

Insight Direct (UK) Limited

Annual report and financial statements

Registered number 2579852

31 December 2014

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Directors and advisers

Directors

R Leighton
G Bryan

Secretary

J Golia

Registered office

The Technology Building
Insight Campus
Terry Street
Sheffield
S9 2BU

Bankers

HSBC
17 Church Street
Sheffield
S1 1HH

Bank of America
2 King Edward Street
London
EC1A 1HQ

Auditor

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

Strategic report

Business model

The principal activity of the group is the provision of technology solutions including hardware, software and services to business and governments clients.

Principle activities

The Company is a wholly-owned subsidiary of Insight Enterprises Inc. and operates as part of Insight Enterprises Inc's EMEA Segment.

The company is a leading provider of brand-name information technology ("IT") hardware, software and services to large enterprises, small to medium-sized businesses and public sector institutions, principally in the UK. There have not been any significant changes in the Company's principal activities in the year under review.

Business review and results

The company's sales increased in the year to £424.1m (2013: £399.2m), this increase in revenue and the corresponding increase in Gross Profit were due to improved execution within the business.

The company saw continuous investment during the period across its cost base to support future trading growth and expansion into new strategically important areas. Despite this investment, a continued focus on all sectors and lines of business delivered increased trading activity and a subsequent substantial increase in the operating result with a reported profit of £5.1m (2013: Operating loss of £3.0m).

The profit on ordinary activities before tax also increased to a profit of £4.5m (2013: Loss on ordinary activities before taxation £2.9m).

The Board would like to take this opportunity to thank all team-mates for their continued hard work and commitment over the last 12 months.

Key Performance Indicators

Management monitors the performance of the company using a number of key performance indicators, with comparison of actuals to budget and forecast information.

The primary KPIs that management monitor are:

	2014	2013	Measure
Return on capital	0.08	-0.06	Profit before tax/net assets
Current ratio	1.39	1.44	Current assets : current liabilities
Stock turnover	61	52	Turnover/stock
Debtors days	105	77	Trade debtors/average turnover
Creditors days	103	68	Trade creditors/average purchases

The Principal Risks and Uncertainties facing the Business

The IT hardware, software and services industry is intensely competitive, and actions of our competitors, including manufacturers and publishers of products we sell, can negatively affect our business. Competition has been based primarily on price, product availability, speed of delivery, credit availability and quality and breadth of product lines and, increasingly, is also based on the ability to tailor specific solutions to client needs. We compete with manufacturers, including manufacturers of products we sell, as well as a large number and wide variety of marketers and resellers of IT hardware, software and services. The diversity of offering reduces the possible effect of action by any single competitor.

Changes in the IT industry and/or the economic environment may reduce demand for the IT hardware, software and services we sell. Our results of operations are influenced by a variety of factors, including the condition of the IT industry, general economic conditions, shifts in demand for, or availability of, IT

Strategic report (continued)

The Principal Risks and Uncertainties facing the Business (continued)

hardware, software, peripherals and services and industry introductions of new products, upgrades or methods of distribution. All appropriate measures are taken to protect the company's market position.

We rely on our suppliers for product availability, marketing funds, purchasing incentives and competitive products to sell. We acquire products for resale both directly from manufacturers and indirectly through distributors. The loss of a supplier could cause a disruption in the availability of products. The company sources the products it sells from multiple sources via the distribution channel as well as directly from manufacturers, to manage this risk.

We depend on certain key personnel. Our future success will be largely dependent on the efforts of key management personnel. The loss of one or more of these could have a material adverse effect on our business, results of operations and financial condition. The company makes a significant investment in the training and development of our employees in order to assist in employee retention rates.

The Group risks to which Insight Direct (UK) Limited is exposed are discussed in Insight Enterprises Inc.'s Annual Report which does not form part of this Report.

Future Developments

The overall UK economy will remain challenging in 2015 with economic growth still expected to be slow, however the Board believe that the company is well structured and positioned to build on the growth experienced during 2014.

The Board anticipates the company will perform well in both its core existing business sectors whilst also generating strong demand across new and enhanced service offerings.

