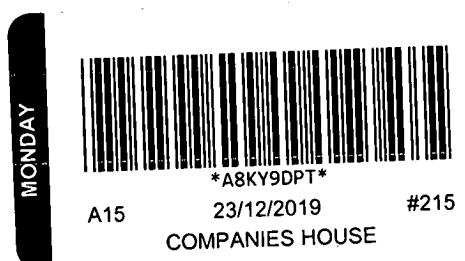


Registered number: 09773963

NUVIAS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



NUVIAS GROUP LIMITED

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NUVIAS GROUP LIMITED

COMPANY INFORMATION

Directors	J Hodge S P Rigby
Registered number	09773963
Registered office	Unit 1 Genesis Business Park Albert Drive Woking England GU21 5RW
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Cornwall Court 19 Cornwall Street Birmingham B3 2DT

NUVIAS GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present the strategic report for the Nuvias Group Limited (the "group") for the year ended 31 March 2019.

Business review

In FY19, Nuvias began building out its business around Digital Experience Management and Digital Transformation, leveraging its ability to enable our partners to solve their customers' problems and to deliver the best solutions consistently. Nuvias' strategy is to enable its Solution Provider and Vendor partners to generate more sales through combining its unique services and vendor portfolio to deliver solutions to the market.

In the year ended 31 March 2019, Nuvias focused on integrating its previous acquisitions. This included substantial investment in upgrades to business and supply chain systems. In the year, Nuvias opened a supply chain, logistics and engineering facility in the Eurozone and responded to challenges faced by the loss of its core logistics partner BETA – who entered administration – by creating an inhouse logistics service that creates a competitive differentiation to its rivals

This combination of planned investment and unplanned challenges restricted growth in FY19 but has also positioned Nuvias well for the future as a result of proactive and reactive investment in business improvements. Revenue grew across Europe and performed particularly strongly in the UK. A highlight of the year was Nuvias being awarded Juniper's prestigious Distributer of the Year Award in its first full year representing the firm.

Turnover increased to £398m, up from £347m in the previous year. EBITDAE decreased by £1.7m, to £5.0m, due to system changes, the logistics challenges faced and the increased operating costs these created.

In addition to Nuvias creating its own market-leading logistics service, positioning the business well for success in FY20, it also invested in the high-growth area of its UC business in FY19 and expects to see profitability from its first year with Juniper in the next financial year.

The integration of the former Wick Hill and Zycko companies resulted in exceptional restructuring costs of £2.7m, resulting in a single operating system and consolidated supply chain and warehouse facilities.

It was also important to make a strong start with Juniper in its first year of partnership, which met high expectations. A number of new vendor partnerships were established in FY19, including Forcepoint, and as a result of Cisco (BroadSoft) and Oracle (Talari) making acquisitions, and Plantronics merging with Polycom to form 'Poly', Nuvias has consequently become a broader distributor.

Looking ahead to FY20, relationships with new partners, particularly Juniper and Poly, represent a significant growth opportunity. Nuvias expects growth to accelerate based on the investment that has been made throughout FY19, with the business ready to realise the benefits of groundworks laid this year. As well as expected growth in services revenue, particularly cloud services, Nuvias has also put a major focus on making its customer service a key differentiator.

NUVIAS GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Principal risks and uncertainties

Economic conditions

Uncertain economic conditions expose the business to increased levels of risk. Continued lack of clarity around the UK's exit from the EU and the current political landscape adds further uncertainty.

Response to risk

- Economic conditions are closely observed with credit insurance taken to mitigate customer default;
- Regulatory changes are also closely observed by the Group board; and
- The agility of the Group's operations is expected to enable quick response to any adverse changes.
- Transactions in foreign currencies are hedged according to a policy set by management

Cash Flow management

Financial risk exists that the Group does not generate sufficient cash resources to fund future acquisitions to achieve its strategic objectives.

Response to risk

- The group works with the ultimate parent company (Rigby Group (RG) plc) to ensure sufficient funds are available for the group's operations;
- Gearing levels are low with close relationships held with lending institutions;
- Covenants for borrowings are monitored;
- Importance of cash forecasting has been elevated; and
- Economic hedging of foreign cash flows is undertaken where appropriate.

Geographic coverage

Group's central management functions are based in the UK, with operations spread across numerous locations across Europe and the Middle East with defined authority delegated to local management teams. This may lead to exposure to fraud or unauthorised commitments as a result of mismanagement or the malicious or negligent actions of employees.

Response to risk

- An internal audit function is in place with a risk focused strategy to visit remote locations in continental Europe and the Middle East;
- High quality local management expertise, retained with competitive remuneration.

Laws and Regulation

All areas of the business are required to adhere to corporate governance compliance and other regulations including tax, control of data, legal compliance and specific industry regulations. Failure to comply with regulations could arise through management failure or loss of key staff. Regulatory failure could lead to penalties and reputational damage which could adversely impact current operations and frustrate business development opportunities.

Response to risk

- Compliance with business specific regulations is maintained by local management with relevant sector expertise; and
- Staff are appropriately remunerated.

