Registered number: 09347611

RIGBY CAPITAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

RIGBY CAPITAL LIMITED

CONTENTS

COMPANY INFORMATION

Directors	P Rigby S P Rigby J P Taylor N Jenkins
Registered number	09347611
Registered office	Bridgeway House Bridgeway Stratford-Upon-Avon Warwickshire CV37 6YX
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Cornwall Court 19 Cornwall Street Birmingham B3 2DT

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The directors present the Strategic Report of Rigby Capital Limited (the "Company") for the year ended 31 March 2018.

Business review

Who we are

Rigby Capital is a specialist, standalone technology financial services business, with operations in the UK, France and Spain, aligned to work with companies within the group, principally SCC, M2, Nuvias and FluidOne. Its purpose is to provide innovative funding solutions, including leasing, to technology related projects, including Cloud based solutions, with end customers introduced either via SCC, directly or through partnerships with other manufacturer aligned vendors. Rigby Capital offers a range of IT asset financing services to help clients invest in business-critical technology - both software and hardware - without utilising capital reserves or existing debt facilities. New to the market, but with an experienced team at the helm, Rigby Capital is responsive and agile - tailoring technology finance solutions to meet individual customer requirements and maximising their return on investment.

What we do

Rigby Capital helps its customers, both in the private and public sectors, to fund their IT infrastructure and associated project expenditure. Through close consultation with customers, unique funding solutions are structured that best meet customer needs, enabling Rigby Capital to support its customers to progress their complex IT programmes by facilitating access to funding solutions. In this way, Rigby Capital is well placed to support customers in the continuing trend towards providing solutions as a service, as well as more traditional financing needs. Rigby Capital also provides asset management support, assisting customers to control and manage their technology assets and finance leases. In addition to engaging with its own customer portfolio, Rigby Capital also supports group companies, such as SCC and Nuvias, sourcing funding partners as part of the Group's overall proposition.

Rigby Capital has a dedicated team of technology funding consultants embedded within its Vendor and partner base driving end customer engagement.

The end customers, to whom credit risk is typically assessed, are medium to large private and public-sector organisations with a bias to low volume, high value funding structures with a strong emphasis on advice, consultation and design of funding structures.

With the current technology trends strongly converging on consumption based services and 'Asset as a service' the opportunity to provide funding solutions to match these demands has never been greater.

Our Customers

A dedicated team of technology funding consultants is aligned to develop new partners in the technology sector to drive revenue directly from outside the Group. A dedicated team is embedded within SCC and M2 (a subsidiary of SCC) and dedicated experts are aligned to existing partners such as Actifio and Nuvias to drive end customer engagement beyond the framework being set up.

The end customers, to whom credit risk is typically assessed, are medium to large private and public sector organisations. Our business model is biased to low volume, high value funding structures with strong emphasis on advice, consultation and design of funding structures and less than 35% of our deal flow is standard leasing arrangements.

With technology trends strongly converging on 'as a service' driven by customers desire and annuity driven business models being aspired by technology suppliers, the opportunity to provide funding solutions to match these often challenging new trends has never been greater.

Our Partners

Rigby Capital regularly reviews its funding partners from both traditional UK, European and global banks as well as specialist providers. A formal funding panel is in place with 4-5 funders and this is regularly reviewed and formally reviewed annually.

Rigby Capital also closely works with Rigby Group treasury and has access to group funds in both short and long term arrangements.

Our performance

The year to 31 March 2018 was Rigby Capital's second full year of operation.

Revenue for the year at £38.5m represents an annual growth of 8% over the prior year, driven by continued penetration and support of group companies, including both SCC and M2, as well as new partners from outside group such as Actifio and Sipcom.

Gross margin increased in the year to 6.2% from 5.4% in however investment in systems and personnel saw the EBT decrease to 1.98% down from 3.1% in the previous year.

The strategy for the year was one of consolidating the platform in the UK that had been established in the early years, investment in our key assets of people and systems and enhancing our vendor base with new manufacture aligned vendor partnerships.

