthcoming standards and the current period's challenging accounting issues.

5.1 Critical estimates

Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the year in which the estimates are revised and in any future years affected. There are no areas involving significant risk resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2022

5 Critical accounting estimates and judgements (continued)

5.2 Critical judgements

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

5.2.1 Technology Sourcing principal versus agent recognition

Management is required to exercise its judgement in the classification of certain revenue contracts for Technology Sourcing revenue recognition on either an agent or principal basis.

Because the identification of the principal in a contract is not always clear, Management will make a determination by evaluating the nature of our promise to our customer as to whether it is a performance obligation to pass control of the specified goods or services ourselves, in that we are the principal, or to arrange for those goods or services to be provided by the other party, where we are the agent.

Following its meeting that concluded on 1 December 2021, the IFRS Interpretation Committee (the Committee) published a tentative agenda decision in response to a submission from a valued added reseller to determine whether an entity should treat revenue from the resale of standard software licences on a principal or agent recognition basis under IFRS 15 Revenue from Contracts with Customers (IFRS 15).

The Committee did not reach a definitive conclusion on the submission received, as it maintained that an entity should apply judgement in making its assessment under the principles contained within IFRS 15, using the specific facts and circumstances relevant to the entity and the transactions or contracts entered into. However, the Committee did provide a number of discrete guidance points on the application of various control criteria or indicators that entities should consider under their IFRS 15 agent and principal recognition criteria processes that specifically relate to the resale of standard software and have an impact on those resellers within the industry. The Company included a preliminary assessment of the impact of the tentative agenda decision within note 5.2.1 of the Company's Financial Statements for the year ended 31 December 2021 ("2021 Financial Statements").

At its 20 April 2022 meeting, the Committee finalised and approved its agenda decision. The International Accounting Standards Board, at its May 2022 meeting, did not object to the agenda decision.

The discussion and guidance within the approved agenda decision provides direction for the implementation of the principal or agent elements of IFRS 15 Revenue from Contracts with Customers for value-added resellers where standard standalone software and implicitly, due to the similarity in the transactional fact pattern, resold services such as maintenance contracts, extended warranties or support contracts, that are sourced from a third-party vendor and resold to a customer. As noted in the 2021 Financial Statements, the approved agenda decision has impacted our existing treatment for the principal or agent recognition of these revenue streams, and whether they are recorded on a gross or net basis within revenue.

Previously such sales were recognised on a principal or gross basis, apart from in certain limited instances as described in note 5.2.1 of the 2021 Financial Statements, with gross invoiced income* reported as revenue, and costs of the resold software or services presented as part of cost of goods sold.

The Company has now completed its assessment of the impacts of the agenda decision and revised its accounting policies accordingly. Standalone revenue from standard software sales is now recognised on an agency or net basis where the margin earned on the contract is recognised as revenue with zero cost of goods sold. Other software revenues, particularly where the Company has performed configuration or customisation services, as part of the software sales agreement, or where the software is included alongside hardware elements within a pre-configured bundle from the vendor and resold within the pre-set bundle, continue to be recognised on a principal basis. Similarly, the Company has determined that third-party services agreements resold on a standalone basis are also recognised on an agent basis due to the similar fact pattern of the transaction to that of software sales unless these are also included alongside hardware elements within a pre-configured bundle from the vendor and resold within the pre-set bundle.

* Gross invoiced income is based on the value of invoices raised to customers, net of the impact of credit notes and excluding VAT and other sales taxes and includes all items recognised on an 'agency' basis within revenue, on a gross income billed to customers basis, as adjusted for deferred and accrued revenue.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2022

5 Critical accounting estimates and judgements (continued)

5.2 Critical judgements (continued)

5.2.1 Technology Sourcing principal versus agent recognition (continued)

Management continues to assess the classification of other revenue contracts for Technology Sourcing revenue recognition on either an agent or a principal basis. Because the identification of the principal in a contract is, on occasion, not always clear and the level of judgement required can, in small number of instances, be high with the outcomes of assessments finely balanced, Management makes a determination by evaluating the nature of our promise to our customer as to whether it is a performance obligation to provide the specified goods or services ourselves, in that we are the principal, or to arrange for those goods or services to be provided by the other party, where we are the agent.