By order of the board



R Leighton
Director

The Technology Building
Insight Campus
Terry Street
Sheffield
S9 2BU

8th September 2015

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2014.

Dividends

The company did not declare or pay a dividend during the year (2013: £nil).

Directors

The directors of the company at 31 December 2014, all of whom have been directors for the whole of the year unless otherwise stated, are set out on page 1.

Employees

The company gives consideration to applications for employment from disabled persons where the requirements of the job and the individual disability make the offer of employment possible. If an employee becomes disabled during employment with the company every effort is made where practical to retrain that employee for a position suitable to his or her abilities.

The company continues its practice of keeping all employees informed of matters affecting them and, where appropriate, consulting employees or their representatives.

The directors attach great importance to the development of employee involvement throughout the group, based on good communication and working relationships.

Disclosure of information to 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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 489 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



R Leighton
Director

The Technology Building
Insight Campus
Terry Street
Sheffield
S9 2BU

8th September 2015

Statement of directors' responsibilities in respect of the Strategic Report, 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice and applicable law (United Kingdom Accounting Standards).

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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.



KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

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

We have audited the financial statements of Insight Direct (UK) Limited for the year ended 31 December 2014 set out on pages 8 to 25. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

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

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

Malcolm C Harding

Malcolm Harding (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

8th September 2015

Profit and loss account
for the year ended 31 December 2014

	<i>Note</i>	2014 £000	2013 £000
Turnover	2	424,120	399,215
Cost of sales		(365,700)	(346,349)
Gross profit		58,420	52,866
Administrative expenses		(53,312)	(55,858)
Operating profit/(loss)	3	5,108	(2,992)
Interest receivable and similar income	6	98	203
Interest payable and similar charges	7	(667)	(106)
Profit/(Loss) on ordinary activities before taxation		4,539	(2,895)
Tax on profit on ordinary activities	8	(519)	(17)
Profit/(Loss) for the financial year	16	4,020	(2,912)

The company has no recognised gains and losses other than the profit for the year ended 31 December 2014.

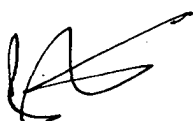
The results for both the current and previous financial year derive from continuing operations.

The notes on pages 10 to 25 form an integral part of these financial statements.

Balance sheet
as at 31 December 2014

	Note	2014 £000	2013 £000
Fixed assets			
Investments	9	2,212	2,212
Tangible assets	10	12,757	14,562
		<u>14,969</u>	<u>16,774</u>
Current assets			
Stocks	11	6,925	7,697
Debtors	12	122,665	106,064
Cash at bank and in hand		14,970	1,264
		<u>144,560</u>	<u>115,025</u>
Creditors: amounts falling due within one year	13	<u>(103,984)</u>	<u>(80,274)</u>
Net current assets		<u>40,576</u>	<u>34,751</u>
Net assets		<u>55,545</u>	<u>51,525</u>
Capital and reserves			
Called up share capital	14	704	704
Profit and loss account	16	54,841	50,821
Shareholders' funds	17	<u>55,545</u>	<u>51,525</u>

These financial statements were approved by the board of directors on 8th September 2015 and were signed on its behalf by:



R Leighton
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The financial statements have been prepared on the going concern basis of accounting which the directors consider to be appropriate given the financial resources available to the company.

Under FRS1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. The consolidated financial statements of Insight Enterprises Inc, within which this company is included, can be obtained from the address given in note 20.

As 100% of the company's voting rights are controlled within the group headed by Insight Enterprises Inc the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

Tangible fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental cost of acquisition.

Depreciation is provided to write off the cost, less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold land and buildings	-	29 years or length of lease if shorter
Freehold buildings	-	10 years
Fixtures, fittings and equipment	-	5 - 7 years
Computer equipment	-	3 - 5 years
Software		3 - 10 years

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Assets acquired under the finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Notes (continued)

1 Accounting policies (continued)

Post retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the year represents contributions payable by the company.