During the year we implemented an IT strategy to progress us towards our ambition of automating the document production and handling process to both maximise productivity and ensure we establish "an ease of use" principal within our customer and vendor base.

In conjunction with the investment in people and systems we also focussed on expanding our selective vendor base outside of the Group and with vendors who are themselves tackling the market transition of customer demands of IT as a Service or consumption biased procurement.

The implementation of this strategy remains strongly aligned to our medium to long term goals of managed growth, customer profile and profitable business and we acknowledged that the vendors we opened discussions with would not generate short term revenue or profit but would add to the substance of the business through future years.

Throughout the year we maintained a strong focus on advancing our strong inter group relationships with SCC, M2 and Nuvias by adding value to their sales cycle and ensuring the ease of use principal was adhered to. The year closed with positive growth of 8% in terms of revenue and a stable profit position which represents 35% return on the original equity investment.

Alongside the UK we have invested strongly in developing our Spanish operation with the majority of the focus on advancing the partnership with SCC Spain. We have deployed an experienced local team in Madrid who have worked to develop a local product set and working practise which supports the SCC team across all branches within the country and began late in the year of advancing discussions with some local key vendors which mirrors the development in the UK.

Annual Comparison	**2018**	2017	Annual Growth
Activation	**35.98m**	35.60m	+1%
Turnover	**35.98m**	35.60m	+1%
Operating profit	**0.84m**	1.09m	-23%
PBT	**0.72m**	0.96m	-25%
Live funding contracts	**573**	371	+54%

Our people

With strong cross sales alignment into group companies and 3rd party supplier frameworks, the lead generation and marketing costs are minimal enabling an overhead base, primarily headcount driven, focused on process, risk, credit and finance beyond the funding consultants and directors. The business model purposefully utilises outsourcing arrangements for administration, billing and payment collection.

Principal risks and uncertainties

Competitive pressures in the UK market, where the company generates all of its revenue, represent a continuing risk. The Company manages this risk by providing high standards of service provision and through fast customer response times in the supply of advice, design and implementation services to funding options and in the handling of queries.

The growing trend of 'as a service' presents challenges to traditional funding methods and structures, this is monitored through risk committee policy and governance framework reviewing credit, deal structure and compliance.

The specialist nature of the business in a technical subject area places increased risk on expert employee retention. This is managed through attractive reward packages and strong cultural environment to aid retention and attraction of talent coupled with both short term and long term incentive structures for key management.

Financial key performance indicators

The Company produces detailed management reports and financial statements on a monthly or more frequent basis. Tracking Key Performance Indicators ("KPI's") are an integral part of this reporting. Monthly management reporting focuses on the actual performance of the business compared to the budget set for the current financial year and the comparable period of the previous financial year.

The directors consider the key performance indicators of the business to be lease origination values, deal flow, turnover, gross profit and operating profit, which are shown in the financial statements and in our performance review above. In addition EBITDA and PBT is considered a key performance measure which is included above in our performance review.

Future Outlook

We remain confident and enthusiastic about achieving our aspirational objectives as we move into our fourth year with both an enhanced product set and extended vendor base. We believe the market is likely to see some capital spend restrictions over the coming year which will run in contrast to the demand to develop IT infrastructure during economic and political uncertainties.

This report was approved by the board and signed on its behalf by:

N Jenkins
Director

Date:
24/09/2018

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and the audited financial statements of Rigby Capital Limited (the "Company") for the year ended 31 March 2018.

Results and dividends

The profit for the financial year amounted to £583,945 (2017: £765,699).

No dividends will be distributed for the year ended 31 March 2018 (2017: £Nil).

Directors

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

P Rigby
S P Rigby
J P Taylor
N Jenkins

Future developments

The future developments of the Company are discussed in the Strategic Report.

Going concern

The Company's business activities, together with factors likely to affect its future development, performance, and position are set out in the strategic report on pages 2 to 4.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to continue trading for the foreseeable future. At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial risk management

The company's operations expose it to a variety of financial risks including the effects of changes in credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects of the financial performance of the Company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs, and as such, no hedge accounting is applied.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department.