NUVIAS GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Financial key performance indicators

	2019	2018
	£000	£000
Revenues	397,996	346,936
EBITDAE	5,020	6,678
Net Assets	33,564	36,983

Reconciliation of operating profit to EBITDAE

The Group's chosen internal profit measure is EBITDAE. This can be reconciled to the statutory operating profit as shown below.

	2019	2018
	£000	£000
Operating (loss)/profit	(2,384)	1,856
Depreciation	492	526
Goodwill Amortisation	2,066	1,895
Amortisation of other intangibles	2,129	1,558
Exceptional items	2,717	843
EBITDAE	<u>5,020</u>	<u>6,678</u>

This report was approved by the board on 30/9/2019

and signed on its behalf by:


J Hodge
Director

NUVIAS GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and the audited financial statements of Nuvias Group Limited (the "company") and the audited consolidated financial statements of Nuvias Group Limited (the "group") for the year ended 31 March 2019.

Principal activities

Nuvias Group is a pan-EMEA, high value distribution business which is redefining international, specialist distribution in IT.

There have been no changes in the group's principal activities during the year under review. There have been no acquisitions made during the year. The directors are not aware, as at the date of this report, of any likely major changes in the group's activities in the next financial year.

The subsidiary undertakings principally affecting the profits or net assets of the group in the year are listed in the notes to the financial statements.

Results and dividends

The group's activities resulted in a loss before tax of £2,627,000 (2018 profit: £1,417,000). The group loss for the year amounted to £3,288,000 (2018 profit: £508,000).

No dividends have been paid or proposed for the reported periods.

Going concern

After making enquiries, the directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

J Hodge
S P Rigby
P A Eccleston (resigned 1 April 2019)

Qualifying third party indemnity provisions

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.

Principal risks and uncertainties

These matters are dealt with in the strategic report on page 3.

Post balance sheet events

On 23 August 2019 Nuvias Group limited purchased additional shares in Siphon Networks limited for a consideration of £11.2m increasing the group's shareholding from 51.8% to 89.5%.

There have been no other significant events requiring disclosure since the balance sheet date.

NUVIAS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Charitable donations and political contributions

During the year the group made charitable donations of £Nil (2018: £Nil). No political donations were made.

Environment

The group recognises the importance of its environmental responsibilities in all the markets in which it operates. In all activities, working practices, and business relationships, we continuously work towards protecting, conserving and enhancing all aspects of the environment.

In order to achieve these objectives, we seek to always meet the necessary regulatory requirements and continue to raise awareness of all employees to environmental issues. The group will always seek to minimise any impact on the environment through appropriate schemes, such as recycling, and managing all sites in an environmentally sensitive manner. We have put in place the necessary systems to manage, control and monitor performance in respect of environmental matters.

Business ethics

We are committed to ensuring full compliance with legislation relating to bribery and corruption, including the Bribery Act 2010. Our corporate conduct is based on our commitment to acting professionally, fairly and with integrity.

The group 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 businesses.

Employees

Details of the number of employees and associated costs are disclosed in the notes to the financial statements.

The group 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 group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

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

NUVIAS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Statement of directors' responsibilities in respect of the financial statements

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board on 30/9/2019 and signed on its behalf by:



J Hodge
Director

NUVIAS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NUVIAS GROUP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Nuvias Group Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2019 and of the group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and company balance sheet as at 31 March 2019; the consolidated statement of comprehensive income, the consolidated statement of cash flows, and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

NUVIAS GROUP LIMITED

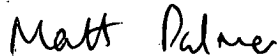
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Matt Palmer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

30 September 2019

NUVIAS GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £000	2018 £000
Turnover	4	397,996	346,936
Cost of sales		(351,470)	(295,385)
Gross profit		46,526	51,551
Administrative expenses		(46,193)	(48,852)
Exceptional items	5	(2,717)	(843)
Operating (loss)/profit	6	(2,384)	1,856
Interest receivable and similar income	10	653	299
Interest payable and similar expenses	11	(896)	(738)
(Loss)/profit before taxation		(2,627)	1,417
Tax on (loss)/profit	12	(601)	(909)
(Loss)/profit for the financial year		(3,228)	508
Currency translation differences		(69)	265
Cash flow hedge		(122)	164
Other comprehensive income for the financial year		(191)	429
Total comprehensive income for the financial year		(3,419)	937
(Loss)/profit for the year attributable to:			
Non-controlling interests		1,620	576
Owners of the parent Company		(4,848)	(68)
		(3,228)	508

NUVIAS GROUP LIMITED**REGISTERED NUMBER: 09773963****CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2019**

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	13	26,218	28,279
Tangible assets	14	1,450	1,689
		<u>27,668</u>	<u>29,968</u>
Current assets			
Stocks	16	13,329	11,264
Debtors: amounts falling due after more than one year	17	1,118	764
Debtors: amounts falling due within one year	17	112,795	127,465
Cash at bank and in hand	18	71,496	22,513
		<u>198,738</u>	<u>162,006</u>
Creditors: amounts falling due within one year	19	(191,239)	(149,260)
Net current assets		<u>7,499</u>	<u>12,746</u>
Total assets less current liabilities		<u>35,167</u>	<u>42,714</u>
Creditors: amounts falling due after more than one year	20	-	(3,944)
Provisions for liabilities			
Deferred taxation	23	(1,603)	(1,787)
Net assets		<u>33,564</u>	<u>36,983</u>
Capital and reserves			
Called up share capital	24	5,304	5,304
Share premium account	25	26,569	26,569
Profit and loss account	25	(3,709)	1,330
Equity attributable to owners of the parent Company		<u>28,164</u>	<u>33,203</u>
Non-controlling interests		<u>5,400</u>	<u>3,780</u>
Total shareholders' funds		<u>33,564</u>	<u>36,983</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30/9/2019 by:



J Hodge
Director

The notes on pages 17 to 44 form part of these financial statements.

