

Financial Statements

Getronics Services UK Limited

For the year ended 31 December 2019



Registered number: 07966594

Getronics Services UK Limited
Registered number:07966594

Company Information

Director	R Bronsgeest
Secretary	G Brown
Registered number	07966594 (England and Wales)
Registered office	Level 30, The Leadenhall Building 122 Leadenhall Street London, England EC3V 4AB
Independent auditor	BDO UK LLP 55 Baker Street Marylebone London W1U 7EU
Solicitors	Howes Percival LLP Nene House 4 Rushmills Northampton NN4 7YB
Bankers	Barclays Bank plc. London Corporate Banking 1 Churchill Place London E14 5HP

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Strategic Report

For the Year Ended 31 December 2019

The Director presents the Strategic report, Directors' report and the audited financial statements of the company for the year ended 31st December 2019. The Strategic Report has been prepared solely to provide additional information to shareholders to assess the company's strategies.

Business Review

At the reporting date, Getronics Services UK Limited ("the Company") was a wholly owned subsidiary (indirectly held) of Bottega InvestCo Sarl Group. On the 20 July 2020, the Getronics Group (Getronics Group B.V. (formerly Digitran Innovation B.V.) and subsidiary companies) was acquired by Getronics Group Holding Ltd., a company ultimately controlled by the Kennic Trust, led by Kenton Fine.

Getronics is a global Information Communication Technology ("ICT") integrator, offering high quality end-to-end solutions including managed cloud services, managed services, mobility, security, unified communication, applications and professional services. Our delivery methodology is to leverage our resources globally, (including our Shared Service Centre model) to optimize our clients' infrastructure. Our services enable global coverage, while providing a strong regional focus. We provide services both in the public and private sectors, including healthcare and financial services.

There have not been any significant changes in the Company's principal activities in the year under review. The Director is not aware, at the date of this report, of any likely changes in the Company's activities in the next year.

As shown in the Company's income statement, the Company's revenue for the year has decreased from £58,320k in 2018 to £50,466k in 2019, primarily driven by a reduction in product and project revenues. The Company is reporting a gross profit of £9,579k in 2019 against a gross profit of £8,857k in 2018. The overall gross margin, however, was higher during 2019 at 18.98% compared to 15.19% in 2018 due to one off project activity, changes to the service delivery model and change of revenue mix. The loss after taxation in 2019 was £1,054k compared to a loss after taxation in 2018 of £3,856k. The overall results for 2019 improved compared to the prior year as the benefits of the restructuring conducted in 2018 resulted in improved gross profits and lower administrative costs. One off, exceptional restructuring costs were also significantly lower in 2019, reducing from £1,428k in 2018 to £751k

The statement of financial position shows the Company's financial position at the year end. Net liabilities have increased from £9,950k to £11,004k due to an increase in short term Group inter-company funding to support the UK business. Details of amounts owed by/to its parent Company and fellow subsidiary undertakings are shown in note 21 of the financial statements.

Competition in the UK market remains strong and the management team continue to review the cost base to improve financial performance. During the reporting period, the company continued to invest in several strategic initiatives namely:

- reducing its cost base to improve profitability;
- putting in place processes to drive revenue growth; and
- developing the product and services portfolio

On a look forward basis and following the recent acquisition of the Group, a strategic review has been conducted and the Company intends to leverage the improved capital base and liquidity to invest in growth. The Group has rebranded, repositioned its service portfolio and has initiated its investment strategy and strong revenue growth from 2022 is anticipated as the return on investment begins to be realised.

Strategic Report (continued)

For the Year Ended 31 December 2019

Business Review (continued)

Key performance indicators used by the Group are revenue growth and gross margin.

The other key financial performance indicators used by management during the year were as below:

	2019	2018	Definition, method of calculation and analysis
Services gross profit excluding depreciation and amortisation as percentage of the turnover	22%	19%	Gross profit as percentage of turnover (excluding turnover and gross margin associated with the product resell business) is calculated as gross profit excluding depreciation and amortisation divided by turnover for the year.
Service revenue per full time employee (in thousands)	£102k	£103k	Service revenue per full time employee is calculated as service revenue for the year divided by the number of full-time employees at the end of the accounting year.

Principal Risks and Uncertainties

The management of the business and execution of the Group's strategy are subject to risks, including things outside of the control of management. The Board reviews risks and appropriate processes are put in place to monitor and mitigate them.

The principal themes of risk for the Company are:

- *Strategic*: changes in economic and market conditions such as contract pricing and competition and other macro-economic influences;
- *Financial*: significant failures in internal systems of control and lack of corporate stability;
- *Operational*: including recruitment and retention of staff, maintenance of reputation, strong supplier and customer relationships, operational IT risk, and failures in information security controls; and
- *Compliance*: non-compliance with laws and regulations. The Company must comply with an extensive range of requirements that govern its business.

To mitigate the effect of these risks and uncertainties, the Company adopts a number of systems and procedures, including:

- A regular review of trading conditions to be able to respond quickly to changes in market conditions; and
- Procedures and controls to manage compliance, financial and operational risks, including adherence to an internal control framework.

Specific business risks affecting the Company and how the Company mitigates them are set out below:

- *Maintenance of market share* – The risk that the Company's market share is diminished. To mitigate this risk, the Company performs continuous work on improving and enhancing customer experience. Senior management regularly meets customers to receive feedback and keeps them updated with the changes in group activities, including the recent group financial restructuring.
- *Withdrawal of financial support* – The company operates a group treasury function which manages liquidity on a group wide basis. Consequently, the company is reliant on continued group support. To mitigate this risk the Director has obtained a letter of support from Getronics Group Holding Ltd, confirming that they will continue to provide support for the foreseeable future. The financial performance and position of the group is closely monitored.

Strategic Report (continued)

For the Year Ended 31 December 2019

Principal Risks and Uncertainties (continued)

- *Macro economic and political environment in the UK* - Continued uncertainty arising from the global pandemic and the UK's decision to leave the EU (Brexit) has impacted the rate of growth of the UK ICT market. The macro-economic and political landscape is closely monitored with necessary adjustments to the corporate strategy being taken, as required. In recent months, the company has relaunched itself with a new brand identity and has refreshed the service portfolio to better reflect market and customer needs. Additionally, a Brexit Steering Committee has been established to identify, assess and mitigate risks pertaining to Brexit. Despite the Brexit transitional agreement ending on 31st December 2020 there remains a lack of clarity on certain arrangements between the EU and the UK and the steering committee will continue to keep these under close review to mitigate any business risks that may arise.

Financial Risk Management Objectives and Policies

The main financial risks faced by the company and the associated policies adopted to mitigate these risks, are explained in more detail as follows:

Credit risk

The Company's credit risk is primarily attributable to its third-party trade receivables. It monitors credit risk closely and considers that the current policy of credit checks, regular engagement with its clients and robust collection procedures meets the objectives of managing exposure in this area.

Liquidity risk

With commitment from the other group companies confirming that they will support the Group with any further funding requirement to manage working capital, sufficient liquidity is available to meet the identifiable needs of the Company.

Currency risk

As part of the Getronics Group the Company receives invoices from other group companies in foreign currency, mainly in Euros. Where possible the Company looks to offset balances within the Group to reduce the level of exposure to currency fluctuation.

Strategy and Future Outlook

The Company's strategy is aligned to that of the Group. Following the recent acquisition which has led to improved balance sheet strength and significantly enhanced liquidity position, the Company is poised and has the resources available to invest in growth.

2021 is seen as a critical period to target volume and margin growth in the coming years. To achieve this, the Board has identified three key investment areas:

- sales resource capacity and capability
- strategic investments (for example, in cloud infrastructure)
- enhancing the operating and technical capabilities of the CTO organisation

While these should significantly boost performance in 2022 and 2023, they do give rise to further costs in the coming year. Consequently, there will remain a strong focus on maintaining the cost savings already achieved through additional cost optimisation initiatives.