Credit risk
The Company's credit risk is primarily attributable to its trade debtors. The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is reassessed annually by the board. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk
The Company maintains cash balances to ensure it has sufficient funds available for operations and planned expenses.

Price risk
The Company is exposed to price risk due to normal inflationary increases in the purchase price of the good and services purchased in the UK. The Company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Statement of directors' responsibilities

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 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 Company and of the profit or loss of the 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 Company will continue in business.

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

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the 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 and signed on its behalf by:

N Jenkins
Director

Date:

24|09|2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIGBY CAPITAL LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Rigby Capital Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit 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 Balance Sheet as at 31 March 2018; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; the accounting policies; and the notes to the financial statements.

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 company 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

We have nothing to report in respect of the following matters in relation to which 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 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIGBY CAPITAL LIMITED (CONTINUED)

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 2018 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 Company and its 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 6, 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 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 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.

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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Matt Palmer

Matt Palmer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
Date: 24 September 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Note	31 March 2018 £	31 March 2017 £
Turnover	4	**35,983,777**	35,595,070
Cost of sales		**(35,983,777)**	(35,595,070)
Gross profit		**-**	-
Administrative expenses		**(1,568,670)**	(1,413,719)
Other operating income	5	**180,881**	81,239
Gain on derecognition of financial assets	5	**1,450,738**	1,765,158
Interest receivable and similar income		**775,085**	652,760
Operating profit	6	**838,034**	1,085,438
Interest payable and similar expenses	10	**(116,988)**	(125,932)
Profit before taxation		**721,046**	959,506
Tax on profit	11	**(137,101)**	(193,807)
Profit for the financial year		**583,945**	765,699

There was no other comprehensive income for 2018 (2017: None)

The notes on pages 13 to 25 form part of these financial statements.

RIGBY CAPITAL LIMITED
REGISTERED NUMBER: 09347611

BALANCE SHEET
AS AT 31 MARCH 2018

	Note		2018 £		2017 £
Current assets					
Debtors: amounts falling due after more than one year	12	**975,992**		1,404,986	
Debtors: amounts falling due within one year	12	**14,493,312**		9,360,244	
Cash at bank and in hand		**195,422**		2,213,693	
		15,664,726		12,978,923	
Creditors: amounts falling due within one year	13	**(9,636,207)**		(7,534,349)	
Total assets less current liabilities			**6,028,519**		5,444,574
Net assets			**6,028,519**		5,444,574
Capital and reserves					
Called up share capital	15		**5,000,002**		5,000,002
Profit and loss account	16		**1,028,517**		444,572
Total shareholders' funds			**6,028,519**		5,444,574

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

N Jenkins
Director

Date: 24/05/2018

The notes on pages 13 to 25 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
At 1 April 2016	5,000,002	(321,127)	4,678,875
Comprehensive income for the financial year			
Profit for the financial year	-	765,699	765,699
Total comprehensive income for the financial year	-	765,699	765,699
At 31 March 2017	5,000,002	444,572	5,444,574
Comprehensive income for the financial year			
Profit for the financial year	-	583,945	583,945
Total comprehensive income for the financial year	-	583,945	583,945
At 31 March 2018	5,000,002	1,028,517	6,028,519

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. General information

Rigby Capital Limited's (the "Company") principal activity is that of a specialist standalone technology financial services business, part of Rigby group Plc and it is aligned to work with group companies such as SCC EMEA Limited (SCC) for the purposes of providing innovative funding solutions including leasing to related projects, including Cloud based solutions, with end customers introduced either via SCC, directly or through partnerships such as Actifion Inc.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is: Bridgeway House, Stratford-upon-Avon, Warwickshire, CV37 6YX.

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 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 management to exercise judgement in applying the Company's accounting policies (see note 3).

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

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Rigby Group (RG) Plc as at 31 March 2018 and these financial statements may be obtained from Bridgeway House, Bridgeway, Stratford-upon-Avon, Warwickshire, CV37 6YX.