We determine whether we are a principal or an agent for each specified good or service promised to the customer by evaluating the nature of our promise to the customer against the following non-exhaustive list of indicators that a performance obligation could involve an agency relationship:

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

As a result, the Company continues to report all hardware elements of its Technology Sourcing business, along with its internally provided Managed Services and Professional Services revenues, on a principal basis.

The changes in the Company's revenue accounting policies to reflect the agenda decision of the Committee have resulted in the following impact on the current year financial statements and, in accordance with IAS 8, a retrospective restatement of the relevant prior year reported financial statements:

- Revenue and cost of sales decreased by the value of revenue assessed as being recognised on an agency basis by £1,055.1 million in 2022 (2021: £638.4 million). The retrospective application of the agenda decision resulted in a reduction of previously reported revenue and cost of sales for 2021 by £523.2 million.
- Gross profit, operating profit, and profit before and after taxes have remained unchanged in all periods.

5.2.2 Bill and hold

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

A bill and hold arrangement is only put in place when a customer lacks the physical space to store the product or the product previously ordered is not yet needed in accordance with the customer's schedule and the customer wants to guarantee supply of the product. In order to determine the bill and hold arrangements, the following criteria must be met:

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

Judgement is required to determine if all of the criteria (a) to (d) have been met, to recognise a bill and hold sale. This is determined by segregation and readiness of inventory and the review and approval of all customer requests, in order to assess whether the accounting policy had been correctly applied to recognise a bill and hold sale. £176.0 million of product sold is held by the Company for bill and hold transactions as at 31 December 2022 (2021: £177.8 million).

Computacenter (UK) Limited

Notes to the financial statements
For the year ended 31 December 2022
5 Critical estimates and judgements (continued)**5.3 Change in critical estimates and critical judgements**

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

The critical accounting estimates and judgements reported in the 2021 Financial Statements are unchanged.

6 Revenue and segmental analysis

	2022 £m	2021 (Restated*) £m
Sale of goods	792.1	956.4
Rendering of services	466.8	491.7
	<u>1,258.9</u>	<u>1,448.1</u>

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

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

A revenue amount of £176.0 million for the year ended 2022 (2021: £177.8 million) is represented by items still 'held' by the Company for 'bill and hold' transactions at the balance sheet date.

7 Operating profit

This is stated after charging / (crediting):

	2022 £m	2021 (Restated*) £m
Auditor's remuneration (note 8)	1.0	0.8
Depreciation of owned assets	5.6	9.5
Depreciation of right-of-use assets	4.2	3.7
Amortisation of software	5.5	5.7
License fee charged to group undertakings	(38.7)	(30.3)
Cost of inventories recognised as expense (restated*)	<u>645.2</u>	<u>822.5</u>

For 2022, a licence fee of £38.7 million (2021: £30.3 million) was charged by the Company to Computacenter Germany, Computacenter France and Computacenter Belgium. The licence fee is equivalent to 1.0 per cent of revenue recorded by these entities and reflects the value of the best practice and know-how that is owned by the Company and used by the group undertakings.

* The comparative information is restated on account of a change in accounting policy for Technology Sourcing revenue and cost of sales, see note 5. Gross profit, operating profit, and profit before and after taxes have remained unchanged.