Stocks

Stocks, principally purchased computers, hardware and software, are stated at the lower of weighted average cost (which approximates to cost under the first-in first-out method) or market price. Provisions are made for obsolete, slow moving and non-saleable stocks.

Stock not available for sale is related to product sales transactions in which we are warehousing the product and will be deploying the product to the customers' designated locations. Although the product contracts are non-cancellable with usual payment terms from the date the stock was segregated in our warehouse and invoiced to the customer, and the warranty periods begin on the date of invoice, the transaction does not meet the revenue recognition criteria under generally accepted accounting principles. Therefore, we have not recorded the revenue and the stock remains recorded on our balance sheet until deployed.

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Sales recognition

The majority of the company's sales are product sales. Sales are recognised when the title and risk of loss have passed to the customer, there is persuasive evidence of an arrangement, delivery has occurred or services have been rendered, the sales price is determinable and collectability is reasonably assured. Usual sales terms are free on board shipping point, at which time title and risk of loss has passed to the customer. From time to time, the company enters into contracts to sell products and services, and, while the majority of the company's sales agreements contain standard terms and conditions, there may be agreements that contain multiple elements or non-standard terms and conditions. As a result, significant contract interpretation may be required to determine the appropriate accounting, including how the price should be allocated among the deliverable elements if there are multiple deliverables, whether undelivered elements are essential to the functionality of the delivered elements, and when to recognise revenue. The company recognises revenue for delivered elements only when the following criteria are satisfied:

- the delivered item(s) has value to the customer on a stand-alone basis;
- there is objective and reliable evidence of the fair value of the undelivered item(s); and
- if the arrangement includes a general right of return relative to the delivered item, delivery or performance of the undelivered item(s) is considered probable and substantially in our control.

Changes in the allocation of the sales price between deliverables might affect the timing of revenue recognition, but would not change the total revenue recognised on the contract.

Revenue is recognised from software sales when clients acquire the right to use or copy software under license, but in no case prior to the commencement of the term of the initial software license agreement, provided that all other revenue recognition criteria have been met (i.e. delivery, evidence of the arrangement exists, the fee is fixed or determinable and collectability of the fee is probable).

Notes (continued)

1 Accounting policies (continued)

The company also sells certain third-party service contracts and software assurance for which the company is not the primary obligator. These sales do not meet the criteria for gross sales recognition and thus are recorded on a net sales recognition basis. As we enter into contracts with third-party service providers or suppliers, we must evaluate whether subsequent sales of such services should be recorded as gross sales or net sales. Under gross sales recognition, the entire selling price is recorded in sales and our cost to the third-party service provider or supplier is recorded in cost of goods sold. Under net sales recognition, the cost to the third-party service provider or supplier is recorded as a reduction to sales resulting in net sales equal to the gross profit on the transaction and there is no cost of goods sold.

The company makes provisions for estimated product returns that it expects to occur under the company's returns policy, based upon historical return rates. Should customers return a different amount of product than originally estimated, the company's future sales are adjusted to reflect historical returns rates.

Government grants

Revenue & capital based government grants are included within accruals and deferred income in the balance sheet. Revenue based government grants are credited to operating profit in equal instalments over a period of 2 years. Capital based government grants are credited to operating profit over the estimated useful economic lives of the assets to which they relate.

Share based payments

The company has issued options, shares of restricted common stock and Restricted Stock Units ("RSUs") of Insight Enterprises Inc. The fair value of share based payments granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the share based payment. The fair value of the share based payment granted is measured using a pricing model, taking into account the terms and conditions upon which the share based payments were granted. The amount recognised as an expense is adjusted to reflect the actual number of share based payments that vest.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

2 Turnover

The table below sets out turnover information for each of the group's geographical areas.