Strategic Report (continued)

For the Year Ended 31 December 2019

Statement of Compliance with Section 172 of the Companies Act 2006

Recent legislation requires that the directors include a separate statement in the annual report that explains how they have had regard to wider stakeholder needs when performing their duty under section 172(1) of the Companies Act 2006. The duty requires that a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefits of its members, and in doing so have regard (amongst other matters) to:

- likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers, and others,
- the impact of the company's business relationship with suppliers, customers, and others,
- the impact of company's operations on the community and the environment,
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the company.

The board considers that all their decisions are taken with the long-term in mind, understanding that these decisions need to regard the interests of the company's employees, its relationships with suppliers, customers, the communities and the environment it operates.

For the purpose of this statement description of the decisions taken are limited to those of strategic importance. The Board believes that several decisions taken fall into this category and were made with full consideration of both internal and external stakeholders. The Board believes that several decisions taken fall into this category and were made with full consideration of both internal and external stakeholders.

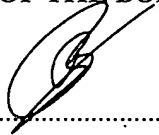
- a) In January 2020 two non-executive Directors were appointed to the Board to improve governance. Following the acquisition of the Getronics Group in July 2020, the non-executive directors were replaced by a new Group Director who also sits on the Group Board.
- b) The sale of the Getronics Group to Getronics Group Holdings Limited a company ultimately controlled by the Kennic Trust. The transaction significantly deleveraged the Group balance sheet resulting in a more sustainable capital base, materially improving the financial position of the Group.
- c) Creation of a UK CFO role to enhance governance, compliance, and strategic support to the UK business.
- d) Implementation of a new procure to pay process during 2020 to improve the processing and settlement of supplier invoices, internal controls to mitigate risk and enhancing overall vendor engagement.
- e) Continuous improvement in internal control and risk management policies, such as the approval of a new procurement policy and delegation of authority, improving cost and contracting discipline.
- f) Launch of the new Getronics brand and portfolios repositioning Getronics in the global IT marketplace.
- g) Introduction of new corporate values and employee engagement programme GetVibes.

Getronics Services UK Limited
Registered number:07966594

Strategic Report (continued)

For the Year Ended 31 December 2019

ON BEHALF OF THE BOARD:



.....
Director: R Bronsgeest

Date: 18th March 2021

Directors' Report

For the Year Ended 31 December 2019

Principal Activities

The principal activity of the company in the year under review was that of the provision of ICT Services and its portfolio comprised of the following service categories:

Workspace Management
Technology Transformation
Communications
Security
Applications
Managed Cloud Services

Since the reporting date the company has re-launched its portfolios to better align with market and customer needs.

Dividends

No dividends will be distributed for the year ended 31st December 2019 (year ended 2018: £nil).

Directors

The directors who have held office during the period from 1st January 2019 to the date of signing this report are as follows:

N Baffour-Gyewu (appointed on 7th July 2017)¹
F Asante-Kissi (appointed on 7th July 2017)²
S Humphreys (appointed on 24 January 2020)³
B Taylor (appointed on 24 January 2020)⁴
R Bronsgeest (appointed on 2 October 2020)

Notes

1 Resigned on 24 January 2020.
2 Resigned on 24 January 2020.
3 Resigned on 2 October 2020
4 Resigned on 2 October 2020

The company had third party indemnity provision for the benefit of the directors in force during the period of these accounts and up to the date of the signing of the report.

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives is provided at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole. Communications

Directors' Report

For the Year Ended 31 December 2019

Employees (continued)

with all employees continues through 'all hands' corporate broadcasts, employee engagement surveys, internal announcements, website articles and briefing groups and the distribution of the annual report.

Company's Policy on Payment of Creditors

The company is responsible for agreeing the terms and conditions, including terms of payment, under which business transactions with the company's suppliers are conducted.

While the company does not follow any single external code or standard, in line with Getronics Group policy, payments to suppliers are made in accordance with the agreed terms, provided that the supplier is also complying with all relevant terms and conditions.

Political and Charitable Contributions

The company did not make any political or charitable donations during 2019 (2018: £nil).

Directors' Responsibilities Statement

The director is responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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.

Directors' Report (continued)

For the Year Ended 31 December 2019

Directors' Responsibilities Statement (continued)

The director confirms that:

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

The director is responsible for preparing the annual report in accordance with applicable law and regulations. The director considers the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going Concern

These financial statements have been prepared on a going concern basis. The Directors have reviewed the Company's going concern position, taking account of its current business activities, business performance and the factors likely to affect its future developments. The ability of the Company to continue as a going concern is dependent on the support of its parent company.

During July 2020, the Getronics Group was acquired by Getronics Group Holding Ltd ("group"), a company controlled by the Kennic Trust. As a part of the acquisition and restructuring a significant amount of legacy group debt of €308m was converted into equity held by Getronics Group Holding Ltd., significantly decreasing the interest burden of the group. Additionally, balances of €89m owed to Pomeroy (a former group entity) were acquired for €2 resulting in the removal of these obligations from the balance sheet. The Group has also benefited from incremental funding of €27.5m from its new owner and legacy lenders. The group's external borrowing arrangements mature in 5 years and represent term loans at a fixed interest rate of 5%. Interest is rolled up into the loan principle and settled at the end of the term. In addition, the legacy lender group also provided the Group with a €5m asset backed facility secured on the Group's accounts receivable balance. In 2021, a capital raise of €10m has commenced and is expected to complete by 31 March 2021 with approximately 50% of the legacy lender group investing fresh equity (c. €1.65m) by exercising their pre-emption rights. This demonstrates a renewed confidence in Getronics and the new management team to deliver future shareholder value. Management is also currently engaged in a further secondary fundraising process and is confident that they will be able to raise significant growth capital to enable the organisation to realise its strategic growth ambition.

The new management team continues to work on restructuring the group's cost base and increasing the group's revenues through significant investment in its sales and technology capability. The Directors of the wider Group have prepared budgets and cash flow forecasts covering a period of at least 12 months from the date of signing these financial statements and have forecasted positive impacts on group EBITDA and cash flows due to the restructuring. Group forecasts prepared by the new management team demonstrates that the group has access to sufficient cash resources to continue trading for at least 12 months from the date of signing these financial statements.

Directors' Report (continued)

For the Year Ended 31 December 2019

Going Concern (continued)

However, these forecasts are based on certain assumptions and judgement which could lead to different outcomes. In forming its assessment, the Directors have also performed sensitivity analysis to assess possible downside risk.

However, the Directors recognise that the strategic plan is in the early stages of deployment and is being delivered during the backdrop of the COVID-19 pandemic. The ability of the new management team to deliver on these plans and in doing so generating sufficient cash flows to support the Company is not without risk. Consequently, these matters give rise to a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include any adjustments that would result in the group being unable to continue as a going concern.

The Directors of the Company are also Directors of the wider Group and whilst the letter of support obtained is not a legally binding agreement, the Directors are therefore confident that the wider Group intends to support the Company for at least twelve months from the date these financial statements are signed. As such, the Directors confirm that they have a reasonable expectation, should the new management team be successful in meeting their forecasts, that the Company will have adequate resources to continue in operational existence for at least 12 months from the approval of these financial statements and accordingly these financial statements are prepared on a going concern basis.

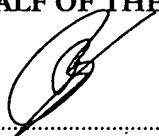
Covid-19 and Brexit

The Company has not and is not expecting to be materially impacted by the global pandemic or the UK's decision to leave the European Union (EU). There is evidence to suggest that the global pandemic may in fact create additional opportunities for the IT sector and Getronics. In the short term, Government interventions to suppress transition of the virus could have an impact on the Group's field services and project revenues. However, with a vaccine now being rolled out and the announcement of the UK government's latest COVID-19 roadmap, there is renewed optimism that such an impact will be more likely limited to the first half of 2021. Management continues to closely engage with its customer base to assess the impact of the pandemic on their business which could lead to an indirect impact on the Company. The Company has very little exposure to non-essential retail and leisure customers and to date we have not experienced any contract terminations or issues with collectability of receivable balances directly resulting from the pandemic.

