REPORT OF THE DIRECTORS AND

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

FOR

ROCC COMPUTERS LIMITED

Feist Hedgethorne Limited
Statutory Auditors
Chartered Accountants
Preston Park House
South Road
Brighton
East Sussex
BN1 6SB

CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

ROCC COMPUTERS LIMITED

COMPANY INFORMATION
for the year ended 31 March 2017

DIRECTORS:	S K Aldrich P J Aldrich L P Aldrich G M Aldrich T Aldrich
SECRETARY:	K J Bristow
REGISTERED OFFICE:	Stanford Gate South Road Brighton Sussex BN1 6SB
REGISTERED NUMBER:	02691706 (England and Wales)
AUDITORS:	Feist Hedgethorne Limited Statutory Auditors Chartered Accountants Preston Park House South Road Brighton East Sussex BN1 6SB

REPORT OF THE DIRECTORS
for the year ended 31 March 2017

The directors present their report with the financial statements of the company for the year ended 31 March 2017.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of the sale and provision of Information Technology.

REVIEW OF BUSINESS
ROCC had a successful year transitioning to focus on the Social Housing Market with the notable win of Thirteen Housing Group. The New Management team has bedded in successfully and the award of the ISO standard quality accreditation is testament to the quality of our internal processes. Our small Technology Services team continued to successfully provide IT managed services to its client base.

ROCC made a small profit after tax in the year and remain cautiously optimistic in the current volatile economic environment.

The balance sheet has an unusual look this year due to an impairment review of fixed asset investments resulting in a write off of £4,981,029 and the arcane Pension Fund accounting standard. The ROCC Fund had a surplus in its triennial valuation April 2015 but this is dismissed in the way Pension liabilities are accounted for under FRS102. Due to the fall in the general market value of Corporate AA bonds the discount rate (or investment performance) has fallen from 3.8% to 2.75% which creates a Pension deficit of £2.1m (from £1.2m in 2016). This flies in the face of the reality of the ROCC Fund which delivers significantly better returns as it is invested in a diversified managed fund. The Directors feel the current pension position under FRS102 misrepresents the financial position of the business. As at 31 March 2017 there are no outstanding monies due to the Fund. ROCC has no bank debt and is cashflow positive.

Business Threats
The business conditions continue to look uncertain in the wider economy and the Public Sector does not appear immune which may affect trading during the course of the year. ROCC are well placed to withstand an economic downturn with both new and long term customers using business critical systems.

Pension Scheme
Progress continued to be made by the company and the Trustees dealing with the Pension deficit. The actual and opportunity costs of running a defined benefit scheme are now inappropriate for a company of the size of ROCC and the company is reviewing its options to limit and reduce its liabilities in this area.

Financial Risk Management
The main financial risk arising from the group's activities are credit risk, interest risk and liquidity risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date.

The group's policy in respect of credit risk, is to require appropriate credit checks on potential customers before sales are made.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2016 to the date of this report.

S K Aldrich
P J Aldrich
L P Aldrich
G M Aldrich
T Aldrich

CHARITABLE AND POLITICAL DONATIONS
Charitable donations during the year amounted to £3,600 (2016: £175). In the current year this was paid to AXIS charity. No political donations were made during the year.

REPORT OF THE DIRECTORS
for the year ended 31 March 2017

GOING CONCERN

Although the statement of financial position is showing an increase in the company's negative retained earnings at the year end, this is due to the actuarial losses on the defined benefit pension scheme. The trade activities of the company have improved in the year and the cash at bank has increased by £164,675 and the directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Feist Hedgethorne Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