2. Accounting policies (continued)

2.3 Going concern

The company's business activities, together with factors likely to affect its future development, performance, and position are set out in the strategic report on pages 2 to 4.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to continue trading for the foreseeable future.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.4 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Revenue is recognised when persuasive evidence of an arrangement with a customer exists, delivery has occurred to the location as stipulated by the customer or all significant performance obligations have been completed, the price is fixed or determinable and the collection of the amount due is reasonably assured. Income from service contracts is recognised on a straight line basis over the period of the contracts or on a percentage completion basis as appropriate.

Rebates due to customers are accrued for in accordance with relevant contracts. Rebates reduce turnover and are held as other creditors until settlement is made.

When the company enters into a finance lease with a customer, the company recognises the profit or loss equivalent to the profit or loss resulting from an outright sale of the asset being leased, at normal selling prices, reflecting any applicable volume or trade discounts. This is because the asset's risks and rewards of ownership have passed to the customer. The company also recognises the finance lease receivable. Therefore, a finance lease of an asset gives rise to two types of income: finance income; and a profit or loss equivalent to that arising on an outright sale. The sales revenue recognised at the commencement of the lease term is the fair value of the asset or, if lower, the present value of the minimum lease payments accruing to the lessor, computed at a market rate of interest. The cost of sale recognised at the commencement of the lease term is the cost (or carrying amount, if different) of the leased asset less the present value of the unguaranteed residual value. The company de-recognises the carrying amount of the leased asset and recognises this as the cost of sale. The difference between the sales revenue and the cost of sale is the selling profit, which is recognised in accordance with the company's policy for outright sales.

2.5 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.

2.6 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.

2. Accounting policies (continued)

2.7 Financial instruments

The Company only 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, loans to related parties and investments in non-puttable ordinary shares.

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 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.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.9 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. Accounting policies (continued)

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

2.11 Finance costs

Finance costs are charged to the 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.

2.12 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

2.13 Operating leases

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

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the 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 Company in independently administered funds.

2.15 Interest income

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

2.16 Borrowing costs

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

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Statement of Comprehensive Income in the year that the Company 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. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The Directors have not needed to apply any critical accounting judgements during the Period in applying the company's accounting policies in preparing these financial statements.

Key sources of estimation uncertainty

The following key estimates have been used in the preparation of the financial statements:

(i) Bad debts provisions

The trade debtors balances of £7,719,059 (2017: £5,147,695) recorded in the Company's Balance Sheet comprise a relatively large number of small balances. A full line by line review of trade debtors is carried out on a regular basis, with a full comprehensive review at the end of the year. While every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable.

4. Turnover

The turnover and profit before taxation are all attributable to the Company's principal activity, the specialist technology leasing and financing business.

All turnover arose within the United Kingdom.

5. Other operating income

	2018	2017
	£	£
Other operating income	**180,881**	81,239
Gain on derecognition of financial assets	**1,450,738**	1,765,158
	1,631,619	1,846,397

6. Operating profit

The operating profit is stated after charging:

	2018	2017
	£	£
Operating lease rentals	**53,146**	51,152

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

7. Auditors' remuneration

	2018 £	2017 £
Fees payable to the company's auditors for the audit of the company's annual financial statements	**15,700**	15,000
Fees payable to the company's auditors in respect of:		
Taxation compliance services	**9,000**	1,400
Other services	**17,000**	1,250
All other services	**2,000**	-

8. Employees

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

	2018 £	2017 £
Wages and salaries	**869,034**	894,798
Social security costs	**125,828**	97,407
Other pension costs	**19,939**	19,460
	1,014,801	1,011,665

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

	31 March 2018 Number	31 March 2017 Number
Sales	**4**	3
Management	**-**	3
Administration	**8**	3
	12	9

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

9. Directors' remuneration

	2018 £	2017 £
Aggregate remuneration	**250,398**	199,933
Company contributions to defined contribution pension schemes	**8,000**	8,000
	258,398	207,933

During the year retirement benefits were accruing to 1 director (2017: 1) in respect of defined contribution pension schemes.