NUVIAS GROUP LIMITED

REGISTERED NUMBER: 09773963

**COMPANY BALANCE SHEET
AS AT 31 MARCH 2019**

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	13	4,585	3,273
Tangible assets		69	18
Investments	15	<u>13,098</u>	<u>13,098</u>
		17,752	16,389
Current assets			
Debtors: amounts falling due within one year	17	<u>42,333</u>	<u>46,248</u>
		42,333	46,248
Creditors: amounts falling due within one year	19	<u>(31,178)</u>	<u>(32,634)</u>
Net current assets		11,155	13,614
Total assets less current liabilities		28,907	30,003
Provisions for liabilities			
Deferred taxation	23	<u>(32)</u>	<u>-</u>
Net assets		28,875	30,003
Capital and reserves			
Called up share capital	24	5,304	5,304
Share premium account	25	26,569	26,569
Profit and loss account brought forward	25	(1,870)	(594)
Loss for the financial year		<u>(1,128)</u>	<u>(1,276)</u>
Profit and loss account carried forward		<u>(2,998)</u>	<u>(1,870)</u>
Total shareholders' funds		28,875	30,003

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30/9/2019 by:


J Hodge
Director

NUVIAS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Non- controlling interests £000	Total shareholders' funds £000
At 1 April 2017	5,304	26,569	969	32,842	3,204	36,046
Comprehensive (expense)/income for the financial year						
(Loss)/profit for the financial year	-	-	(68)	(68)	576	508
Currency translation differences	-	-	265	265	-	265
Cash flow hedge	-	-	164	164	-	164
Total comprehensive income for the financial year	-	-	361	361	576	937
At 31 March 2018	5,304	26,569	1,330	33,203	3,780	36,983
Comprehensive (expense) income for the financial year						
(Loss)/profit for the financial year	-	-	(4,848)	(4,848)	1,620	(3,228)
Currency translation differences	-	-	(69)	(69)	-	(69)
Cash flow hedge	-	-	(122)	(122)	-	(122)
Total comprehensive (expense)/ Income for the financial year	-	-	(5,039)	(5,039)	1,620	(3,419)
At 31 March 2019	5,304	26,569	(3,709)	28,164	5,400	33,564

NUVIAS GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £000	Share premium account £000	Profit and Loss account £000	Total shareholders' funds £000
At 1 April 2017	5,304	26,569	(594)	31,279
Comprehensive income for the financial period				
Loss for the financial year	-	-	(1,440)	(1,440)
Cash flow hedge	-	-	164	164
Total comprehensive income for the financial year	-	-	(1,276)	(1,276)
Contributions by and distributions to owners				
Shares issued during the year	-	-	-	-
At 31 March 2018	5,304	26,569	(1,870)	30,003
Comprehensive income for the financial year				
Loss for the financial year	-	-	(1,006)	(1,006)
Cash flow hedge	-	-	(122)	(122)
Total comprehensive income for the financial year	-	-	(1,128)	(1,128)
Contributions by and distributions to owners				
Shares issued during the year	-	-	-	-
Total transactions with owners	-	-	-	-
At 31 March 2019	5,304	26,569	(2,998)	28,875

NUVIAS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018
	£000	£000
Cash flows from operating activities		
Profit/(loss) for the financial year	(3,228)	508
Adjustments for:		
Amortisation of intangible fixed assets	4,195	3,453
Depreciation of tangible fixed assets	492	526
Interest paid	808	738
Interest received	(653)	(299)
Taxation charge	601	909
Increase in stocks	(2,065)	(3,608)
Decrease/(Increase) in debtors	14,747	(44,254)
(Increase)/decrease in creditors	(3,489)	48,346
Corporation tax paid	(1,127)	(2,316)
Other	(330)	(461)
Net cash generated from operating activities	9,951	3,542
Cash flows from investing activities		
Purchase of intangible assets	(2,126)	(2,782)
Purchase of tangible assets	(263)	(1,224)
Sale of tangible assets	-	2
Purchase of investments	-	(1,317)
Interest received	653	299
Amounts advanced to related undertakings	-	(484)
Net cash outflow from investing activities	(1,736)	(5,506)
Cash flows from financing activities		
Net advances and repayments of loans	(3,609)	7,048
Funds advanced through invoice discounting facility	15,082	-
Loans advanced to related parties	(64)	-
Loans repaid to related parties	(350)	(1,150)
Interest paid	(808)	(738)
Net cash generated in/(used) financing activities	10,251	5,160
Net (decrease)/increase in cash and cash equivalents	18,466	3,196
Cash and cash equivalents at beginning of year	15,984	12,492
Foreign exchange gains and (losses)	(1,818)	296
Cash and cash equivalents at the end of year	32,632	15,984
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	71,496	22,513
Overdrafts	(38,864)	(6,529)
	32,632	15,984

