Specialist Computer Services Limited

Unaudited Annual Report and Financial Statements
for the Year Ended 31 March 2022
Company Number [illegible]

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Contents

Directors' Report
for the Year Ended 31 March 2022

The directors present their annual report and the unaudited audited financial statements of the Company for the year to 31 March 2022. No *strategic report has been prepared in accordance* with the special provisions relating to small companies under section 415A of the Companies Act 2006. When preparing the directors' report the Company has taken exemption from disclosing dividends paid or declared in accordance with the small companies exemption s416(3) of the Companies Act 2006.

Business Review and Future Outlook

Specialist Computer Services Limited ("SCS") provides outsourced payroll, HR system provision and hosting and data management solutions.

A review of contract profitability was undertaken during 2021 which highlighted that the underlying revenue generated on a number of key contracts is not sufficient to generate operating profits and losses are forecast to continue.

In light of projected future losses an onerous contract provision was created for £416,000. This *provision has been utilised over the course of the* current year and £119,000 has been credited to the income statement to match operating losses. The remaining provision of £297,000 has been reviewed and is considered sufficient to cover future projected losses.

In 2021 the directors took the strategic decision for SCS to withdraw from the provision of payroll services during 2023.Following formal announcement of this decision to staff and customers a redundancy provision of £381,000 has been created.

Turnover has continued to decline during the year as a result of customers' moving away from SCS's outsourced payroll services. Where possible actions have been taken to adjust the cost base accordingly in order to minimise the net impact of *these reductions.*

Key Performance Indicators (KPIs)

KPI	Notes	2022	2021
Turnover decline	1	(29)%	(17)%
Gross profit percentage	2	-15%	18%
Overheads cost percentage	3	45%	20%
Return on sales	4	(55)%	(2)%
Revenue per employee (£'000)	5	39	46

1 Turnover decline measures the change in turnover from continuing operations
2 Gross profit percentage is defined as gross profit from continuing operations expressed as a percentage of turnover from continuing operations.
3 Overhead costs percentage is defined as operating expenses expressed as a percentage of turnover from continuing operations
4 Return on sales is defined as the profit before taxation from continuing operations expressed as a percentage of turnover from continuous operations
5 Revenue per employee is defined as turnover divided by the average number of employees throughout the year

All of the above measures are reported after the onerous contract provision utilisation

Financial Risks

The principal financial operating risks are Liquidity and Credit Risk.

Liquidity Risk

Liquidity is managed through efficient operational cash management processes combined with forward looking treasury policies designed to ensure that funding will always be available to meet projected peak requirements. Cash pooling arrangements are in place for the Company's sterling facilities and efficient treasury operations across the SCC EMEA Group minimise net interest costs. Long standing banking relations are in place, notably with HSBC UK Bank plc.

Counter party risk is considered when selecting all funding partners and the Company's counter party risk profile is closely monitored.

Credit Risk

Close management of customer credit risk is achieved through the setting of and monitoring of limits for each customer. Limits are set in line with the customer's profile of credit worthiness, the business needs and nature of engagement. Credit limits and profiles are regularly monitored by a dedicated credit function working closely with the operations team. Current levels of customer concentration and risk are considered by the directors to be acceptable.

Corporate Social Responsibility

Corporate Social Responsibility issues are important to our stakeholders and we are determined to fulfil our responsibilities to our customers, employees, suppliers, communities and the global environment. Our approach is supported by our family values.

We ensure that our business is conducted to rigorous ethical, professional and legal standards. We operate the business in an environmentally responsible manner, providing high quality and sustainable products and services to our customers with integrity and care, provide our people with a safe and rewarding workplace and act as good neighbours, making positive contributions to the communities in which we operate.

Business Ethics

We are committed to ensuring full compliance with the Bribery Act 2010. Our corporate conduct is based on our commitment to acting professionally, fairly and with integrity. We do not tolerate any form of bribery or corruption.

The Company has a number of fundamental principles and values which it believes are the foundation of sound and fair business practice and as such are important to uphold. We have a zero tolerance position in relation to bribery, wherever and in whatever form that may be encountered. It is our policy to comply with all laws, rules and regulations governing bribery and corruption in all the countries in which we operate.

Our comprehensive policy is applicable to all staff and covers all areas of our operations including gifts and hospitality, events and sponsorships, the making of all types of payments to businesses, charities or of a political nature and in the operation of credit policies within our business.

Research and Development

No research and development expenditure has been undertaken during the year (2021: £nil).