The total accrued pension provision of the highest paid director at 31 March 2018 amounted to £NIL (2017 - £NIL).

The amount of the accrued lump sum in respect of the highest paid director at 31 March 2018 amounted to £NIL (2017 - £NIL).

10. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	**79,092**	24,374
Loans from group undertakings	**37,896**	101,558
	116,988	125,932

11. Tax on profit

	2018 £	2017 £
Corporation tax		
Current tax on profit for the financial year	**136,459**	194,113
Adjustments in respect of prior periods	**140**	455
Total current tax	**136,599**	194,568
Deferred tax		
Origination and reversal of timing differences	**561**	(845)
Changes to tax rates	**(59)**	132
Adjustments in respect of prior periods	**-**	(48)
Total deferred tax	**502**	(761)
Total tax	**137,101**	193,807

11. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017: higher than) the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%). The differences are explained below:

	2018 £	2017 £
Profit before taxation	**721,046**	959,506
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	**136,999**	191,901
Effects of:		
Expenses not deductible for tax purposes	**21**	1,367
Adjustments in respect of prior periods	**140**	407
Tax rate changes	**(59)**	132
Total tax charge for the financial year	**137,101**	193,807

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

12. Debtors

	2018 £	2017 £
Amounts falling due after more than one year		
Finance lease receivable	**975,733**	1,404,225
Deferred tax asset	**259**	761
	975,992	1,404,986

	2018 £	2017 £
Amounts falling due within one year		
Trade debtors	**7,719,059**	5,147,695
Amounts owed by group undertakings	**183,951**	60,838
Finance lease receivable	**5,896,831**	4,057,017
Other debtors	**4,367**	-
Prepayments and accrued income	**689,104**	94,694
	14,493,312	9,360,244

Trade debtors are shown after a provision of £Nil (2017: £Nil).

The amounts owed by group undertakings are unsecured, interest free and repayable on demand.

13. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	**2,698,864**	2,494,846
Trade creditors	**1,980,106**	3,156,610
Amounts owed to group undertakings	**4,421,084**	-
Corporation tax	**152,424**	123,113
Other taxation and social security	**167,460**	1,155,941
Other creditors	**-**	378,435
Accruals and deferred income	**216,269**	225,404
	9,636,207	7,534,349

The bank loans and overdrafts are secured against assets of the company.

The amounts owed to group undertakings are unsecured, interest free and repayable on demand.

14. Deferred tax

	2018
	£
At beginning of year	761
Charged to profit or loss	(502)
At end of year	**259**

The deferred tax asset is made up as follows:

	2018	2017
	£	£
Short-term timing differences	**259**	761

15. Called up share capital

	2018	2017
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
5,000,002 (2017: 5,000,002) Ordinary shares of £1 each (2017: £1)	**5,000,002**	5,000,002

16. Profit and loss account

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

17. Share based payments

Certain employees of the company along with other group employees have entered into a share incentive scheme in Rigby Capital Limited as of 21 March 2017.

3 employees have been issued a total of 210,000 'A' shares, granted to employees for NIL value, with the company covering the tax costs. There is a put option against the shares exercisable after 30 June 2019, expiring 31 December 2019 for the employees to sell their shares back to the parent company, based on a vesting condition of a target EBITDA. Employees are required to remain in employment with the group for this period.

The company recognises this as a equity-settled share-based payment scheme.

The value of the shares was determined by estimating the expected future proceeds under exercise of the option using an expected returns approach.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

18. Pension commitments

The company 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 £19,939 (2017: £19,460).

19. Commitments under operating leases

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

	2018 £	2017 £
Less than one year	**47,250**	47,250
Later than 1 year and not later than 5 years	**106,313**	163,180
	153,563	210,430

20. Ultimate parent undertaking and controlling party

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

Sir Peter Rigby, a director of Rigby Group (RG) Plc, controlled the company as a result of holding (directly and indirectly) 75% of the issued ordinary share capital of Rigby Group (RG) Plc, the ultimate parent undertaking.