Auditor

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

ON BEHALF OF THE BOARD:



.....
Director: R Brongsgeest
Date: 18 March 2021

Independent Auditor's Report to the Members of Getronics Services UK Limited

For the Year Ended 31 December 2019

Opinion

We have audited the financial statements of Getronics Services UK Limited ("the Company") for the year ended 31 December 2019 which comprise the income statement, the statement of other comprehensive income, the statement of financial position, the statement of changes in equity, statement of Cash Flows and, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements which states that the Company's ability to continue as a going concern is dependent on the support of its parent company. However, the parent company may not be able to provide such support and the letter of support it has issued is not legally binding. These conditions along with the other matters set out in note 1 indicate the existence of a material uncertainty, which may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

Independent Auditor's Report to the Members of Getronics Services UK Limited

For the Year Ended 31 December 2019

Other information (continued)

misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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 financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Director determines 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 Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Getronics Services UK Limited
Registered number: 07966594

Independent Auditor's Report to the Members of Getronics Services UK Limited

For the Year Ended 31 December 2019

Auditor's 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 auditor's 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 Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Leighton Thomas (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
18 March 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Income Statement

For the Year Ended 31 December 2019

	Notes	2019 £'000	2018 £'000
Revenue	2	50,466	58,320
Cost of sales		<u>(40,887)</u>	<u>(49,463)</u>
Gross profit		9,579	8,857
Administrative expenses		<u>(9,436)</u>	<u>(10,785)</u>
Operating profit/loss before exceptional items		143	(1,928)
Exceptional administrative expenses	4	<u>(751)</u>	<u>(1,428)</u>
Operating loss		(608)	(3,356)
Finance costs	5	(446)	(280)
Loss before income tax	6	(1,054)	(3,636)
Income tax	7	-	(220)
Loss for the year		<u>(1,054)</u>	<u>(3,856)</u>

Statement of Other Comprehensive Income

	2019 £'000	2018 £'000
Loss for the financial year	(1,054)	(3,856)
Other comprehensive income:	-	-
Total comprehensive (loss) for the year	<u>(1,054)</u>	<u>(3,856)</u>

The notes on pages 20 to 46 form part of these financial statements.

Statement of Financial Position

As at 31 December 2019

	Notes	2019 £'000	2018 £'000
Assets			
Non-Current Assets			
Property, plant and equipment	10	2,011	3,362
Right of use assets	1	833	-
Goodwill	8	1,321	1,321
Intangible assets	9	241	188
		<u>4,406</u>	<u>4,871</u>
Current Assets			
Inventories	11	67	150
Trade and other receivables	12	52,053	49,079
Cash and cash equivalents	24	44	1,073
Total Assets		<u>56,570</u>	<u>55,173</u>
Equity			
Shareholders' Equity			
Called up share capital	13	6,523	6,523
Share premium		11,162	11,162
Retained loss		(28,689)	(27,635)
Total Equity		<u>(11,004)</u>	<u>(9,950)</u>
Liabilities			
Non- Current Liabilities			
Lease liabilities	15	575	-
		<u>575</u>	<u>-</u>
Current Liabilities			
Trade and other payables	14	66,592	64,995
Lease liabilities	15	407	-
Provisions for other liabilities and charges	16	-	128
		<u>66,999</u>	<u>65,123</u>
Total Liabilities		<u>67,574</u>	<u>65,123</u>
Total Equity and Liabilities		<u>56,570</u>	<u>55,173</u>

The financial statements were approved by the Board of Directors on 18 March 2021 and were signed on its behalf by:

.....
 Director – R Bronsgeest

The notes on pages 20 to 46 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2019

	Called up share capital	Share premium	Retained Earnings	Total equity
	£'000	£'000	£'000	£'000
1st January 2019	6,523	11,162	(27,635)	(9,950)
Total comprehensive loss	-	-	(1,054)	(1,054)
Balance at 31 December 2019	6,523	11,162	(28,689)	(11,004)

There are no changes to opening retained earnings arising from the implementation of IFRS 16 Leases as the Company has adopted the modified retrospective approach permitted by the standard. Prior period comparatives have not been restated. Refer to Note 1 Accounting Policies for further information.

	Called up share capital	Share premium	Retained Earnings	Total equity
	£'000	£'000	£'000	£'000
31st December 2017	6,523	11,162	(23,586)	(5,901)
Change in accounting policy due to IFRS 9 (note 1)	-	-	(193)	(193)
1st January 2018	6,523	11,162	(23,779)	(6,094)
Total comprehensive loss	-	-	(3,856)	(3,856)
Balance at 31 December 2018	6,523	11,162	(27,635)	(9,950)

The notes on pages 20 to 46 form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Cash generated from operations	23	960	2,108
Interest paid		(268)	(178)
Net cash from operating activities		<u>692</u>	<u>1,930</u>
Cash flows from investing activities			
Purchase of intangible fixed assets	9	(285)	-
Purchase of tangible fixed assets	10	(230)	(363)
Purchase of leased assets		(27)	
Net cash used in investing activities		<u>(542)</u>	<u>(363)</u>
Cash flows from financing activities			
Loans from related parties		4,809	17
Inter-company funds (net)		(5,628)	918
Repayment of leases		(360)	(411)
Net cash (used in) /from financing activities		<u>(1,179)</u>	<u>524</u>
(Decrease) / increase in cash and cash equivalents		(1,029)	2,091
Cash and cash equivalents at beginning of period		<u>1,073</u>	<u>(1,018)</u>
Cash and cash equivalents at end of period		<u><u>44</u></u>	<u><u>1,073</u></u>

The notes on pages 20 to 46 form part of these financial statements.

1 Accounting policies

Basis of preparation of financial statements

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted European Union (IFRSs as adopted by the EU), IFRS Interpretations Committee (IFRIC) interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statement, are disclosed in the critical accounting estimates and judgements section of this note.

Going Concern

These financial statements have been prepared on a going concern basis. The Directors have reviewed the Company's going concern position, based on the cashflow forecast taking account of its current business activities, business performance and the factors likely to affect its future developments. The ability of the Company to continue as a going concern is dependent on the support of the wider group.

The new management team continues to work on restructuring the group's cost base and increasing the group's revenues through significant investment in its sales and technology capability. The Directors of the wider Group have prepared budgets and cash flow forecasts covering a period of at least 12 months from the date of signing these financial statements and have forecasted positive impacts on group EBITDA and cash flows due to the restructuring. Group forecasts prepared by the new management team demonstrates that the group has access to sufficient cash resources to continue trading for at least 12 months from the date of signing these financial statements. However, these forecasts are based on certain assumptions and judgement which could lead to different outcomes. In forming its assessment, the Directors have also performed sensitivity analysis to assess possible downside risk.

However, the Directors recognise that the strategic plan is in the early stages of deployment and is being delivered during the backdrop of the COVID-19 pandemic. The ability of the new management team to deliver on these plans and in doing so generating sufficient cash flows to support the Company is not without risk. Consequently, these matters give rise to a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

The Directors of the Company are also Directors of the wider Group and whilst the letter of support obtained is not a legally binding agreement, the Directors are therefore confident that the wider Group intends to support the Company for at least twelve months from the date these financial statements are signed. As such, the Directors confirm that they have a reasonable expectation, should the new management team be successful in meeting their forecasts, that the Company will have adequate resources to continue in operational existence for at least 12 months from the approval of these financial statements and accordingly these financial statements are prepared on a going concern basis. The financial statements do not include any adjustments that would result in the group being unable to continue as a going concern.

The Company has not and is not expecting to be materially impacted by the global pandemic or the UK's decision to leave the European Union (EU). There is evidence to suggest that the global pandemic may in fact create additional opportunities for the IT sector and Getronics. In the short term, Government interventions to suppress transition of the virus could have an impact on the Group's field services and project revenues. However, with a vaccine now being rolled out and the announcement of the UK government's latest COVID-19 roadmap, there is renewed optimism that such an impact will be more likely limited to the first half of 2021. Management continues to closely engage with its customer base to assess the impact of the pandemic on their business which could lead to an indirect impact on the Company. The Company has very little exposure to non-essential retail and leisure customers and to date we have not experienced any contract terminations or issues with collectability of receivable balances directly resulting from the pandemic.