Directors' Report
for the Year Ended 31 March 2022

Employees

The Company recognises the importance of its employees and of equality for all staff. Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings and communications on the Company's internal and external websites. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Going Concern

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

The forecasts for cash and profitability for the current year have been reviewed and updated to reflect decisions taken by the directors to withdraw from the provision of payroll services in the long term. Given that the Company has net current liabilities the parent company has given a guarantee of support for a minimum of 12 months from the date of these financial statements. Accordingly, the directors have given consideration to the basis for which the financial statements should be prepared and have concluded that they have reasonable expectation that the Company has access to the resources necessary to continue in operational existence for a minimum of 12 months from the date of these financial statements. They therefore continue to adopt the going concern basis of accounting in the preparation of the annual financial statements.

Taxation

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

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

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

Our appetite for risk is consistent with maintaining a strong framework of ethical behaviour and compliance with laws and legislation. Our Senior Management team is charged with reviewing risk and maintaining effective internal control systems to mitigate risk.

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

Directors and Directors' Indemnities

The following directors have held office since 1 April 2021 and up to the date of signing: Sir Peter Rigby (resigned 1 January 2022), Ms P A Rigby, Mr J P Rigby, Mr J K Wright and Mr M T Nutter.

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

Directors' Responsibilities Statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year.

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

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

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

The members of the Company have not required the Company to obtain an audit of its own accounts for the year in question in accordance with section 476 of the Companies Act 2006, and each of the Directors acknowledge their personal responsibilities for complying with the requirements of such Act with respect to accounting records and the preparations of accounts.

Approval of Reduced Disclosures

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

Auditor

For the year ended 31 March 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Each of the persons who are a Director of the Company at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's group auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a director of the Company in order to make themselves aware of any relevant audit information and to establish that the Company's group auditor is aware of that information.

The above confirmation is given (and should be interpreted) in accordance with the provisions of section 418 of the Companies Act 2006.

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

James Rigby
Director

Specialist Computer Services Limited

Unaudited Financial Statements for the year ended 31 March 2022

Profit and Loss Account
for the Year Ended 31 March 2022

	Notes	2022 £'000	2021 £'000
Turnover	3	1,072	1,508
Cost of sales		(1,025)	(1,736)
Gross profit/(loss)		47	(228)
Administrative expenses		(551)	(673)
Other operating income	4	-	72
Loss before taxation	4	(504)	(829)
Tax on loss	7	126	158
Loss for the financial year		(378)	(671)

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

There is no other comprehensive income other than that passing through the profit and loss account and consequently no statement of comprehensive income has been prepared.

The notes form part of these financial statements.

Balance Sheet
as at 31 March 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Tangible assets	9	-	3
		-	3
Current assets			
Debtors			
- due within one year	10	258	531
- due after more than one year	10	127	30
Cash at bank and in hand		13	122
		398	683
Creditors: amounts falling due within one year	11	(185)	(357)
Net current (liabilities)/assets		213	326
Total assets less current liabilities		213	329
Provisions for liabilities	12	(678)	(416)
Net liabilities		(465)	(87)
Capital and reserves			
Called-up share capital	13	50	50
Capital reserve	13	500	500
Profit and loss account	13	(1,015)	(637)
Shareholders' funds		(465)	(87)

For the year ended 31 March 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006, furthermore:

(1) no members of the Company have required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006; and
(2) The Directors each acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparations of the account.

Approved by the board of directors, authorised for issue on 26 September 2022 and signed on its behalf by:

James Rigby
Director
Company Registration Number: 00893138
Registered in England and Wales

Statement of Changes in Equity
for the Year Ended 31 March 2022

	Called-up share capital £'000	Capital reserve £'000	Profit and loss account £'000	Total £'000
At 1 April 2020	50	-	34	84
Loss for the financial year and total comprehensive expense	-	-	(671)	(671)
Capital contribution	-	500	-	500
At 31 March 2021	50	500	(637)	(87)
Loss for the financial year and total comprehensive expense	-	-	(378)	(378)
At 31 March 2022	50	500	(1,015)	(465)

There 's no difference between the loss for the year and the total comprehensive loss.

1 SIGNIFICANT ACCOUNTING POLICIES

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

1.1 General information and basis of accounting

Specialist Computer Services Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The registered office of the Company is provided in the Company Information section of this Annual Report. The nature of the Company's operation and its principal activities are set out in the Directors' Report.