NUVIAS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Nuvias Group Limited's (the "company") principal activity is that of a holding company.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is: 80 Brook Street, Mayfair, London, W1K 5EG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the year:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

After making enquiries, the directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

2 Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2 Accounting policies (continued)

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10 years
Computer software	-	2 - 3 years
Customer relationships	-	10 years
Supplier relationships	-	15 years
Trademarks	-	2 - 5 years

2.6 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Leasehold land & building	-	Over life of lease
Plant and machinery	-	3 - 5 years
Motor vehicles	-	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2 Accounting policies (continued)

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each Balance Sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have *been* previously impaired are reviewed at each Balance Sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2 Accounting policies (continued)

2.12 Financial instruments

The Group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Hedge accounting

The Group designates certain derivatives as hedging instruments in cash flow hedges and fair value hedges.

At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge, the Group determines and documents causes for hedge ineffectiveness.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends, except for the hedging of inventory purchases when the amount is reclassified from the hedging reserve and included in the cost of inventory at initial recognition.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2 Accounting policies (continued)

2.12 Financial instruments (continued)

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to profit or loss when the hedged item is recognised in profit or loss. When a forecast transaction is no longer expected to occur, any gain or loss that was recognised in other comprehensive income is reclassified immediately to profit or loss.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.15 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

2 Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.18 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.19 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.21 Exceptional items

Income and expenditure that is non-recurring and unusual in the context of the ongoing trade of the Group is separately identified as exceptional for the purpose of assessing the true underlying performance of the business.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2 Accounting policies (continued)

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.22 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements and key sources of estimation uncertainty:

- (i) Intangible and tangible fixed assets (see notes 13 and 14)

Intangible and tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- (ii) Stocks (see note 16)

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value. In calculating net realisable value stocks are assessed for impairment. If stock is deemed to be impaired an estimate is made of the value of the impairment and the carrying amount is reduced to selling price less costs to complete and sell. A provision is held against the value of stock, which is based on the ageing of stock held, and relevant specific circumstances taken into account.

- (iii) Trade debtors impairment loss (see note 17)

Trade debtors are reviewed for impairment loss on an annual basis and provision made for any balances where there is uncertainty against the recoverability of the balance. This methodology is applied on a customer by customer basis.

- (iv) Creditors, provisions and liabilities (see notes 19 and 20)

These are recognised at the Balance Sheet date and include amounts for accrued holiday pay, dilapidations, deferred tax, management and employee bonuses. Although these amounts are reviewed on a regular basis and adjusted to reflect management's best current estimates, the judgemental nature of these items means that future amounts settled may be different from those provided.

- (v) Leases (see note 27)

Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

NUVIAS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019****4. Turnover**

An analysis of turnover by class of business is as follows:

	2019	2018
	£000	£000
Sale of goods	397,009	346,300
Rendering of services	987	636
	397,996	346,936

Analysis of turnover by country of destination:

	2019	2018
	£000	£000
United Kingdom	195,923	151,446
Rest of Europe	199,560	185,481
Rest of the World	2,513	10,009
	397,996	346,936

5. Exceptional items

	2019	2018
	£000	£000
Exceptional items	(2,717)	(843)

Exceptional items comprise of £2,717,000 (2018: £843,000) of non-recurring restructuring costs.

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting):

	2019	2018
	£000	£000
Depreciation of tangible assets	492	526
Amortisation of goodwill	2,066	1,895
Amortisation of other intangible assets	2,129	1,558
Exchange differences	1,820	724
Operating lease rentals	912	856
(Gain)/Loss on disposal of fixed assets	(2)	61
Impairment of stock recognised as an expense	521	-

NUVIAS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

7. Auditors' remuneration

	2019 £000	2018 £000
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	15	17
Fees payable to the Group's auditors for the audit of the annual financial statements of the subsidiaries	114	101
Fees payable to the Group's auditors in respect of:		
Other services pursuant to legislation		-
Taxation compliance services	34	31
Taxation advisory services	51	51
All other services	84	60
	169	142

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £000	2018 £000
Wages and salaries	25,292	24,192
Social security costs	3,643	3,331
Other pension costs (note 26)	724	648
	29,659	28,171

The average monthly number of employees, including the directors, during the year was as follows:

	2019 Number	2018 Number
Sales	256	268
Administration	218	229
	474	497

NUVIAS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

9. Directors' remuneration

	2019 £000	2018 £000
Aggregate directors' emoluments	168	179
Pension costs	8	8
	176	187

The highest paid director received remuneration of £168,000 (2018: £179,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,000 (2018: £8,000).

The professional fees of one director are paid to a related party by the Group. Details of these payments are contained in note 28.