Accounting policies (continued)

New accounting standards and interpretations

The company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2019:

- IFRS 16, 'Leases' (Note 15)

The company had to change its accounting policies following the adoption of IFRS 16. The adoption of IFRS 16 did not have any impact on the amounts recognised in prior periods as the Company has adopted the modified retrospective approach permitted by the Standard. Comparative information has not been restated and continues to be reported under IAS 17.

All leases are accounted for by recognising the right-of-use asset and lease liability including low value leases and leases with a duration of 12 months or less.

Policy applicable from 1 January 2019

At inception of a contract, the Company will assess whether the contract is a lease. A contract is a lease if the contract conveys the right to control an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right of control the Company assesses whether:

- The contract involves the use of an identified asset;
- The Company has the right to use the economic benefit of use of the identified asset throughout the period of use;
- The Company has the right to direct the use of the identified asset.

The Company recognises a use of right asset and a lease liability at the lease commencement date.

Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liabilities. The cost of right of use assets includes the amount of the lease liabilities recognised, initial direct costs incurred, and lease payments made on or before the commencement date, less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use assets are subject to impairment.

Lease liabilities are initially measured at the present value of the lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate. After the commencement date, the carrying amount of the lease liability is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3%. In calculating the present value of the lease payments the Company uses the incremental borrowing rate at the lease commencement date. After the commencement date, the lease liability is increased to reflect the accruing of interest and reduced for lease payments made.

Accounting policies (continued)

The Company has elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease. Right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

Policy applicable until 31 December 2018

For contracts entered up until 31 December 2018, the Company applied the following accounting policies:

Assets obtained under hire purchase contracts or finance leases are capitalised in the statement of financial position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the income statement over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

	£'000
Operating lease commitments as at 31 December 2018 (Note 15)	761
Adjustments relating to commitments disclosure*	399
	<hr/> 1,160
Reasonably certain extension options	243
Weighted average incremental borrowing rate as at 1 January 2019	(61)
Discounted operating lease commitments at 1 January 2019	<hr/> 1,342 <hr/>
Current liability	535
Non-current liability	807
Lease liability recognised at 1 January 2019	<hr/> 1,342 <hr/>

* included in the reconciliation above are adjustments to the prior year operating lease commitments disclosure where additional leases were identified upon the adoption of IFRS 16 Leases.

Set out below, are the carrying amounts of the Company's right of use assets and movements during the period:

Right of use assets	Property	Vehicle	Others	Right of Use Asset
Balance as at 1 January 2019	614	693	35	1,342
Lease additions	27	-	-	27
Depreciation for year	(204)	(315)	(17)	(536)
Balance as at 31 December 2019	<hr/> 437	<hr/> 378	<hr/> 18	<hr/> 833 <hr/>

Accounting policies (continued)

New standards and interpretations not yet adopted

There are a number of new standards, amendments to standards and interpretations which have been issued by the IASB that are effective in future accounting periods that are not yet mandatory and which the Company has decided not to adopt early. The most significant of these is as follows:

	Issue date	Effective date for annual periods beginning on/after	Expected impact
Amendments to IAS 1: Classification of liabilities as Current or Non-Current	23-Jan-20	01-Jan-23	None
Amendments to References to the Conceptual Framework in IFRS Standards	29-Mar-18	01-Jan-20	None
Amendments to IFRS 3 Business combinations: definitions of a business	22-Oct-18	01-Jan-20	None

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The company recognises revenue when it transfers control over goods or services to a customer.

Managed Services Revenue

The Company provides maintenance, support and management of customers' IT infrastructures and operations under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided considering the customer simultaneously receives and consumes the benefits provided by the Company's performance as delivered by the Company and the company has an enforceable right to payment for the performance completed till date. For variable-price contracts, revenue is recognised based on the service provided to the customer in terms of the volume consumed such as licences, tickets logged, by the customer as defined and approved in the contract. Revenue is recognised based on monthly invoiced amounts as the service is delivered to the customer.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Project Revenue

Revenue from providing project services is recognised in the accounting period in which services are rendered. Each service within a project is priced separately based upon the unique nature of the project, total project revenue, expected risk market factors, and other relevant factors. Revenue is recognised based on discussions with the customers and acceptance of performance obligations. Non-financial measures such as KPI's ("key performance indicators") are tracked such as the overall number of incidents compared to the expected number of incidents, overall call waits, amount of time it takes to resolve an incident, etc. These indicators are tracked at both the contract and customer level and give the Company an understanding of the cost to the Company and the Company's overall performance and workload in comparison to the projected estimates as outlined in the cost-estimate. Project revenue is recognised on a percentage completion basis based on the percentage of time spent or other cost incurred in relation to the total cost of the project. Where cost or performance is not tied to progress, these are not included when measuring progress to date.

Accounting policies (continued)

Product Revenue Stream

Product revenue comes from the sale of hardware to customers of other revenue streams. Revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

Goodwill

Goodwill arising on the acquisition of the trade and assets of Getronics UK Limited is included as a separate line on the Statement of Financial Position, being the difference between the cost of the acquired assets and the fair values of the company's identifiable assets and liabilities. Goodwill is recognised as an asset and is tested for impairment annually or on such other occasions that events or changes in circumstances indicate that it might be impaired.

Impairment

The company reviews the carrying amounts of its tangible and intangible assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss on an annual basis. Goodwill arising on acquisition is allocated to cash-generating units. The recoverable amount of the cash-generating unit to which goodwill has been allocated is tested annually for impairment, or on such other occasions that events or changes in circumstances indicate that it might be impaired. The Director is of the opinion that the assets have not suffered any impairment during the period.

Property, plant and equipment

Property, plant, and equipment are shown at the lower of cost or net realisable value. Depreciation is provided on a straight-line basis at the following annual rates in order to write off each asset over its estimated useful economic life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 20 years
Leasehold property	- 25 years or the period of the lease if shorter
Machinery & equipment	- 14% - 20% on cost
Fixtures & fittings	- 25% on cost
MIS equipment	- 33% on cost

Intangible fixed assets

Intangible fixed assets are amortised on a straight-line basis over their expected life:

Customer contracts and relations	- 20% on cost
Computer software	- 50% on cost

Amortisation of software is charged to cost of sales and amortisation of customer contracts and relations is charged within the administrative line in the company's Income Statement.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. A first in first out cost basis is applied when valuing inventories.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit.

Accounting policies (continued)

Share capital

Share capital is disclosed at the value at which the shares were issued. Different classes of share capital are disclosed in accordance with the disclosure requirements of the Companies Act 2006.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension

Employee benefit costs (continued)

scheme are charged to the income statement in the period to which they relate.

Foreign currency

Monetary assets and liabilities denominated in foreign currencies at the year-end are reported at the rate of exchange prevailing at the year end. Transactions denominated in foreign currencies are recorded at actual exchange rates at the date of the transaction. Any gain or loss arising from a change in exchange rates subsequent to the date of transaction

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

Provisions for restructuring costs are recognised when the company has a detailed formal plan for the restructuring which has been notified to affected parties.

Financial Instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, call and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional. Due to the short-term nature, the carrying value of current receivables is considered to be the same as the fair value. Details about the company's impairment policies and the calculation of the loss allowances is noted above.

Credit risk assessments are performed on all new customers before contracting with them with subsequent reviews performed at defined periods.

The company applies IFRS 9's simplified approach to measuring expected credit losses which uses a lifetime expected loss approach for all trade receivables.

To measure the expected credit losses, trade receivables have been analysed based on the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months before the relevant balance sheet date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The impairment loss is recognised within Administrative expenses in the Income Statement.