Computacenter (UK) Limited

**Notes to the financial statements
For the year ended 31 December 2022**

8 Auditor's remuneration

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

	2022 £m	2021 £m
Audit of the financial statements	1.0	0.8
	<u>1.0</u>	<u>0.8</u>

9 Directors' emoluments

	2022 £m	2021 £m
Remuneration	3.1	3.9
Pension costs	0.1	0.1
Total emoluments	<u>3.2</u>	<u>4.0</u>

	2022 No.	2021 No.
Members of money purchase pension schemes	<u>4</u>	<u>3</u>

	2022 £m	2021 £m
In respect of the highest paid Director: Emoluments	<u>1.7</u>	<u>2.0</u>

10 Staff costs

	2022 £m	2021 £m
Wages and salaries	294.0	274.2
Social security costs	33.7	30.4
Other pension costs	10.3	9.6
	<u>338.0</u>	<u>314.2</u>

The average number of persons employed by the Company, including Directors, during the year was 4,186 (2021: 4,202).

The Company operates a defined contribution pension scheme. There were no outstanding or prepaid contributions as at the balance sheet date (2021: nil). Included within wages and salaries is a charge for share-based payments of £5.9 million (2021: £7.5 million).

Computacenter (UK) Limited

**Notes to the financial statements
For the year ended 31 December 2022**
11 Interest receivable and similar income

	2022 £m	2021 £m
Bank interest	<u>3.3</u>	<u>0.7</u>
	<u>3.3</u>	<u>0.7</u>

12 Interest payable and similar expenses

	2022 £m	2021 £m
Interest paid on lease liabilities	<u>0.4</u>	<u>0.5</u>
	<u>0.4</u>	<u>0.5</u>

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

	2022 £m	2021 £m
Tax charged in the Profit and Loss Account:		
<i>Current income tax</i>		
UK corporation tax	13.0	20.3
Adjustments in respect of prior years	<u>(1.2)</u>	<u>0.2</u>
Total current income tax	<u>11.8</u>	<u>20.5</u>
<i>Deferred tax</i>		
Origination and reversal of temporary differences	4.8	(1.9)
Adjustments in respect of prior years	1.6	(0.1)
Change in tax rates	<u>1.3</u>	<u>(3.0)</u>
Total deferred tax	<u>7.7</u>	<u>(5.0)</u>
Income tax expense in the Profit and Loss Account	<u>19.5</u>	<u>15.5</u>

	2022 £m	2021 £m
Tax charged / (credited) in the Statement of Other Comprehensive Income:		
Net change in fair value of cash flow hedges reclassified to profit or loss	<u>1.0</u>	<u>(0.2)</u>

Computacenter (UK) Limited

Notes to the financial statements
For the year ended 31 December 2022
13 Income tax expense (continued)**b) Reconciliation of the total tax charge**

Income tax expense for the year is higher (2021: lower) than, if calculated, at the standard rate of corporation tax in the UK of 19.0 percent (2021: 19.0 percent). The differences are explained below:

	2022	2021
	£m	£m
Profit for the year	68.0	84.3
Income tax expense	19.5	15.5
Profit before income tax	87.5	99.8
At the UK standard rate of corporation tax of 19.0 percent (2021: 19.0 percent)	16.6	19.0
<i>Effects of:</i>		
Expenses not deductible for tax purposes	0.8	0.9
Non-taxable income	(1.4)	(0.4)
Non-deductible element of share-based payment charge	2.0	1.3
Change in tax rate	1.3	(3.0)
Adjustments in respect of prior periods	0.4	0.1
Relief on share options	(1.0)	(1.6)
Other differences	0.8	(0.8)
Tax charge	19.5	15.5

The effective income tax rate was 22.3 percent (2021: 15.5 percent).

c) Factors affecting current and future tax charge

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

We are closely monitoring the Organisation for Economic Co-operation and Development's Two Pillar Solution to Address the Tax Challenges arising from the Digitalisation of the Economy, which are expected to be enacted in 2022 with application from 1 January 2023. The accounting implications under IAS 12 will be determined when the relevant legislation is available.