	2014 £000	2013 £000
Turnover		
United Kingdom	364,025	331,515
Rest of Europe	48,613	58,889
Other	11,482	8,811
	<u>424,120</u>	<u>399,215</u>

3 Profit on ordinary activities before taxation

	2014 £000	2013 £000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Government grant released (capital & revenue)	(9)	(9)
Depreciation of tangible fixed assets		
- owned assets	2,226	2,244
Hire of assets – rentals payable under operating leases	2,168	1,866
	<u>2,226</u>	<u>2,244</u>

Notes *(continued)*

3 Profit on ordinary activities before taxation *(continued)*

	2014 £000	2013 £000
<i>Auditor remuneration</i>		
Audit of these financial statements	81	85
Amounts receivable by the auditor and their associates in respect of:		
Audit of financial statements of subsidiaries	4	5
Other services pursuant to such legislation	-	-
Other services relating to taxation	15	15
	<u> </u>	<u> </u>

4 Remuneration of directors

	2014 £000	2013 £000
Aggregate emoluments of directors	303	567
Pension contributions	-	10
	<u> </u>	<u> </u>
	303	577
	<u> </u>	<u> </u>
	£000	£000
Emoluments of the highest paid director	303	350
Pension contributions	-	10
	<u> </u>	<u> </u>
	No	No
Number of directors who were entitled to receive pension contributions (including highest paid director)	1	3
	<u> </u>	<u> </u>

Notes (continued)

4 Remuneration of directors (continued)

Directors' share options activity comprises:

	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)
	2014	2014	2014	2013	2013	2013
<i>Aggregate share options of directors</i>						
Outstanding at the beginning of year	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Forfeited	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Outstanding at the end of year	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Exercisable at the end of year	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Share options of the highest paid director</i>						
Outstanding at the beginning of year	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Forfeited	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Outstanding at the end of year	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Exercisable at the end of year	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

4 Remuneration of directors (continued)

Directors' restricted stock activity comprises:

	Number 2014	Fair Value 2014	Number 2013	Fair Value 2013
<i>Aggregate restricted stock of directors</i>				
Nonvested at the beginning of year	8,997	\$22.71	111,165	\$17.37
Granted	5,400	\$23.15	30,347	\$20.51
Vested	(4,060)	\$23.20	(53,792)	\$20.84
Forfeited	-	-	(78,723)	\$20.84
	<u>10,337</u>	<u>\$267,624</u>	<u>8,997</u>	<u>\$204,322</u>
Nonvested at the end of year	10,337	\$267,624	8,997	\$204,322
Expected to vest	10,337	\$267,624	8,997	\$204,322
<i>Restricted stock of the highest paid director</i>				
Nonvested at the beginning of year	8,997	\$22.71	100,335	\$17.37
Granted	5,400	\$23.15	24,379	\$20.51
Vested	(4,060)	\$23.20	(48,378)	\$20.84
Forfeited	-	-	(76,336)	\$20.84
	<u>10,337</u>	<u>\$267,624</u>	<u>-</u>	<u>-</u>
Nonvested at the end of year	10,337	\$267,624	-	-
Expected to vest	10,337	\$267,624	-	-

The associated terms and conditions are as disclosed in note 15

5 Staff numbers and costs

The average number of persons employed by the company during the year was:

	2014 No.	2013 No.
Directors	1	3
Sales and administration	801	931
	<u>802</u>	<u>934</u>

The aggregate payroll costs of these persons were as follows:

	2014 £000	2013 £000
Wages and salaries	30,689	30,571
Social security costs	3,625	3,564
Pension contributions	643	567
	<u>34,957</u>	<u>34,702</u>

Notes *(continued)*

6 Interest receivable and similar income

	2014	2013
	£000	£000
Net exchange rate gains	-	-
Receivable from group undertakings	98	199
Other	-	4
	<u>98</u>	<u>203</u>
	<u><u>98</u></u>	<u><u>203</u></u>

7 Interest payable and similar charges

	2014	2013
	£000	£000
Exchange losses	610	58
Other interest payable	57	48
	<u>667</u>	<u>106</u>
	<u><u>667</u></u>	<u><u>106</u></u>

8 Taxation

	2014	2013
	£000	£000
Corporation tax charge in respect of:		
UK Corporation tax – current year	1,076	(76)
UK Corporation tax – prior year	(619)	134
	<u>457</u>	<u>58</u>
Deferred tax (note 17)		
Origination and reversal of timing differences	-	(31)
Adjustment in respect of prior periods	34	(11)
Effect of rate change	28	1
	<u>519</u>	<u>17</u>
Tax on profit on ordinary activities	<u><u>519</u></u>	<u><u>17</u></u>

Notes (continued)

8 Taxation (continued)

Factors affecting the tax charge for the current period

The current tax charge for the year is lower than the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below.