Accounting policies (continued)

Intercompany borrowing

Interest bearing intercompany loans are recorded at the amount received. Finance charges are accounted for on an accruals basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Pursuant to IFRS 9, the company is required to assess intercompany receivables for impairment by considering whether the receivable is in the scope of IFRS 9 and the amount is repayable on demand as well as considering whether the borrowers have sufficient accessible highly liquid assets in order to repay the Company if demanded on the reporting date.

Trade payables

Trade payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. In most cases, trade payable are short term monetary liabilities and are stated at their nominal value.

Derivative financial instruments

No hedging derivatives were held at the year end. The foreign currency balances held at year end related to intercompany trade balances. The foreign currency gains and losses are incurred in the week in which payments are made or the monies received. The gains or losses are recognised in the income statement in the period or periods during which the foreign currency transaction affects the income statement.

Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements and estimates that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

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.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. The estimates and assumptions that have a significant impact on the financial statements are highlighted below.

The key judgements are as follows:

Going Concern

The Company's going concern assessment is based on forecasts, projections of anticipated trading performance and a confirmation of support from its parent company. See further comments above.

Exceptional items

The company considers items of income and expense as exceptional where the nature of the item, or its magnitude, is material and likely to be non-recurring in nature so as to assist the user of the financial statements to better understand the results of the core operations of the Group. Details of exceptional items are shown in note 4.

Impairment review

Management have performed an impairment review of goodwill and intangible assets based on 5-year budget and forecasts. A discount rate of 10% has been applied. In our opinion, no impairment provision is required for the year under review.

Accounting policies (continued)

Revenue recognition

Management considers the detailed criteria for the recognition of revenue from the sale of good and services as set out in the Company's accounting policy, in particular the estimation of completion status of projects for project revenue. The majority of projects are invoiced and recognised based on the percentage of time spent or other cost incurred in relation to the total cost of the project. Where cost or performance is not tied to progress, these are not included when measuring progress to date.

Incremental borrowing rates

The determination of the incremental borrowing rates used and the expected lease lengths and depreciation rates in the application of IFRS 16 Leases and the recognition and measurement of lease liabilities and right of use assets reported in the Statement of Financial Position.

Expected credit losses

The application of IFRS 9 when measuring expected credit losses and the assessment of expected credit loss provisions required for accounts receivable balances. The Company is required to assess the impairment of financial assets based on expected credit losses rather than losses incurred. The expected credit losses on these financial assets, including inter-company receivables (net) are estimated from the initial recognition of the asset at each reporting date, using as a reference the past experience of the credit losses, adjusted for factors that are specific to the debtors or groups of debtors, the general economic conditions and an assessment of both, the current management and the forecast of future conditions.

2. Revenue

Revenue can be disaggregated into three revenue streams as shown in the table below:

2019	Managed Services £'000	Project £'000	Product £'000	Total £'000
<i>Timing of revenue recognition</i>				
At a point in time	-	-	1,624	1,624
Over time	45,815	3,027	-	48,842
	45,815	3,027	1,624	50,466
2018	Managed Services £'000	Project £'000	Product £'000	Total £'000
<i>Timing of revenue recognition</i>				
At a point in time	-	-	5,749	5,749
Over time	46,742	5,829	-	52,571
	46,742	5,829	5,749	58,320

Revenue is generated from customers predominantly based in the UK.

3. Employees and Directors

	2019 £'000	2018 £'000
Wages and salaries	17,425	18,286
Social security costs	2,740	2,441
Other pension costs	1,122	892
	<u>21,287</u>	<u>21,619</u>
Staff costs	<u>21,287</u>	<u>21,619</u>
Add back international resources (re-charged to group companies)	6,740	4,287
	<u>28,027</u>	<u>25,906</u>

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

	2019	2018
Operational	412	458
Sales, general and administration	73	65
	<u>485</u>	<u>523</u>

Average monthly number of employees recharged on international activity included in the above number of employees during the year 62 (2018: 53)

No directors received emoluments from the Company during the year (2018: nil)

4. Exceptional Items

During the year the company continued with its 2018 strategy programme of ongoing operational and efficiency programmes and as a result incurred the restructuring costs noted below. Although a large restructuring was undertaken in 2018, there were further changes in 2019. Other costs relate to financial penalties incurred outside of the day to day running of the business.

	2019 £'000	2018 £'000
Employee related restructuring costs	603	1,428
Other costs	148	-
	<u>751</u>	<u>1,428</u>
Exceptional items	<u>751</u>	<u>1,428</u>

5. Finance Costs

	2019 £'000	2018 £'000
Intercompany loan interest	178	102
Interest expense for lease arrangements	39	30
Bank interest	23	39
Other finance costs	206	109
	<hr/>	<hr/>
Finance costs	446	280

6. Loss before Income Tax

The loss before income tax is stated after charging:

	2019 £'000	2018 £'000
Cost of sales:		
Employee benefit expenses	16,731	17,522
Other operating leases	-	168
Depreciation – owned assets	1,357	1,224
Depreciation – leased assets	-	378
Amortisation of intangible assets - software	116	100
	<hr/>	<hr/>
Administration expenses:		
Employee benefit expenses	4,557	4,097
Depreciation – owned assets	224	205
Depreciation – Right of use assets	536	-
Amortisation of intangible assets – customer contracts and relations	116	116
Foreign exchange loss	677	220
Auditors' remuneration – audit services	65	72
Corporation tax compliance services	5	5

7. Income Tax

Analysis of tax expense

The tax charge is based on the loss for the year and comprises:

	2019 £'000	2018 £'000
Current tax		
UK corporation tax	-	-
Total current tax	<hr/>	<hr/>

7. Income Tax (continued)

The charge for the year can be reconciled to the loss per the income statement as follows:

	2019 £'000	2018 £'000
Loss before income tax	(1,054)	(3,356)
Tax on the standard rate in the UK 19% (2018 – 19%)	(200)	(638)
Effects of:		
Fixed asset differences	85	
Expenses/Income not deductible for tax purposes	36	108
Other permanent differences	7	
Adjusted closing and opening deferred tax to average rate of 19%	20	
Deferred tax not recognised	52	530
Deferred tax asset	-	220
Current tax (credit)/charge for the year	-	220

Deferred tax was attributed to the timing differences in respect of intangible assets and inventory, the main corporation tax rate remained at 19% during the year.

Deferred taxes arising from unused tax losses are summarised as follows:

Deferred Tax assets	1 January 2019 £'000	Recognised profit or loss £'000	31 December 2019 £'000
Unused tax losses	-	-	-
Deferred Tax assets	1 January 2018 £'000	Recognised profit or loss £'000	31 December 2018 £'000
Unused tax losses	(220)	220	-

Trading losses of £13,817k (2018 - £13,755k) were not recognised as a deferred tax asset due to continued losses.

8. Goodwill

	£'000
Carrying value	
At 1 January 2019	1,321
Impairment charge for the year	-
Carrying value	
At 31 December 2019	1,321

8. Goodwill (continued)

	£'000
Carrying value	
At 1 January 2018	1,321
Impairment charge for the year	-
Carrying value	
At 31 December 2018	1,321

Impairment

The company reviews the carrying amounts of its tangible and intangible assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss on an annual basis. Goodwill arising on acquisition is allocated to cash-generating units. The recoverable amount of the cash-generating unit to which goodwill has been allocated is tested annually for impairment, or on such other occasions that events or changes in circumstances indicate that it might be impaired.

An impairment review was performed on 31st December 2019. The assumptions used in the model were terminal growth rate of 2.25% and a discount rate of 10% the model looked to estimate net present value of cash generating assets at that date. When applying sensitivities to the assumption, even reducing the terminal growth rate to 0% and increasing the discount rate to 15%, the model still showed that the asset had not suffered any impairment. As a result of this review the Director is of the opinion that the assets had not suffered any impairment.