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

The functional currency of the Company is considered to be pound sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102, paragraph 1 12, and has therefore taken advantage of certain disclosure exemptions available to it in respect of its financial statements in relation to preparing a cash flow statement, related party, and financial instrument disclosures

1.2 Going concern

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

The Directors' Report describes the financial position of the Company; its financial risk management objectives and its exposure to credit risk and liquidity risk.

The Company is part of the SCC EMEA Group, which has secured banking facilities in both the UK and Continental Europe used to meet its day to day working capital requirements.

The Company's forecasts and projections take into account decisions taken by the directors to withdraw from the provision of payroll services in the long term. Given that the Company has net current liabilities the parent company has given a guarantee of support for a minimum of 12 months from the date of these financial statements. Accordingly, the directors have given consideration to the basis for which the financial statements should be prepared and have concluded that they have reasonable expectation that the Company has access to the resources necessary to continue in operational existence for a minimum of 12 months from the date of these financial statements. They therefore continue to adopt the going concern basis of accounting in the preparation of the annual financial statements.

1.3 Intangible assets – Software costs

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

1.4 Intangible assets – research and development

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

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

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

1.5 Tangible fixed assets

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

Fixtures and equipment	3 to 20 years

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

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

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

1.6 Impairment of assets

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

Non-financial assets

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

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

Financial assets

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

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

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

1.7 Stocks

Goods held for resale comprises contract specific printed materials which are held at average purchase cost and written off to cost of sales in line with usage of stock within the term of the contract, such that all stock is fully expensed by the end of the contract term.

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

1.8 Cash and cash equivalents

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

1.9 Financial Instruments

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

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

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

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

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

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

1.10 Taxation

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

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

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

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

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

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

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

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

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

1.11 Lease accounting

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

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

1.12 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Revenue is recognised when persuasive evidence of an arrangement with a customer exists, delivery has occurred or all significant performance obligations have been completed, the price is fixed or determinable and the collection of the amount due is reasonably assured.

Income from service contracts is recognised on a straight-line basis over the period of the contract, or on a percentage completion basis based on contract deliverables and milestones as appropriate.

1.13 Employee benefits

The Company makes contributions to various defined contribution schemes. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

1.14 Government grants

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

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

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

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

2.1 Critical judgements in applying the Company's accounting policies

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

2.2 Key sources of estimation of uncertainty

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

3. TURNOVER

All Company turnover is derived from rendering of services. All turnover by geographical destination relates to the United Kingdom.

4. LOSS BEFORE TAXATION

Loss before taxation is stated after charging:

	2022 £'000	2021 £'000
Depreciation of tangible fixed assets	3	4
Amortisation of intangible assets	-	42
Impairment of intangible assets	-	335
Other operating income - CJRS grant income	-	(72)

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

5. STAFF COSTS

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

	2022	2021
Administration	27	39

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	897	1,102
Social security costs	87	103
Pension costs	30	36
	1,014	1,241

The above remuneration includes redundancy costs in the year of £19,916 (2021: nil).

Pension costs relate to contributions into defined contribution schemes.

6. DIRECTORS' REMUNERATION AND TRANSACTIONS

Remuneration

The remuneration of the directors was as follows:

	2022 £'000	2021 £'000
Emoluments	107	107
Company contributions to money purchase schemes	5	5
	112	112

The directors Sir Peter Rigby, Ms P A Rigby and Mr J P Rigby are paid by and disclosed in the financial statements of Rigby Group (RG) plc. Mr MT Nutter is paid by and disclosed in the financial statements of Specialist Computer Centres plc. It is not practicable to determine the proportions of such emoluments which are attributable to their services as director of the Company.

The total remuneration of directors paid by other Group Companies was £1359,000 (2021: £299,000).

Pensions

The number of directors for whom retirement benefits are accruing under a defined contribution scheme is one (2021: one).

7. TAX ON LOSS

	2022 £'000	2021 £'000
Current tax		
Corporation tax	(30)	(114)
Total current tax	(30)	(114)
Deferred tax		
Origination and reversal of timing differences	(66)	(45)
Effect of changes in tax rates	(30)	1
Total deferred tax (note 12)	(96)	(44)
Total tax on loss	(126)	(158)

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

	2022 £'000	2021 £'000
Factors affecting the tax credit for the year		
Loss before tax	(504)	(829)
Tax on loss at standard UK Corporation tax rate of 19% (2021: 19%)	(96)	(158)
Effects of:		
Effect of tax rate changes	(30)	1
Transfer pricing adjustment	-	(1)
Total tax credit for year	(126)	(158)

The standard rate of corporation tax in the UK is currently 19%. An increase to the main rate of corporation tax in the UK to 25% from April 2023 was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. Deferred tax at the balance sheet date has been measured using these enacted tax rates and reflected in these financial statements.