10. Interest receivable and similar income

	2019 £000	2018 £000
Interest received from bank deposits	288	264
Interest received on loans to fellow Rigby Group subsidiaries	365	30
Other interest receivable	-	5
	653	299

11. Interest payable and similar expenses

	2019 £000	2018 £000
Interest payable on bank loans and overdrafts	628	483
Interest on interest rate swaps	10	24
Interest in factoring arrangements	46	47
Amortisation on facility funding costs	124	124
Deferred consideration discount unwind	88	55
Other interest payable	-	5
	896	738

NUVIAS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

12. Tax on (loss)/profit

	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the year	816	1,543
Adjustments in respect of prior periods	(92)	(117)
	<u>724</u>	<u>1,426</u>
Foreign tax		
Foreign tax on income for the year	542	263
Foreign tax in respect of prior periods	(10)	47
Total current tax	<u>1,256</u>	<u>1,736</u>
Deferred tax		
Origination and reversal of timing differences	(694)	(780)
Adjustments in respect of prior periods	34	(49)
Effect of changes in tax rates	5	2
Total deferred tax credit	<u>(655)</u>	<u>(827)</u>
Tax on (loss)/profit	<u>601</u>	<u>909</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £000	2018 £000
(Loss)/profit before tax	<u>(2,627)</u>	<u>1,417</u>
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(499)	269
Effects of:		
Expenses not deductible for tax purposes	1,226	450
Adjustments in respect of prior periods	(68)	(119)
Transfer pricing adjustments	10	-
Non-taxable income	(84)	(6)
Effects of overseas tax rates	(179)	269
Tax rate changes	5	2
Deferred tax unprovided	190	44
Total tax charge for the year/period	<u>601</u>	<u>909</u>

NUVIAS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

12. Tax on (loss)/profit (continued)

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2017 (on 7 September 2017). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

13. Intangible assets

Group	Goodwill	Software	Customer relationships	Supplier relationships & contracts	Trade marks	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 April 2018	19,882	3,253	3,666	7,620	1,833	36,254
Additions	-	2,116	-	-	10	2,126
Exchange adjustments	-	(1)	-	-	-	(1)
At 31 March 2019	<u>19,882</u>	<u>5,368</u>	<u>3,666</u>	<u>7,620</u>	<u>1,843</u>	<u>38,379</u>
Accumulated amortisation						
At 1 April 2018	5,120	218	580	1,127	930	7,975
Charged during the year	2,066	803	367	560	399	4,195
Exchange adjustments	-	(9)	-	-	-	(9)
At 31 March 2019	<u>7,186</u>	<u>1,012</u>	<u>947</u>	<u>1,687</u>	<u>1,329</u>	<u>12,161</u>
Net book value						
At 31 March 2019	<u>12,696</u>	<u>4,356</u>	<u>2,719</u>	<u>5,933</u>	<u>514</u>	<u>26,218</u>
At 31 March 2018	<u>14,762</u>	<u>3,035</u>	<u>3,086</u>	<u>6,493</u>	<u>903</u>	<u>28,279</u>

NUVIAS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. Intangible assets (continued)

	Software Costs £000	Supplier contracts £000	Trademarks £000	Total £000
Company				
Cost				
At 1 April 2018	2,978	359	75	3,412
Additions	1,991	-	2	1,993
At 31 March 2019	4,969	359	77	5,405
Accumulated amortisation				
At 1 April 2018	102	30	7	139
Charged during the year	554	120	7	681
At 31 March 2019	656	150	14	820
Net book value				
At 31 March 2019	4,313	209	63	4,585
At 31 March 2018	2,876	329	68	3,273

NUVIAS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

14. Tangible assets

Group

	Leasehold land & building £000	Plant and machinery £000	Motor Vehicles £000	Total £000
Group				
Cost or valuation				
At 1 April 2018	163	1,785	9	1,957
Additions	-	261	2	263
Exchange adjustments	3	(8)	-	(5)
At 31 March 2019	166	2,038	11	2,215
Accumulated depreciation				
At 1 April 2018	-	264	4	268
Charge for the year	85	404	3	492
Exchange adjustments	5	-	-	(2)
At 31 March 2019	90	668	7	765
Net book value				
At 31 March 2019	76	1,370	4	1,450
At 31 March 2018	163	1,521	5	1,689

Tangible fixed assets of the company comprise only plant and machinery £69,000 (2018 - £18,000).

NUVIAS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

15. Investments

Company	Investments in subsidiary companies £000
Cost	
At 1 April 2018	13,098
At 31 March 2019	<u>13,098</u>
Net book value	
At 31 March 2019	<u>13,098</u>
At 31 March 2018	<u>13,098</u>