9. Intangible Assets

	Customer contracts & relations costs	Computer software	Totals
	£'000	£'000	£'000
Cost			
At 1 January 2019	4,058	724	4,782
Additions	-	285	285
Disposals	-	-	-
At 31 December 2019	4,058	1,009	5,067
Accumulated amortisation			
At 1 January 2019	(3,919)	(675)	(4,594)
Charge for the year	(116)	(116)	(232)
At 31 December 2019	(4,035)	(791)	(4,826)
Net Book Value			
Balance at 1 January 2019	138	50	188
Balance at 31 December 2019	23	218	241

9. Intangible Assets - continued

	Customer contracts & relations costs	Computer software	Totals
	£'000	£'000	£'000
Cost			
At 1 January 2018	4,058	724	4,782
Additions	-	-	-
Disposals	-	-	-
At 31 December 2018	<u>4,058</u>	<u>724</u>	<u>4,782</u>
Accumulated amortisation			
At 1 January 2018	(3,802)	(574)	(4,377)
Charge for the year	<u>(116)</u>	<u>(100)</u>	<u>(217)</u>
At 31 December 2018	<u>(3,920)</u>	<u>(674)</u>	<u>(4,594)</u>
Net Book Value			
Balance at 1 January 2018	<u>255</u>	<u>150</u>	<u>405</u>
Balance at 31 December 2018	<u>138</u>	<u>50</u>	<u>188</u>

The future value of customer contracts and relations represents the value that arose on the acquisition of the trade and assets of Getronics UK Ltd and Getronics Unified Communications (UK) Ltd. The assets are being amortised on a straight-line basis over 60 months. The director does not believe that there has been a material change to the valuation or the amortisation assumptions. An impairment review was performed at 31st December 2019, the assumptions used in the model were terminal growth rate of 2.25% and a discount rate of 10% the model looked to estimate net present value of cash generating assets at that date. As a result of this review the Director is of the opinion that the assets had not suffered any further impairment.

The net book value of Computer Software includes £198k (2018: nil) in respect of assets held under hire purchase contracts or finance leases.

10. Property, Plant and Equipment

	Freehold property £'000	Leasehold property £'000	Machinery & equipment £'000	Fixtures & fittings £'000	MIS Equipment £'000	Total £'000
Cost						
At 1 January 2019	2,968	767	3,621	108	10,832	18,296
Additions	-	-	148	78	4	230
At 31 December 2019	<u>2,968</u>	<u>767</u>	<u>3,769</u>	<u>186</u>	<u>10,836</u>	<u>18,526</u>
Accumulated depreciation						
At 1 January 2019	(1,895)	(767)	(3,214)	(90)	(8,968)	(14,934)
Charge for the year	(98)	-	(174)	(6)	(1,303)	(1,581)
At 31 December 2019	<u>(1,993)</u>	<u>(767)</u>	<u>(3,388)</u>	<u>(96)</u>	<u>(10,271)</u>	<u>(16,515)</u>
Net book value						
At 1 January 2019	<u>1,073</u>	<u>-</u>	<u>407</u>	<u>18</u>	<u>1,864</u>	<u>3,362</u>
At 31 December 2019	<u>975</u>	<u>-</u>	<u>381</u>	<u>90</u>	<u>565</u>	<u>2,011</u>

	Freehold property £'000	Leasehold property £'000	Machinery & equipment £'000	Fixtures & fittings £'000	MIS Equipment £'000	Total £'000
Cost						
At 1 January 2018	2,894	767	3,589	108	10,575	17,933
Additions	74	-	32	-	257	363
At 31 December 2018	<u>2,968</u>	<u>767</u>	<u>3,621</u>	<u>108</u>	<u>10,832</u>	<u>18,296</u>
Accumulated depreciation						
At 1 January 2018	(1,788)	(762)	(3,026)	(81)	(7,470)	(13,127)
Charge for the year	(107)	(5)	(188)	(9)	(1,498)	(1,807)
At 31 December 2018	<u>(1,895)</u>	<u>(767)</u>	<u>(3,214)</u>	<u>(90)</u>	<u>(8,968)</u>	<u>(14,934)</u>
Net book value						
At 1 January 2018	<u>1,106</u>	<u>5</u>	<u>563</u>	<u>27</u>	<u>3,105</u>	<u>4,806</u>
At 31 December 2018	<u>1,073</u>	<u>-</u>	<u>407</u>	<u>18</u>	<u>1,864</u>	<u>3,362</u>

11. Inventories

	2019 £'000	2018 £'000
Finished goods	<u>67</u>	<u>150</u>

12. Trade and Other Receivables

	2019 £'000	2018 £'000
Trade receivables	6,874	9,302
Less: provision for impairment of trade receivables	<u>(417)</u>	<u>(697)</u>
	<u>6,457</u>	<u>8,605</u>
Trade receivables – net	6,457	8,605
Prepayments	2,547	1,569
Receivables from related parties (note 22)	41,082	34,511
Accrued revenue	1,967	4,046
Other debtors	<u>-</u>	<u>348</u>
Current portion	<u>52,053</u>	<u>49,079</u>

There were no non-current receivables at the 31 December 2019.

There were no fair value adjustments applied to any of the trade and other receivables at 31 December 2019, therefore the amounts are stated at nominal value.

Getronics do not buy or sell Currency or Interest rate hedging tools such as Forward Rates, Futures, Options, Swaps or any other hedging techniques or Financial Instruments.

The expected credit losses are estimated from the initial recognition of the asset at each reporting date, using as a reference the past experience of the credit losses, adjusted for factors that are specific to the debtors or groups of debtors, the general economic conditions and an assessment of both, the current management and the forecast of future conditions.

Overall the company has a net amounts due to group companies, out of which two companies are in a net amounts due from position, there are no significant doubts as to the future recoverability of these balances, and as such, no provision for bad and doubtful debts has been raised against the amounts. The company provides against amounts due from group companies where there are significant doubts as to future recoverability based on prior experience, on assessment of the current economic climate and on the length of time that the receivable has been overdue.

The Company has not recognised a provision for expected credit losses on intercompany receivable balances greater than 12 months old. Management has taken into account the external credit rating, balance sheet strength and the Group's intention to clear down intercompany positions in the future and considers intercompany receivable balances to be fully recoverable. Management has therefore determined that any expected credit losses would therefore be immaterial

As at 31 December 2019, trade receivables totalled £6,874k (2018: £9,302k). Following a review in line with IFRS 9 an expected credit loss allowance of £417k (2018: £697k) has been recognised.

12. Trade and Other Receivables (continued)

The aging analysis of these trade receivables is as follows:

	2019	2018
	£'000	£'000
Trade Receivables which are not impaired and not yet due	5,899	7,208
Trade Receivables which are not impaired and less than three months overdue	480	1,110
Trade Receivables which are not impaired and more than three months overdue	78	287
Trade Receivables	6,457	8,605

The carrying amounts of the company's trade receivables are denominated in the following currencies:

	2019	2018
	£'000	£'000
GBP	6,845	9,104
EUR	13	148
USD	16	15
CHF	-	35
	6,874	9,302

The other classes within receivables do not contain impaired assets.

The intercompany loans usually have a one-year term and are renewed automatically on expiry. Intercompany funding balances can be netted off at any time subject to the agreement of the balances between the relevant Group entities. The management within the Group are confident of the future performance of the borrowers. The management will continue to monitor closely and review repayment periods as and when required..

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The company does not hold any collateral as security.