Computacenter (UK) Limited

Notes to the financial statements
For the year ended 31 December 2022

13 Income tax expense (continued)**d) Deferred tax**

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

	Balance Sheet		Charge / (Credit) to the Profit and Loss Account		Charge / (Credit) to the Statement of Other Comprehensive Income	
	2022 £m	2021 £m	2022 £m	2021 £m	2022 £m	2021 £m
Deferred income tax liabilities						
Revaluations of foreign exchange contracts to fair value	1.0	0.3	–	–	0.7	(0.2)
Gross deferred income tax liabilities	1.0	0.3	–	–	0.7	(0.2)
Deferred income tax assets						
Relief on share option gains	6.8	14.6	0.8	(2.6)	–	–
Decelerated capital allowances	0.6	6.6	6.0	(1.9)	–	–
Other temporary differences	0.5	1.4	0.9	(0.5)	–	–
Revaluations of foreign exchange contracts to fair value	0.1	0.4	–	–	0.3	–
Gross deferred income tax assets	8.0	23.0	7.7	(5.0)	0.3	–
Net deferred income tax assets	7.0	22.7	7.7	(5.0)	1.0	(0.2)

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

14 Dividends paid and proposed

	2022 £m	2021 £m
On ordinary shares:		
Paid in the year	150.0	–

Computacenter (UK) Limited

Notes to the financial statements
For the year ended 31 December 2022
15 Intangible assets

	Goodwill £m	License £m	Software £m	Total £m
Cost				
At 31 December 2020	2.9	90.0	–	92.9
Reclassification	–	–	99.2	99.2
Additions	–	–	5.1	5.1
Disposals	–	–	(4.6)	(4.6)
At 31 December 2021	2.9	90.0	99.7	192.6
Additions	–	–	10.2	10.2
Disposals	–	–	(5.0)	(5.0)
At 31 December 2022	2.9	90.0	104.9	197.8
Amortisation				
At 31 December 2020	–	90.0	–	90.0
Reclassification	–	–	82.7	82.7
Charge for the year	–	–	5.7	5.7
Disposals	–	–	(4.2)	(4.2)
At 31 December 2021	–	90.0	84.2	174.2
Charge for the year	–	–	5.5	5.5
Disposals	–	–	(5.0)	(5.0)
At 31 December 2022	–	90.0	84.7	174.7
Net book amount				
At 31 December 2022	2.9	–	20.2	23.1
At 31 December 2021	2.9	–	15.5	18.4

Intellectual property was licensed from the parent undertaking and was amortised over the license period of 10 years.

Computacenter (UK) Limited

Notes to the financial statements
For the year ended 31 December 2022
16 Property, plant and equipment

	Freehold land and buildings £m	Short leasehold improve- ments £m	Fixtures, fittings, equipment and vehicles £m	Property, plant and equipment excluding Right- of-use assets £m	Right- of-use assets £m	Total £m
Cost						
As 1 January 2021	19.8	21.1	193.1	234.0	18.9	252.9
Reclassification	–	–	(99.2)	(99.2)	–	(99.2)
Additions	–	0.1	5.1	5.2	2.4	7.6
Disposals	–	(0.1)	(21.3)	(21.4)	(0.4)	(21.8)
At 31 December 2021	19.8	21.1	77.7	118.6	20.9	139.5
Additions	–	0.4	6.6	7.0	2.0	9.0
Disposals	–	(1.2)	(12.2)	(13.4)	(1.6)	(15.0)
At 31 December 2022	19.8	20.3	72.1	112.2	21.3	133.5
Depreciation						
As 1 January 2021	11.9	19.4	158.7	190.0	5.9	195.9
Reclassification	–	–	(82.7)	(82.7)	–	(82.7)
Charge for the year	0.5	0.7	8.4	9.6	3.7	13.3
Disposals	–	(0.1)	(15.8)	(15.9)	(0.3)	(16.2)
At 31 December 2021	12.4	20.0	68.6	101.0	9.3	110.3
Charge for the year	0.4	0.7	4.5	5.6	4.2	9.8
Disposals	–	(1.1)	(11.1)	(12.2)	(1.4)	(13.6)
At 31 December 2022	12.8	19.6	62.0	94.4	12.1	106.5
Net book value						
At 31 December 2022	7.0	0.7	10.1	17.8	9.2	27.0
At 31 December 2021	7.4	1.1	9.1	17.6	11.6	29.2

As at 31 December 2022, the net book value of recognised right-of-use assets relating to land and buildings was £5.7 million (2021: £7.9 million) and plant and equipment £3.5 million (2021: £3.7 million). The depreciation charge for the year relating to those assets was £2.4 million (2021: £2.4 million) and £1.8 million (2021: £1.3 million), respectively.