NUVIAS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

15. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Nuvias Group Limited	Ordinary	100%	Holding company
Nuvia Networks Limited	Ordinary	100%	Holding company
Ingleby (1977) Limited	Ordinary	100%	Holding company
Zycko Group Limited	Ordinary	100%	Holding company
Zycko Overseas Limited	Ordinary	100%	Holding company
Nuvias Global Services Limited	Ordinary	100%	Specialist IT distributor
Zycko Holding GmbH	Ordinary	100%	Holding company
Nuvias Deutschland GmbH	Ordinary	100%	Specialist IT distributor
Nuvias Norway A/S	Ordinary	100%	Specialist IT distributor
Nuvias SAS	Ordinary	100%	Specialist IT distributor
Nuvias Srl	Ordinary	100%	Specialist IT distributor
Nuvias Benelux BV	Ordinary	100%	Specialist IT distributor
Data Communication Businesses BV	Ordinary	100%	Specialist IT distributor
Nuvias BVBA	Ordinary	100%	Specialist IT distributor
Nuvias Iberia SL	Ordinary	100%	Specialist IT distributor
Nuvias Polska Sp. Z.O.O.	Ordinary	100%	Specialist IT distributor
Wick Hill Group Limited	Ordinary	100%	Holding company
Nuvias (UK & Ireland) Limited	Ordinary	100%	Specialist IT distributor
Guaranteed Results Limited	Ordinary	100%	Marketing
Wick Hill Kommunikationstechnik GmbH	Ordinary	100%	Specialist IT distributor
Nuvias Österreich GmbH	Ordinary	100%	Specialist IT distributor
Siphon Networks Limited	Ordinary	51%	Specialist IT distributor
Nuvias AG	Ordinary	100%	Specialist IT distributor
Nuvias Inc	Ordinary	100%	Specialist IT distributor

Name	Registered office
Nuvias Group Limited	80 Brook Street, Mayfair, London, England, W1K 5EG
Nuvia Networks Limited	80 Brook Street, Mayfair, London, England, W1K 5EG
Ingleby (1977) Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX
Zycko Group Limited	Inda House, The Mallards, South Cerney, Cirencester, Gloucestershire, GL7 5TQ
Zycko Overseas Limited	Inda House, The Mallards, South Cerney, Cirencester, Gloucestershire, GL7 5TQ
Nuvias Global Services Limited	Inda House, The Mallards, South Cerney, Cirencester, Gloucestershire, GL7 5TQ
Nuvias Deutschland GmbH	Sachsenfeld 4, 20097, Hamburg, Germany
Zycko Networks GmbH	Kurfurstendamm 182, 10707, Berlin, Germany
Nuvias Norway A/S	Leif Weldingsvei 6, 3208, Sandefjord, Norway
Nuvias SAS	10-12 rue Andras Beck, 92360 Meudon La Forêt, France
Nuvias Srl	Via Cardano 2, 20864, Agrate Brianza (MB), Italy

NUVIAS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

15. Investments (continued)

Nuvias Benelux BV	Burgemeester Strămanweg 102-C, 1101 AA, Amsterdam, The Netherlands
Data Communication Businesses BV	De Run 4312 Veldhoven 5503LN, The Netherlands
Nuvias BVBA	De Run 4312 Veldhoven 5503LN, The Netherlands
Nuvias Iberia SL	Calle Ochandiano, 8, 28023 Madrid, Madrid, Spain
Nuvias Polska Sp. Z.O.O.	ul. Przemysława Gintrowskiego 53, 02-697 Warsaw, Poland
Wick Hill Group Limited	Unit 1 Genesis Business Park, Albert Drive, Woking, Surrey, GU21 5RW
Nuvias (UK & Ireland) Limited	Unit 1 Genesis Business Park, Albert Drive, Woking, Surrey, GU21 5RW
Guaranteed Results Limited	Unit 1 Genesis Business Park, Albert Drive, Woking, Surrey, GU21 5RW
Wick Hill Kommunikationstechnik GmbH	Sachsenfeld 4, 20097, Hamburg, Germany
Nuvias Österreich GmbH	Vienna Twin Towers, Wienerbergerstraße 11/15a, 1100, Vienna, Austria
Siphon Networks Limited	Suite 12, Brecon House, William Brown Close, Llantarnam Industrial Park, Cwmbran, Torfaen, NP44 3AB
Nuvias AG	Hardturmstrasse 120, 8005 Zürich, Switzerland
Nuvias Inc	80 Brook Street, Mayfair, London, England, W1K 5EG

16. Stocks

	Group	Group	Company	Company
	2019	2018	2019	2018
	£000	£000	£000	£000
Finished goods and goods for resale	13,329	11,264	-	-

The difference between the purchase price or production cost of stocks and their replacement cost is not material.

An impairment loss of £521k (2018: £Nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

NUVIAS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

17. Debtors

	Group	Group	Company	Company
	2019	2018	2019	2018
	£000	£000	£000	£000
Amounts falling due after more than one year				
Prepayments and accrued income	151	234	-	-
Deferred taxation (see note 23)	967	530	-	-
	1,118	764	-	-
	Group	Group	Company	Company
	2019	2018	2019	2018
	£000	£000	£000	£000
Amounts falling due within one year				
Trade debtors	88,157	94,997	-	5,038
Amounts owed by fellow Rigby Group subsidiaries	7,268	9,971	41,238	39,880
Amounts owed by related parties	732	796	-	-
Derivative financial assets	42	303	42	-
Other debtors	-	1,691	-	-
VAT recoverable	-	15	447	235
Prepayments and accrued income	16,060	19,063	91	754
Deferred tax	135	80	-	-
Corporation tax recoverable	401	549	515	341
	112,795	127,465	42,333	46,248

Amounts owed by fellow Rigby Group subsidiaries and related parties are unsecured, interest free and repayable on demand.