13. Called up Share Capital

	2019	2018
	£'000	£'000
Authorised, allotted and fully paid		
6,523,331 (2018 – 6,523,331) ordinary shares of £1 each	6,523	6,523

14. Trade and Other Payables

	2019	2018
	£'000	£'000
Current:		
Trade creditors	4,769	6,751
Amounts owed to group undertakings	46,549	45,605
Intercompany loans	6,840	2,032
Social security and other taxes	1,106	1,884
Accruals	4,504	4,769
Deferred income	2,824	3,954
	<u>66,592</u>	<u>64,995</u>

The carrying amounts of the company's trade payables are denominated in the following currencies:

	2019	2018
	£'000	£'000
GBP	4,266	5,616
EUR	(36)	285
USD	539	850
	<u>4,769</u>	<u>6,751</u>

14. Trade and Other Payables (continued)

Amounts owed to group undertakings:

	Trade Payable £'000	Inter Company Accrual £'000	Inter Company Cashpool £'000	Loans £'000	2019 Total £'000
Current:					
Connectis CMC France (SAS)	2	-	205	-	207
Connectis CMC Italia	-	-	340	-	340
Connectis CMC UK Ltd	1,016	6	6,490	-	7,512
Connectis Financial & Shared Services	232	-	-	-	232
Connectis Global Services (Rosetta)	-	43	-	945	988
Connectis ICT Services SAU	1,283	34	240	767	2,324
Connectis Technology Brazil	1	-	-	-	1
Digitran Innovations B.V. (since renamed Getronics Group B.V.)	-	-	475	-	475
EMEA Távfolsági Szolgáltató Rt	979	58	-	-	1,037
Getronics Belgium SA	256	25	2,745	-	3,026
Getronics CMC Desk Iberia S.l	-	12	-	-	12
Getronics CMC Holding BV	362	95	834	3,621	4,912
Getronics Deutschland GmbH	76	10	-	-	86
Getronics Global Services BV	40	13	7,900	-	7,953
Getronics India	686	777	-	-	1,463
Getronics Solution (S) Pte Limited	163	-	-	-	163
Getronics Solutions Malaysia Sdn Bhd	75	-	-	-	75
Getronics Thailand Co. Ltd	15	-	-	-	15
GSC Malaysia	119	-	-	-	119
GTN Japan BV	-	-	-	-	-
GTN Services BV	7,048	-	10,675	1,507	19,230
Pomeroy IT Solutions Sales Company Inc.	-	-	1,790	-	1,790
Pomeroy IT Solutions UK Ltd	74	5	1,350	-	1,429
	<u>12,427</u>	<u>1,078</u>	<u>33,044</u>	<u>6,840</u>	<u>53,389</u>

14. Trade and Other Payables (continued)

Amounts owed to group undertakings:

Intercompany borrowings maturity periods and average annual interest rates charged at the 31 December 2019 are as follows:

		Annual interest rate	2019 £'000
Current	GTN Services BV	6.5%	1,507
	Connectis Global Services (Rosetta)	6.5%	945
	Connectis ICT Services SAU	6.5%	767
	Getronics CMC Holding BV	0.0%	3,621
			<u>6,840</u>

		Annual interest rate	2018 £'000
Current	GTN Services BV	6.5%	1,585
	Getronics CMC Holding BV	0.0%	447
			<u>2,032</u>

15. Leases

The company have a number of leases in main relating to property for business use and lease cars for employees. We have several long-term property leases where the contract has break clause and extension options allowing us to be flexible as a business. There are also small satellite locations where leases are in general only 1-2 years in length again with the option to extend as business requirements dictate. The company's motor fleet is also leased and each car has it's own contract term. These are usually fixed for 3 years with the current provider. There is also a small managed print estate for internal use (previously not accounted for specifically as a lease). This is a well established contract and has already renewed with further extensions likely.

	2019 £'000	2018 £'000
Lease liabilities		
Current	407	-
Non-current	575	-
	<u>982</u>	<u>-</u>
Closing balance 31 st December		
	<u>982</u>	<u>-</u>

The cash impact of lease liability payments is disclosed in the Statement of Cash Flows on page 16 of these financial statements. Interest charges relating to lease liabilities that have been recognised in the Income Statement are disclosed in Note 5 Finance Costs.

15. Leases (continued)

	£'000
Opening Lease Liability 1 January 2019	1,628
New Leases	27
Payments made	(707)
Interest	34
Closing Lease Liability 31 December 2019	<u>982</u>

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at 31 December 2019 is as follows:

	2019 £'000	2018 £'000
Within 1 year	546	-
1 - 2 years	430	-
2 - 3 year	93	-
3 - 4 years	5	-
5 years +	-	-
	<u>1,074</u>	<u>-</u>

No operating leases were held in 2019 as all leases that meet the definition of a lease are now within the scope of IFRS 16 - Leases and are included in lease liabilities disclosed above. For a reconciliation of the 2018 operating lease commitments and lease liabilities recognised on 1 January 2019 refer to Note 1 – Accounting Policies.

	Land & building £'000	Other operating leases £'000	Total £'000
2018			
Operating leases which expire			
within one year	144	252	396
within two – five years	34	331	365
	<u>178</u>	<u>583</u>	<u>761</u>

The operating leases commitments primarily relate to leasehold property and the company's motor fleet.

16. Provisions

	Restructuring provisions ^a		RAC Provision ^b		Total	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
At 1 January	128	609	-	278	128	887
Charge for the year	603	128	-	-	-	128
Utilisation	(731)	(609)	-	(278)	(128)	(887)
At 31 December	-	128	-	-	-	128

a. Restructuring provision relates to known employees exiting the business in early 2019 who were already informed by end of 2018. This was complete in Q1/2019

b. RAC provision relates to net value of claim made against Getronics in 2017 due to delivery outages/issues caused by a third party subcontracted by Getronics in late 2016. Claim was fully settled in 2018.

17. Ultimate parent company

The Company's parent company is Digitran Innovations B.V. (since renamed Getronics Group B.V.), a private limited company which is incorporated in the Netherlands. As at 31 December 2019, Digitran Innovations B.V. (since renamed Getronics Group B.V.), was ultimately controlled by Nana Baffour-Gyewu and Franck Julien through Bottega InvestCo Sarl.

For the year ended 31 December 2019, the results of the Company were consolidated within the Digitran Innovations B.V. (since renamed Getronics Group B.V.) Group. The Group accounts will be available from the registered office of Digitran Innovations B.V. (since renamed Getronics Group B.V.) at Symphony 5th Gustav Mahlerplei, 1082 MS Amsterdam, Netherlands.

Following the reporting date, the company was sold – refer to note 22 Events after the reporting period for more information.

18. Contingent liabilities

The company is subject to legal proceeding and claims that arise in the ordinary course of its business, at the year end and the reporting date there were not deemed to be any material financial implications and liabilities pertaining to the demands were fully recognised in the financial statements as at 31 December 2019. In the opinion of the director, the amount of any ultimate liability in respect of these actions will not materially affect the financial position of the company.

19. Capital and other financial commitments

Capital and other financial commitments authorised at 31st December 2019 amounted to £nil (2018 - £nil).

20. Financial Instruments

Financial instruments by category

2019	Loans and receivables	Other financial liabilities at amortised cost	2019 Total
	£'000	£'000	£'000
Assets per Statement of Financial Position			
Trade and other receivables excluding prepayments	8,841	-	8,841
Intercompany trade receivables	41,082	-	41,082
Total	49,923	-	49,923
Liabilities per Statement of Financial Position			
Intercompany loans	-	6,840	6,840
Lease liabilities	-	982	982
Trade and other payables excluding non-financial liabilities	-	10,379	10,379
Intercompany trade payables	-	46,549	46,549
Total	-	64,750	64,750

2018	Loans and receivables	Other financial liabilities at amortised cost	2018 Total
	£'000	£'000	£'000
Assets per Statement of Financial Position			
Trade and other receivables excluding prepayments	13,696	-	13,696
Intercompany trade receivables	34,511	-	34,511
Total	48,207	-	48,207
Liabilities per Statement of Financial Position			
Intercompany loans	-	2,032	2,032
Trade and other payables excluding non-financial liabilities	-	17,358	17,358
Intercompany trade payables	-	45,604	45,604
Total	-	64,995	64,995

20. Financial Instruments (continued)

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and interest risk) credit risk and liquidity risk. Finance requirements are reviewed by the Board and Corporate Finance on a monthly basis.

The treasury functions of the company are responsible for managing fund requirements which includes banking and cash flow management. Interest and foreign exchange exposures also form part of the treasury management responsibilities, ensuring adequate liquidity to meet the company's responsibilities.

Interest rate risk

The company finances its operations through a mixture of cash, intercompany loans and finance leases borrowings which are at fixed rates of interest. Management periodically reviews these to ensure that the rates are reasonable.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. Cash flow forecasting is performed and aggregated at group level, company and Group finance monitors rolling forecasts for liquidity requirements to ensure the company has sufficient cash to meet its operational needs. Such forecasting takes into account consideration of the company's debt financing obligations.