	2014 £000	2013 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	4,539	(2,895)
	<hr/>	<hr/>
Current tax at 21.5% (2013: 23.25%)	976	(673)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	21	26
Capital allowances for the period in excess of depreciation	161	(31)
Other timing differences	(82)	(60)
Adjustment to tax charge in respect of prior years	(619)	134
Group relief not paid for	-	662
	<hr/>	<hr/>
Total current tax charge (see above)	457	58
	<hr/>	<hr/>

Factors affecting the tax charge for future periods

The Finance Act 2013 received Royal Assent on 17 July 2013 and enacted a reduction in the main rate of corporation tax to 21% with effect from 1 April 2014 and a further reduction of 1% will be applied to bring the main rate of corporation tax to 20% from 1 April 2015.

Notes (continued)

9 Fixed asset investments

	Share in group undertaking £000
Cost	
At beginning and end of year	12,239
Provisions	
At beginning and end of year	10,027
Net book value	
At beginning and end of year	2,212

Company	Country of incorporation	Principal activity	Class and percentage of shares held
Subsidiary undertakings			
Insight Direct Services Limited	England	Dormant	100% ordinary
Software Spectrum (UK) Limited	England	Non-trading	100% ordinary
Software Spectrum Holdings Limited*	England	Dormant	100% ordinary
Insight Networking Solutions Limited	England	Trading	100% ordinary
Minx Limited*	England	Dormant	100% ordinary

* Shares held indirectly through a subsidiary undertaking

Notes (continued)

10 Tangible fixed assets

	Land and buildings £000	Fixtures, fittings and computer equipment £000	Software £000	Total £000
Cost				
At beginning of year	16,035	7,796	4,587	28,418
Additions	12	322	87	421
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	16,047	8,118	4,674	28,839
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At beginning of year	7,806	5,603	447	13,856
Charge for year	772	984	470	2,226
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	8,578	6,587	917	16,082
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2014	7,469	1,531	3,757	12,757
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2013	8,228	2,193	4,140	14,562
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of land and buildings comprises:

	2014 £000	2013 £000
Long leasehold	6,661	7,024
Short leasehold	808	1,204
	<hr/>	<hr/>
	7,469	8,228
	<hr/>	<hr/>

Notes (continued)

11 Stocks

	2014 £000	2013 £000
Finished goods and goods for resale	2,824	4,793
Goods not available for sale	4,101	2,904
	<u>6,925</u>	<u>7,697</u>

12 Debtors

	2014 £000	2013 £000
Trade debtors	87,834	84,735
Amounts owed by group undertakings	32,661	19,575
Prepayments and accrued income	1,773	1,617
Deferred tax asset (note 17)	196	137
Corporation Tax	201	-
	<u>122,665</u>	<u>106,064</u>

13 Creditors: amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	78,458	63,934
Other taxes and social security costs	1,264	1,265
Accruals & deferred income	24,262	14,811
Corporation Tax	-	264
	<u>103,984</u>	<u>80,274</u>

Notes (continued)

14 Called up share capital

	2014 £000	2013 £000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	704	704

As per Companies House filings, amount paid per share is nil.

15 Share based payments – Insight Enterprises Inc.

Restricted stock

We have issued shares of Insight Enterprises Inc. restricted common stock and Restricted Stock Units (“RSUs”) as incentives to certain officers and teammates and plan to do so in the future. We recognise compensation expense associated with the issuance of such shares and RSUs over the vesting period for each respective share and RSU. The total compensation expense associated with restricted stock represents the value based upon the number of shares or RSUs awarded multiplied by the closing price on the date of grant. The number of RSUs to be awarded under our service-based RSUs is fixed at the grant date. The number of RSUs ultimately awarded under our performance-based RSUs varies based on whether the Company achieves certain financial results. Recipients of restricted stock shares are entitled to receive any dividends declared on our common stock and have voting rights, regardless of whether such shares have vested. Recipients of RSUs do not have voting or dividend rights until the vesting conditions are satisfied and shares are released.