L P Aldrich - Director

2 March 2018

STATEMENT OF FINANCIAL POSITION
31 March 2017

	Notes	2017 £	2016 as restated £
FIXED ASSETS			
Tangible assets	4	**1,488,057**	1,530,103
Investments	5	**-**	4,981,029
		1,488,057	6,511,132
CURRENT ASSETS			
Stocks	6	**11,552**	10,127
Debtors	7	**1,631,462**	1,705,359
Cash at bank		**790,482**	625,807
		2,433,496	2,341,293
CREDITORS			
Amounts falling due within one year	8	**(1,324,100)**	(1,515,949)
NET CURRENT ASSETS		**1,109,396**	825,344
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,597,453**	7,336,476
CREDITORS			
Amounts falling due after more than one year	9	**-**	(4,981,029)
PENSION LIABILITY	14	**(2,125,000)**	(1,259,000)
NET ASSETS		**472,453**	1,096,447
CAPITAL AND RESERVES			
Called up share capital	12	**800,101**	800,101
Revaluation reserve		**1,035,327**	1,035,327
Retained earnings		**(1,362,975)**	(738,981)
SHAREHOLDERS' FUNDS		**472,453**	1,096,447

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 2 March 2018 and were signed on its behalf by:

L P Aldrich - Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

1. STATUTORY INFORMATION

ROCC Computers Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Preparation of consolidated financial statements
The financial statements contain information about ROCC Computers Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Significant judgements and estimates
Preparation of the financial statements requires management to make significant judgements and estimates and these 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 the revision and future periods if the revision affects both current and future periods.

The items in the financial statements where these judgements and estimates have been made include the useful economic life of tangible fixed assets, the depreciation and amortisation of these assets, stock obsolescence, provisions, value of investments and recoverability of debtors.

The company's key sources of estimation uncertainty include:

(a) Pension and other post-employment benefits

The cost of the defined benefit pension scheme is determined using actuarial valuations. These involve making assumptions about discount rates, future salary increases, mortality rates and future pension increase. Due to the complexity of the valuation, the underlying assumptions and the long term nature of this scheme, such estimates are subject to significant uncertainty. Management estimates these factors in determining the net pension obligation in the statement of financial position.

Turnover
Turnover represents the fair value of consideration received or receivable and represents the amount receivable for goods supplied or services rendered. Revenue is recognised when goods are invoiced and despatched to customers or services are provided and is stated net of VAT and trade discounts.

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2. **ACCOUNTING POLICIES - continued**

Tangible fixed assets
Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended by management.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	-	at varying rates on cost
Leasehold property	-	over the period of the lease
Plant and machinery	-	20% on cost
Fixtures and fittings	-	10% on cost
Motor vehicles	-	25% on cost
Computer equipment	-	at varying rates on cost

Impairment policy
At each balance sheet date, the company reviews the carrying amount of its assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost less impairment.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

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2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits
The company operates two pension schemes for employees:

1. Defined contribution scheme - The assets of the scheme are held separately from those of the company in independently administered funds. Contributions are charged to the profit and loss account as incurred.

2. Defined benefit scheme - To provide benefits to past and one present employee based on employees' final pensionable pay. The scheme was closed to new entrants on 1 April 1991. The assets of the scheme are held separately from those of the company with investment portfolio managers. Contributions are determined by qualified actuaries using the attained age method, making allowances for projected earnings.

The difference between the fair value of the assets held in the company's defined benefit pension scheme and the scheme's liabilities measured on the actuarial basis using the projected unit method are recognised in the company's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. Deferred tax is recognised with the principles described in the deferred tax accounting policy above.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income, together with the return on plan assets, less amounts included in net interest.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss within other finance costs as 'interest on pension scheme'.

The deficit on the scheme is recognised in full and is presented on the face of the statement of financial position gross of the associated deferred tax asset.

Going concern
Although the statement of financial position is showing an increase in the company's negative retained earnings at the year end, this is due to the actuarial losses on the defined benefit pension scheme. The trade activities of the company have improved in the year and the cash at bank has increased by £164,675 and the directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 39 .