8. INTANGIBLE ASSETS

	Software £'000	Total £'000
Cost		
At 1 April 2021 and 31 March 2022	722	722
Amortisation		
At 1 April 2021 and 31 March 2022	722	722
Net Book Value		
At 31 March 2021 and 31 March 2022	-	-

Software Intangible assets were impaired in 2021 as a result of a review of contract profitability which identified a number of loss making contract, and led to the strategic decision taken for SCS to withdraw from the provision of payroll services

9. TANGIBLE ASSETS

	Fixtures and equipment £'000
Cost	
At 1 April 2021 and 31 March 2022	473
Depreciation	
At 1 April 2021	470
Charge for the year	3
At 31 March 2022	473
Net Book Value	
At 31 March 2022	-
At 31 March 2021	3

10. DEBTORS

Amounts falling due within one year:

	2022 £'000	2021 £'000
Trade debtors	203	282
Amounts owed by Group undertakings	-	27
Group relief debtor	30	127
Prepayments	21	90
Deferred taxation	4	5
	258	531

Amounts falling due after more than one year:

	2022 £'000	2021 £'000
Deferred taxation	127	30
	127	30

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

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Trade creditors	-	10
Amounts owed to Group undertakings	86	184
Other taxation and social security	38	56
Accruals	-	10
Deferred income	61	97
	185	357

There are no securities over creditors except for those disclosed in note 14. All amounts owed to Group undertakings are non-interest bearing and payable on demand.

12. PROVISIONS FOR LIABILITIES

	Onerous Contracts £'000	Redundancy £'000	Total £'000
At 1 April 2021	(416)	-	(416)
Credited to profit and loss account	119	-	119
Created during the year	-	(381)	(381)
At 31 March 2022	(297)	(381)	(678)

The onerous contract provisions represents recognition of projected future losses in respect of ongoing loss making contracts which are due to end in 2023.

The redundancy provision reflects the cost of staff redundancies expected to arise as a result of the decisions taken by the directors to withdraw from the provision of payroll services during 2023.

Deferred Taxation

The Company's net deferred taxation asset/(liability) comprises.

	2022 £'000	2021 £'000
Deferred taxation asset		
- recoverable within one year	4	5
- recoverable after more than one year	127	30
	131	35

	£'000
As at 1 April 2021	35
Credit to profit and loss account	96
As at 31 March 2022	131

The deferred taxation asset/(liability) is made up as follows:

	2022 £'000	2021 £'000
Depreciation in excess of capital allowances	38	35
Other timing differences	93	-
	131	35

At 31 March 2022, there are no deferred tax liabilities which have not been provided for (2021: £nil).

13. CALLED-UP SHARE CAPITAL AND RESERVES

	2022 £'000	2021 £'000
Allotted, called-up and fully-paid		
50,000 Ordinary shares of £1 each	50	50

There are no restrictions attached to the ordinary shares. Each holder of the ordinary shares is entitled to one vote at the AGM and to receive dividends.

The Company's reserves comprise the following:

- Profit and loss account which represents the accumulated profits and losses of the Company net of any dividends paid
- A capital reserve of £500,000 representing a capital contribution made by SCC UK Holdings Limited by way of a loan waiver.

14. CONTINGENT LIABILITIES

The Company is party to a cross guarantee on the overdrafts and bank facilities of certain UK companies owned directly or indirectly by SCC EMEA Limited. At 31 March 2022, the indebtedness of these UK group undertakings amounted to £Nil (2021: £46,697,654).

15. RELATED PARTY TRANSACTIONS

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

16. CONTROLLING PARTY

Ultimate parent undertaking

The Company is a subsidiary undertaking of SCC UK Holdings Limited, a company registered in England and Wales.

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

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

Ultimate controlling body

Sir Peter Rigby, a director of Rigby Group (RG) plc, controls the Company as a result of holding 52.02% of the issued ordinary share capital and 60% of the voting rights of Rigby Group (RG) plc, the ultimate parent undertaking

Company Information

Directors	[illegible]
Registered Office	[illegible]
Auditor*	[illegible]
Banker	[illegible]
Lawyer	[illegible]
Company Number	[illegible]

[illegible]

SCC
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