Computacenter (UK) Limited

**Notes to the financial statements
For the year ended 31 December 2022**
17 Investments**Investment in subsidiaries**

	2022	2021
	£m	£m
Shares in subsidiary undertaking	<u>75.5</u>	<u>73.9</u>
	<u>75.5</u>	<u>73.9</u>
	2022	2021
	£m	£m
<i>Reconciliation:</i>		
As at 1 January:	73.9	70.9
Additions during the year	2.9	3.6
Impairment	(1.3)	(0.6)
As at 31 December	<u>75.5</u>	<u>73.9</u>

The following comprise the additions in investments during the year:

	2022	2021
	£m	£m
New investments		
ITL Logistics GmbH	–	1.5
Computacenter Japan K.K.	2.9	–
Increase in investments		
R.D.Trading Limited	–	1.5
Computacenter India Private Limited	–	0.6
	<u>2.9</u>	<u>3.6</u>

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

During the year, the Company incurred an impairment charge of £1.3 million on its investment in Pivot Solutions International (UK) Limited (2021: £0.6 million on Team Ultra Limited). The trading activities of this investment were hived up to the Company and Pivot Solutions International (UK) Limited was dissolved on 21 March 2023.

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2022

17 Investments (continued)

The Company's subsidiary undertakings are as follows:

<i>Name</i>	<i>Country of incorporation</i>	<i>Nature of business</i>	<i>Proportion of voting rights held</i>
Computacenter Quest Trustees Limited	England i	Employee share scheme trustees	100%
Computacenter Trustees Limited	England i	Employee share scheme trustees	100%
Digica Group Finance Limited	England i	Investment	100%
Pivot Solutions International (UK) Ltd	England xiii	IT infrastructure services	100%
R.D.Trading Limited	England ii	IT infrastructure services	95%
TeamUltra Limited	England i	IT infrastructure and application services	100%
Computacenter Pty Ltd.	Australia xiv	IT infrastructure services	100%
Computacenter Services Australia Pty Ltd	Australia	IT infrastructure services	100%
Computacenter Brasil Importacao, Comercio e Servicos Ltda	Brazil xxi	IT infrastructure services	100%
Computacenter TeraMach Inc.	Canada xix	IT infrastructure services	100%
Computacenter Information Technology (Shanghai) Company Limited	China ix	International Call Centre Services	100%
Computacenter Pivot Hong Kong Limited	China xvi	IT infrastructure services	100%
Computacenter Services Hong Kong Limited	China	IT infrastructure services	100%
ITL Logistics GmbH	Germany xx	IT infrastructure services	100%
Computacenter Services Kft	Hungary viii	International Call Centre Services	100%
Computacenter India Private Limited	India vi	International Call Centre Services	99.99%
Computacenter Ireland Limited	Ireland vii	IT infrastructure services	100%
Computacenter Services Ireland Limited	Ireland xv	IT infrastructure services	100%
Computacenter Japan K.K.	Japan	IT infrastructure services	100%
Computacenter Services (Malaysia) Sdn Bhd	Malaysia v	International Call Centre Services	100%
Computacenter Mexico S.A. de C.V.	Mexico x	International Call Centre Services	99.99%
Pivot of the Americas, S.A. de C.V.	Mexico xviii	International call centre services	99%
Computacenter Poland Sp. z o.o.	Poland xi	International call centre services	99%
Computacenter Services S.R.L.	Romania xii	IT infrastructure Services	90%
Computacenter Services Singapore Pte Ltd	Singapore	IT infrastructure services	100%
Computacenter Singapore Pte. Ltd.	Singapore xvii	IT infrastructure services	100%
Computacenter (Pty) Limited	South Africa iv	Provision of offshore IT services to Computacenter Group	100%
Computacenter Services (Iberia) SLU	Spain iii	International Call Centre Services	100%
Allnet Limited	England i	Dormant company	100%
Amazon Computers Limited	England i	Dormant company	100%
Amazon Energy Limited	England i	Dormant company	100%
Amazon Systems Limited	England i	Dormant company	100%
CAD Systems Limited	England i	Dormant company	100%
Compufix Limited	England i	Dormant company	100%
Computacenter (FMS) Limited	England i	Dormant company	100%
Computacenter (Management Services) Limited	England i	Dormant company	100%
Computacenter (Mid-Market) Limited	England i	Dormant company	100%