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4. **TANGIBLE FIXED ASSETS**

	Freehold property £	Leasehold property £	Plant and machinery £
COST OR VALUATION			
At 1 April 2016	1,706,117	16,774	24,090
Additions	1,713	-	-
Reclassification	16,774	(16,774)	-
At 31 March 2017	1,724,604	-	24,090
DEPRECIATION			
At 1 April 2016	233,332	10,524	17,936
Charge for year	26,965	1,939	1,632
Eliminated on disposal	-	-	-
Reclassification	12,463	(12,463)	-
At 31 March 2017	272,760	-	19,568
NET BOOK VALUE			
At 31 March 2017	1,451,844	-	4,522
At 31 March 2016	1,472,785	6,250	6,154

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 April 2016	32,618	48,760	262,776	2,091,135
Additions	1,560	-	7,242	10,515
Disposals	-	(48,760)	-	(48,760)
At 31 March 2017	34,178	-	270,018	2,052,890
DEPRECIATION				
At 1 April 2016	25,342	48,760	225,138	561,032
Charge for year	2,404	-	19,621	52,561
Eliminated on disposal	-	(48,760)	-	(48,760)
Reclassification	-	-	-	-
At 31 March 2017	27,746	-	244,759	564,833
NET BOOK VALUE				
At 31 March 2017	6,432	-	25,259	1,488,057
At 31 March 2016	7,276	-	37,638	1,530,103

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NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2017

4. **TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 March 2017 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Valuation in 2015	606,041	-	-	-	606,041
Cost	1,118,563	24,090	34,178	270,018	1,446,849
	1,724,604	24,090	34,178	270,018	2,052,890

5. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 April 2016	4,981,029
Impairments	(4,981,029)
At 31 March 2017	-
NET BOOK VALUE	
At 31 March 2017	-
At 31 March 2016	4,981,029

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Databuild Information Systems Limited
Registered office:
Nature of business: Non trading company

Class of shares:	% holding
Ordinary	100.00

	2017 £	2016 £
Aggregate capital and reserves	11,978	11,978

Lavenderhaven Limited
Registered office:
Nature of business: Non trading company

Class of shares:	% holding
Ordinary A	100.00
Ordinary B	100.00

	2017 £	2016 £
Aggregate capital and reserves	59,000	59,000

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NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2017

5. FIXED ASSET INVESTMENTS - continued

Rocc Credit Limited
Registered office:
Nature of business: Non trading company

Class of shares:	% holding
Ordinary	100.00

	2017	2016
	£	£
Aggregate capital and reserves	**4,982,002**	4,982,002

TAL Computer Services Limited
Registered office:
Nature of business: Non trading company

Class of shares:	% holding
Ordinary	100.00

	2017	2016
	£	£
Aggregate capital and reserves	**327,176**	327,176

During the year ended 31 March 2017, the directors carried out an impairment review on the investments held by the company. This review resulted in the investment in Rocc Credit Limited of £4,981,029 being impaired to nil as the directors considered that, because the subsidiary is a dormant company and does not hold any assets of value, it was unlikely that the company would be able to recover its investment.

6. STOCKS

	2017	2016 as restated
	£	£
Stock	**11,552**	10,127

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016 as restated
	£	£
Trade debtors	**702,735**	915,334
Other debtors	**928,727**	790,025
	1,631,462	1,705,359

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016 as restated
	£	£
Trade creditors	**313,469**	380,541
Taxation and social security	**179,383**	210,008
Other creditors	**831,248**	925,400
	1,324,100	1,515,949

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9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016 as restated
	£	£
Amounts owed to group undertakings	**-**	4,981,029

During the year ended 31 March 2017, an amount owed to a subsidiary, Rocc Credit Limited, of £4,981,029 has been written off against the impaired cost of the investment in the same company as the directors consider that this amount is no longer payable.

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016 as restated
	£	£
Within one year	**2,555**	113,407
Between one and five years	**45,445**	2,555
	48,000	115,962

11. SECURED DEBTS

ROCC Computers Pension Trustee Limited holds a legal mortgage on the freehold property.

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**2017**	2016 as restated
			£	£
8,000,007	Ordinary	10p	**800,101**	800,101

13. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Peter Hedgethorne (Senior Statutory Auditor)
for and on behalf of Feist Hedgethorne Limited

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14. EMPLOYEE BENEFIT OBLIGATIONS

The group and company operate two pension schemes for employees. Details of the scheme are as follows:

Defined contribution scheme

The group operates a money purchase scheme for employees of the company. The assets of the scheme are held separately from those of the company in independently administered funds.