As of 31 December 2014, total compensation cost related to non-vested restricted stock shares and RSUs was £370,953 (2013: £1,140,788), which is expected to be recognised over the next 2.20 years on a weighted-average basis.

Notes (continued)

15 Share based payments (continued)

The following table summarises our restricted stock activity, including restricted stock shares and RSUs, during the year ended 31 December 2014:

	Number	Weighted Average Fair Value	Fair Value	Number	Weighted Average Fair Value	Fair Value
	2014	2014	2014	2013	2013	2013
Non-vested at the beginning of year	59,065	\$22.71		180,351	\$17.37	
Granted	31,187	\$23.15		59,215	\$20.51	
Vested	(25,387)	\$23.20	(a)	(84,140)	\$20.84	(a)
Forfeited	(3,352)	\$23.20		(96,361)	\$20.84	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Non-vested at the end of year	61,513	\$25.89	\$1,592,572 (b)	59,065	\$22.71	\$1,341,366 (b)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expected to vest	53,536	\$25.89	\$1,386,046 (b)	50,732	\$22.71	\$1,152,129 (b)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

(a) The fair value of vested restricted stock shares and RSUs represents the total pre-tax fair value, based on the closing stock price on the day of vesting, which would have been received by holders of restricted stock shares and RSUs had all such holders sold their underlying shares on that date.

(b) The aggregate fair value for the non vested restricted stock shares and the RSUs expected to vest represents the total pre-tax fair value, based on our closing stock price of \$25.89 as of 31 December 2014 (2013: \$22.71), which would have been received by holders of restricted stock shares and RSUs had all such holders sold their underlying shares on that date

16 Reserves

	Profit and loss account £000
Balance at start of year	50,821
Retained profit for the year	4,020
	<hr/>
Balance at end of year	54,841
	<hr/>

Notes (continued)

17 Reconciliation of movements in shareholders' funds

	2014 £000	2013 £000
(Loss)/Profit for the financial year	4,020	(2,912)
Dividends paid and proposed	-	-
	<hr/>	<hr/>
Net reduction in/addition to shareholders' funds	4,020	(2,912)
Opening shareholders' funds	51,525	54,437
	<hr/>	<hr/>
Closing shareholders' funds	55,545	51,525
	<hr/>	<hr/>

18 Deferred taxation

	Deferred taxation £000
Asset	
At beginning of year	137
Provided	59
	<hr/>
At end of year	196
	<hr/>

The amounts provided for deferred taxation and the amounts not provided are set out below:

	2014		2013	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Difference between accumulated depreciation and capital allowances	141	-	(486)	-
Other timing differences	55		623	-
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred tax asset (note 12)	196		137	-
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

19 Commitments

(a) Annual commitments under non-cancellable operating leases are as follows:

	2014 £000	2013 £000
Land and buildings		
Operating leases which expire:		
Within one year	-	-
In the second to fifth year inclusive	178	647
Over five years	1,990	1,219
	<u>2,168</u>	<u>1,866</u>

(b) There were no capital commitments as at 31 December 2014 (2013: *£nil*).

20 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £643,041 (2013: £566,544).

21 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary undertaking of Insight Enterprises UK Limited which is itself a subsidiary of Insight Enterprises Inc., which is the ultimate parent company incorporated in the USA.

The largest and smallest group in which the results of the company are consolidated is that headed by Insight Enterprises Inc. The consolidated accounts of Insight Enterprises Inc are available to the public and can be obtained from Insight Enterprises Inc., Investor Relations, 6820 South Harl Avenue, Tempe, Arizona, 85283 USA or alternatively from the web-site at www.insight.com.