Computacenter (UK) Limited

**Notes to the financial statements
For the year ended 31 December 2022**

17 Investments (continued)

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

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

ii Tekhnicon, Springwood, Braintree, Essex CM7 2YN

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

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

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

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

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

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

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

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

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

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

xiii 25 Canada Square, Level 37, London, United Kingdom, E14 5LQ

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

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

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

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

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

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

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

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

Computacenter (UK) Limited

Notes to the financial statements
For the year ended 31 December 2022

18 Inventories

	2022 £m	2021 £m
Goods held for resale	<u>19.1</u>	<u>25.6</u>

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

19 Trade and other receivables

	2022 £m	2021 £m
Trade receivables	425.6	344.3
Amounts owed by group undertakings	197.7	212.9
Prepayments	40.0	26.6
Accrued income	18.6	18.8
	<u>681.9</u>	<u>602.6</u>

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

20 Creditors: amounts due within one year

	2022 £m	2021 £m
Trade creditors	353.5	313.7
Amounts owed to group undertakings	187.1	78.0
Accruals	122.6	101.8
Deferred income	45.3	55.9
Other taxation and social security	55.0	54.3
Lease Liabilities	3.9	3.9
Derivative financial instruments	1.7	1.8
	<u>769.1</u>	<u>609.4</u>

Amounts owed to group undertakings incur nil (2021: nil) interest and are repayable on demand.

21 Creditors: amounts due after more than one year

	2022 £m	2021 £m
Lease Liabilities	<u>5.8</u>	<u>8.2</u>
	<u>5.8</u>	<u>8.2</u>

Computacenter (UK) Limited

**Notes to the financial statements
For the year ended 31 December 2022**
22 Provisions for liabilities

The Company had the following provisions during the year:

	Property provision		Customer contract provision		Total provisions	
	2022 £m	2021 £m	2022 £m	2021 £m	2022 £m	2021 £m
At 1 January	2.2	2.3	0.5	2.3	2.7	4.6
Utilised	–	(0.1)	(0.2)	–	(0.2)	(0.1)
Written back to profit and loss	(0.5)	–	(0.3)	(1.8)	(0.8)	(1.8)
At 31 December	1.7	2.2	–	0.5	1.7	2.7
<i>Split as:</i>						
Current	0.8	0.9	–	0.3	0.8	1.1
Non-current	0.9	1.3	–	0.2	0.9	1.6
	1.7	2.2	–	0.5	1.7	2.7

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

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

23 Share capital

Allotted, called up and fully paid

	US\$0.01 each 'A' Ordinary shares No.'000 Equity	Total £m
At 31 December 2021 and 31 December 2022	68,008	0.4

Computacenter (UK) Limited

Notes to the financial statements For the year ended 31 December 2022

24 Related party transactions

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

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

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

	2022			2021		
	Sales to related parties £m	Purchases from related parties £m	Amounts owed from related parties £m	Sales to related parties £m	Purchases from related parties £m	Amounts owed from related parties £m
Biomni Limited	–	0.6	–	–	0.6	–
	–	0.6	–	–	0.6	–

Terms and conditions of transactions with related parties

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

25 Controlling parties

The immediate parent undertaking is Computacenter plc.

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