18. Cash at bank and in hand

	Group	Group	Company	Company
	2019	2018	2019	2018
	£000	£000	£000	£000
Cash at bank and in hand	71,496	22,513	-	-

NUVIAS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

19. Creditors: Amounts falling due within one year

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Bank loans	12,331	15,940	12,331	15,940
Invoice discounting facility	15,082	-	-	-
Bank overdrafts	38,864	6,529	12,381	5,088
Trade creditors	52,901	89,297	704	5,166
Amounts owed to fellow Rigby Group subsidiaries	-	-	5,072	4,521
Amounts owed to related parties	-	350	-	350
Corporation tax	840	648	-	-
Other taxation and social security	7,836	6,840	40	625
Other creditors	37,484	1,427	14	72
Accruals and deferred income	25,644	28,228	636	872
Derivative financial instruments	257	-	-	-
	191,239	149,260	31,178	32,634

Amounts owed to fellow Rigby Group subsidiaries and related parties are unsecured, interest free and repayable on demand.

20. Creditors: Amounts falling due after more than one year

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Accruals and deferred income	-	3,944	-	-

NUVIAS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

21. Financial instruments

	Group	Group	Company	Company
	2019	2018	2019	2018
	£000	£000	£000	£000
Financial assets				
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	42	303	42	-
Financial assets that are debt instruments measured at amortised cost	176,997	107,454	41,882	44,919
	177,039	107,757	41,924	44,919
Financial liabilities				
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	257	-	-	-
Financial liabilities measured at amortised cost	165,318	141,772	30,501	32,009
	165,575	141,772	30,501	32,009

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Derivative financial liabilities measured at fair value through profit or loss held as part of a trading portfolio comprise foreign currency contracts and interest rate swaps.

Financial liabilities measured at amortised cost comprise loans, amounts owed to group undertakings, trade creditors, other creditors and accruals.

NUVIAS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

22. Derivative financial instruments

	2019 £000	2018 £000
Group assets		
Forward foreign currency contracts	-	139
Interest rate swaps	42	164
	<u>42</u>	<u>303</u>
Group liabilities		
Forward foreign currency contracts	<u>257</u>	<u>-</u>

Interest rate hedges

The group's interest rate risk arises primarily from its borrowings. Borrowings taken out with variable interest rates expose the group to cash flow interest rate risk that the group seeks to hedge, according to the interest rate views and risk appetite of the group. This is achieved by entering in to interest rate swaps that are designated to hedge certain underlying borrowings. The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date.

Outstanding receive floating pay fixed contracts	Average contract fixed interest rate		Notional value		Market value	
	2019 Rate	2018 Rate	2019 £'000	2018 £'000	2019 £'000	2018 £'000
2-5 years	0.73%	0.73%	12,500	15,000	12,542	15,164

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is three months' LIBOR. The Group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The hedged cash flows are expected to occur and to affect profit or loss over the period to maturity of the interest rate swaps.

Net cost of £122,000 (2018: net gains of £164,000) were recognised in other comprehensive income. No amounts were recognised in the profit and loss account in the year (2018: nil).

NUVIAS GROUP LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**
22. Derivative financial instruments (continued)
Forward foreign currency contracts

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

The following table details the forward foreign currency contracts outstanding as at the year-end:

Outstanding contracts	Average contractual exchange rate		Notional value		Market value	
	2019 Rate	2018 Rate	2019 £000	2018 £000	2019 £000	2018 £000
Buy US Dollar						
Less than 3 months	1.314	1.400	6,797	10,988	6,850	11,013
Buy Euros						
Less than 3 months	1.140	1.134	4,354	10,602	4,271	10,624
Buy Norwegian Kroner						
Less than 3 months	-	11.048	-	364	-	366
In 4 months to 1 year	-	11.166	-	210	-	213
Buy Polish Zloty						
Less than 3 months	-	4.757	-	151	-	150
In 4 months to 1 year	-	-	-	-	-	-
Buy Swedish Kroner						
In 4 months to 1 year	-	-	-	-	-	-
Buy Swiss Francs						
Less than 3 months	-	1.306	-	191	-	197
			<u>11,151</u>	<u>22,506</u>	<u>11,121</u>	<u>22,563</u>
Sell Euros						
Less than 3 months	1.142	1.136	2,641	6,483	2,594	6,472
In 4 months to 1 year	-	-	-	-	-	-
Sell US Dollar						
Less than 3 months	1.331	1.407	15,380	8,226	15,698	8,157
Sell Hungarian Forint						
Less than 3 months	363.655	-	1,056	-	1,029	-
Sell Danish Kroner						
Less than 3 months	8.345	-	10	-	10	-
Sell Swedish Kroner						
Less than 3 months	11.802	11.138	566	122	551	116
In 4 months to 1 year	-	11.618	-	191	-	189
Sell Norwegian Kroner						
Less than 3 months	11.152	11.048	427	364	422	366
In 4 months to 1 year	-	11.131	-	357	-	361
Sell Polish Zloty						
Less than 3 months	4.796	4.743	15	327	15	323
In 4 months to 1 year	-	4.923	-	91	-	94
Sell Swiss Franc						
Less than 3 months	1.318	-	190	-	193	-
			<u>20,285</u>	<u>16,161</u>	<u>20,512</u>	<u>16,078</u>