Defined benefit scheme

This pension scheme, which is in respect of one present employee and past employees of the company, is to provide benefits based on employees' final pensionable pay. The scheme was closed to new entrants on 1 April 1991. The assets of the scheme are held separately from those of the parent undertaking, being invested with investment portfolio managers. Contributions to the scheme are determined by the company based calculations prepared by independently qualified actuaries, on the basis of a triennial valuation, using the attained age method in which the actuarial liability makes allowances for projected earnings.

The most recent full actuarial valuation of the scheme was performed by the Scheme Actuary as at 1 April 2015. This valuation revealed a funding surplus. The Company agreed to pay annual contributions of 18.9% of members' adjusted pensionable salaries each year to meet the cost of future service accrual. Under the current recovery plan, the company is not required to make annual contributions to the scheme for past employees. However, the company is currently paying contributions in respect of the one present employee. The results of the 2015 valuation have been updated to 31 March 2017 by a qualified independent actuary.

The valuation used for FRS102 purposes has been based on the most recent full actuarial valuation, at 1 April 2015 by a qualified independent actuary. The significant assumptions used by the actuary were:

	2017	**2016**	**2015**
	% per annum	% per annum	% per annum
Discount rate	2.75%	3.8%	3.5%
RPI Inflation assumption:			
Pre-retirement	2.8%	3.1%	3.3%
Post-retirement	3.1%	3.1%	3.3%
CPI Inflation assumption:			
Pre-retirement	1.7%	2.1%	-
Post-retirement	2.0%	2.1%	-
Salary increase	2.8%	3.1%	3.1%

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2017	2016 as restated
	£	£
Current service cost	**5,000**	5,000
Net interest from net defined benefit asset/liability	**49,000**	44,000
Curtailment cost	**-**	-
Administration expenses	**82,000**	61,000
	136,000	110,000
Actual return on plan assets	**390,000**	(583,000)

continued...

14. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2017	2016 as restated
	£	£
Opening defined benefit obligation	**12,596,000**	13,372,000
Current service cost	**5,000**	5,000
Contributions by scheme participants	**2,000**	2,000
Interest cost	**467,000**	458,000
Actuarial losses/(gains)	**1,124,000**	(685,000)
Benefits paid	**(617,000)**	(556,000)
	13,577,000	12,596,000

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2017	2016 as restated
	£	£
Opening fair value of scheme assets	**11,337,000**	12,084,000
Administration costs	**(82,000)**	(61,000)
Contributions by employer	**4,000**	37,000
Contributions by scheme participants	**2,000**	2,000
Interest income/cost	**418,000**	414,000
Expected return	**390,000**	(583,000)
Benefits paid	**(617,000)**	(556,000)
	11,452,000	11,337,000

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2017	2016 as restated
	£	£
Actuarial gains/(losses)	**(1,124,000)**	685,000
Actual returns on assets less interest	**390,000**	(583,000)
	(734,000)	102,000

continued...

14. **EMPLOYEE BENEFIT OBLIGATIONS - continued**

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2017	2016 as restated
	£	£
Cash	**356,000**	139,000
Property	**239,000**	381,000
Mixed Fund	**10,857,000**	10,817,000
	11,452,000	11,337,000

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2017	2016 as restated
Discount rate	**2.75%**	3.80%
Future salary increases	**2.80%**	3.10%
Future pension increases	**3.40%**	3.40%
Retail Price Index	**2.80%**	3.10%
Consumer Price Index	**1.70%**	2.10%
Inflation linked increases in deferment	**1.70%**	2.10%
Increases for GMP	**1.90%**	1.90%
Retail Price Index - post retirement	**3.10%**	-
Consumer Price Index - post retirement	**2.00%**	-

The mortality assumptions adopted at 31 March 2017 imply the following life expectancies:

Expectancy in years	**2017**	2016
Male aged 65 in 2017	**20.5**	20.5
Female aged 65 in 2017	**22.4**	22.5
Male at age 65, aged 45 in 2017	**21.6**	21.8
Female at age 65, aged 45 in 2017	**23.6**	24.0