The amounts disclosed in the table below are the contractual maturities of financial liabilities, including estimated interest payments.

	6 months or less £'000	6-12 months £'000	1-2 years £'000	2-5 years £'000
2019				
Lease liabilities (incl. interest)	244	163	459	116
Intercompany loans (incl. interest)	-	7,050	-	-
Trade and other payables (excludes accruals and deferred revenue)	<u>58,158</u>	<u>-</u>	<u>-</u>	<u>-</u>

	6 months or less £'000	6-12 months £'000	1-2 years £'000	2-5 years £'000
2018				
Intercompany loans (incl. interest)	-	1,688	-	-
Trade and other payables (excludes accruals and deferred revenue)	<u>54,584</u>	<u>-</u>	<u>-</u>	<u>-</u>

Currency risk

The company is exposed to currency risk on purchases, sales, intercompany borrowings and cash that are denominated in a currency other than GBP primary currency. Foreign exchange risk arises from transactions booked in foreign currencies. The company is not exposed to material foreign exchange risk from operations and so does not hedge its currency risk.

20. Financial Instruments (continued)

Credit risk

The company manages credit risk for each new client before agreeing contracted payment and delivery terms and conditions. Credit risk arises from cash and financial borrowings as well as credit exposure to suppliers and customers, including outstanding receivables and committed transactions. If customers have an independent credit risk rating this is used to establish an approved credit rating, however in the event that this is not available credit management perform a credit risk assessment taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings in accordance with agreed company limits. Utilisation of credit limits are monitored on a regular basis and a robust collections process is in place.

No credit limits were exceeded during the year and management does not believe the company has any significant concentrations of credit risk.

Capital management

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern. The director is aware of the current economic climate, financial risks and business uncertainties and have a framework to monitor and mitigate these risks. The parent company has indicated its willingness to support the company for the foreseeable future.

21. Related Party Disclosures

	Sales of services	Purchase of services	Amounts owed by related parties	Amounts owed to related parties	Loans owed to related parties
Year ended 31 st December 2019	£'000	£'000	£'000	£'000	£'000
Connectis CMC Deutschland GmbH	75	-	498	-	-
Connectis CMC France (SAS)	-	2	104	207	-
Connectis CMC Italia	32	-	60	340	-
Connectis CMC Nederlands BV	1	-	24	-	-
Connectis CMC Spain	27	-	66	-	-
Connectis CMC UK Ltd	143	3,057	73	7,513	-
Connectis Financial & Shared Services	-	187	190	232	-
Connectis ICT SAU	52	595	17	1,557	767
Connectis Technology Brazil	-	-	-	1	-
Digitran Innovations B.V. (since renamed Getronics Group B.V.)	-	-	-	475	-
EMEA Távolági Szolgáltató Rt	-	930	-	1,037	-
Getronics (Schweiz) AG	2	-	7	-	-
Getronics Belgium SA	176	118	282	3,026	-
Getronics CMC Holding BV	345	1,415	9	1,291	3,621
Getronics Field Services GmbH	2	-	-	-	-
Getronics France	24	2	-	-	-
Getronics CMC Desk Iberia S.l	-	-	-	12	-
Getronics Germany GmbH	113	76	1,411	86	-
Getronics Germany	-	-	174	-	-
Getronics Global Services BV	9,017	473	18,269	7,956	-
Getronics Ireland Ltd	-	-	392	-	-
Getronics Solutions (Malaysia) Sdn	-	32	6	75	-
Getronics Solutions (S) Pte Ltd	6	2	190	163	-
Getronics Solutions India Pte Ltd	-	423	-	1,464	-
Getronics Solutions Malaysia Sdn Bhd	-	21	-	119	-
Getronics Technology Services BV	17,040	6,140	19,195	17,717	1,507
Getronics Thailand Co Ltd	-	-	-	15	-
Global Rosetta	-	-	81	43	945
Pomeroy IT Solutions UK	-	33	-	1,429	-
Pomeroy US	1	-	34	1,791	-
	<u>27,056</u>	<u>13,506</u>	<u>41,082</u>	<u>46,549</u>	<u>6,840</u>

21. Related Party Disclosures (continued)

	Sales of services	Purchase of services	Amounts owed by related parties	Amounts owed to related parties	Loans owed to related parties
Year ended 31 st December 2018	£'000	£'000	£'000	£'000	£'000
Connectis CMC Deutschland GmbH	74	-	453	-	-
Connectis CMC France (SAS)	69	-	79	213	-
Connectis CMC Italia	24	-	24	359	-
Connectis CMC Nederlands BV	4	-	24	-	-
Connectis CMC Spain	-	-	37	-	-
Connectis CMC UK Ltd	1,096	4,060	3,987	9,033	447
Connectis ICT SAU	54	702	79	1,771	-
Connectis Managed Cloud Espana SL	37	-	-	-	-
Connectis Technology Brazil	1	-	-	1	-
Digitran Innovations B.V. (since renamed Getronics Group B.V.)	-	-	-	510	-
EMEA Távolági Szolgáltató Rt	80	-	-	106	-
Getronics (Schweiz) AG	5	-	5	-	-
Getronics Belgium SA	112	145	187	1,165	-
Getronics CMC Holding BV	358	1,471	1,310	2,639	-
Getronics Germany GmbH	97	-	784	133	-
Getronics Global Services BV (GGS)	8,867	661	13,105	8,031	-
Getronics Ireland Ltd	146	-	146	-	-
Getronics Japan	-	-	-	102	-
Getronics Solutions (Malaysia) Sdn	-	34	-	38	-
Getronics Solutions (S) Pte Ltd	5	1	180	164	-
Getronics Solutions India Pte Ltd	-	519	-	775	-
Getronics Solutions Malaysia Sdn Bhd	-	-	-	-	-
Getronics Technology Sdn Bhd	-	44	-	102	-
GTN Services BV	1,500	80	13,378	17,751	1,585
Getronics Thailand Co Ltd	-	-	-	13	-
Global Rosetta	-	-	733	1,717	-
Pomeroy IT Solutions UK	-	79	-	879	-
Pomeroy US	-	-	-	103	-
	<u>12,529</u>	<u>7,796</u>	<u>34,511</u>	<u>45,605</u>	<u>2,032</u>

Goods are bought and sold based on the price lists in force that would be available to third parties. Receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties. Related party payables bear no interest, subject to the loans due, that accrue interest as set out in note 14.

22. Events after the reporting period

During July 2020, the Getronics Group was acquired by Getronics Group Holding Ltd., a company ultimately controlled by the Kennic Trust.

On 11 March 2020, the World Health Organisation announced the pandemic status of Covid-19. Overall, the Company's performance has not been nor is expected to be materially impacted by the global pandemic. However, the director will continue to monitor how the pandemic unfolds and will continue to engage closely with its customers and suppliers to assess any potential risks that may arise.

On 7 August 2020, the Company incorporated a new subsidiary undertaking Getronics Cloud Solutions Limited. The Company owns 100% of the share capital.

23. Reconciliation of loss after income tax to cash generated from operations

	2019 £'000	2018 £'000
Loss after income tax	(1,054)	(3,856)
Tax charge	-	220
Interest charge	268	178
Depreciation PPE	1,581	1,807
Depreciation right of use assets	536	-
Amortisation of intangible assets	232	216
Decrease in inventories	83	379
Increase in trade and other receivables	3,597	2,817
(Decrease)/increase in trade and other payables	(4,155)	1,106
(Decrease) in provisions	(128)	(759)
	<hr/>	<hr/>
Cash generated from operations	<u>960</u>	<u>2,108</u>

24. Cash and cash equivalents

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statements of financial position amounts:

	2019 £'000	2018 £'000
Cash at bank	44	1,073
Bank overdraft	-	-
	<hr/>	<hr/>
Cash and cash equivalents	<u>44</u>	<u>1,073</u>