NUVIAS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

23. Deferred taxation

Group

	Deferred tax asset £000	Deferred tax liability £000	Total £000
At beginning of year	610	(1,787)	(1,177)
Charged to Statement of Comprehensive Income	492	197	689
Adjustment in respect of prior periods	-	34	34
Other – forex	-	(47)	(47)
At end of year	1,102	(1,603)	(501)

Company

	2019 £000
At beginning of year	-
Charged to Statement of Comprehensive Income	12
Adjustment in respect of prior periods	(44)
At end of year	(32)

	Group 2019 £000	Company 2019 £000
Accelerated capital allowances	(1,603)	(42)
Short term timing differences	29	10
Losses	1,055	-
Other	18	-
	(501)	(32)

	Group 2018 £000	Company 2018 £000
Accelerated capital allowances	(1,818)	-
Short term timing differences	13	-
Losses	609	-
Other	19	-
	(1,177)	-

NUVIAS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

24. Called up share capital

	2019	2018
	£000	£000
Shares classified as equity		
Allocated, called up and fully paid		
5,303,859 (2018: 5,303,859) ordinary shares of £1 each	5,304	5,304

25. Reserves

Share premium account

Share premium is excess of amount paid for shares above nominal value.

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the company.

26. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £724,000 (2018: £648,000).

27. Commitments under operating leases

At 31 March the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group
	2019	2018
	£000	£000
Not later than 1 year	1,064	1,290
Later than 1 year and not later than 5 years	1,662	3,248
Later than 5 years	334	311
	3,060	4,849

NUVIAS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

28. Related party transactions

A minority shareholder of Nuvias Group Limited advanced a loan of £1,500,000 in prior years. The loan accrues interest 4% p.a. and is repayable on demand. £350,000 was repaid during the year and at 31 March 2019 no amount remains outstanding (2018: £350,000)

At the end of the year the group had made loans to directors of a subsidiary company of £732,480 (2018 - £512,000) which are subject to interest at 4% p.a. There is no interest outstanding at 31 March 2019.

At the end of the year the group had made loans to a director of a subsidiary company of £NIL (2018 - £284,000) which are not subject to interest.

Transactions with members of Hardware Group

Hardware UK Limited is a 100% subsidiary of The Simian Group Limited and has a director in common with Nuvias Global Services Limited a subsidiary of Nuvias Group. Sales were made to Hardware UK Limited totalling £1,294,000 during the year (2018: £1,426,000). Sales were made by Hardware UK Limited totalling £330,000 during the year (2018: £14,000). The balance owed by Hardware UK Limited at the year end was £NIL (2018: £462,000). The balance owed to Hardware Limited at the year end was £8,000 (2018: £4,000). The balance is included in trade creditors.

Hardware Services Limited is a 100% subsidiary of The Simian Group Limited. Hardware Services Limited charged fees for operational services during the year to Nuvias Global Services Limited totalling £26,000 (2018: £1,106,000). Expenses recharged from Nuvias Global Services Limited to Hardware Services Limited total £NIL (2018: £65,000). The balance owed by Hardware Services Limited at the year end was £NIL (2018: £29,000). The balance is included in amounts owed by related parties. The balance owed to Hardware Services Limited at the year end was £30,000 (2018: £184,000). The balance is included in trade creditors.

Transactions with members of Prolabs Group

ProLabs (UK) Limited is a 100% subsidiary of ProLabs Group Limited and has a director in common with Nuvias Global Services Limited. Sales were made by Prolabs (UK) Limited of £1,160,000 (2018: £2,043,000). Expenses were recharged by Zycko Limited to ProLabs (UK) Limited of £47,000 (2018: £14,000). The balance owed by ProLabs (UK) Limited at the year end was £NIL (2018: £15,000). The balance is included in amounts owed by related parties. The balance owed to ProLabs (UK) Limited at the year end was £53,000 (2018: £236,000). The balance is included in trade creditors.

There are no provisions against related party receivables at the year-end, and no amounts were written off in the year.

During the year, the Group paid professional fees of £428,000 (2018 - £921,000) to V J Bransom Limited and Bransom Limited which are companies controlled by a director.

29. Controlling party

The ultimate parent undertaking is Rigby Group (RG) plc, which is also the smallest and largest group within which these financial statements will be consolidated. The consolidated financial statements of Rigby Group (RG) plc can be obtained from Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, England, CV37 6YX.

Sir Peter Rigby, a director of Rigby Group (RG) plc, controls the Company as a result of owning 84.54% of the issued ordinary share capital and 100% of the voting rights of Rigby Group (RG) plc, the ultimate parent undertaking.

30. Post balance sheet events

On 23 August 2019 Nuvias Group limited purchased additional shares in Siphon Networks limited for a consideration of £11.2m increasing the group's shareholding from 51.8% to 89.5%.

There have been no other significant events requiring disclosure since the balance sheet date.