

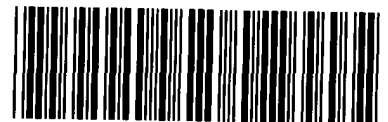
Scale Computing, Ltd

Registered number: 07342786

Annual report

For the year ended 31 December 2019

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SCALE COMPUTING, LTD

COMPANY INFORMATION

Directors

S Loughmiller
J Ready

Registered number

07342786

Registered office

5 New Street Square
London
EC4A 3TW

Independent auditor

Mazars LLP
Chartered Accountants & Statutory Auditor
2nd Floor
6 Sutton Plaza
Sutton Court Road
Sutton
Surrey
SM1 4FS

SCALE COMPUTING, LTD

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Statement of income and retained earnings	6
Statement of financial position	7
Notes to the financial statements	8 - 17

SCALE COMPUTING, LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the audited financial statements for the year ended 31 December 2019.

Principal activity

The principal activity of the company is that of the supplier of IT infrastructure technology.

Directors

The directors who served during the year and to the date of this report were:

S Loughmiller
J Ready

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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.

Going concern

The financial statements are prepared on a going concern basis. The company remains assured of the financial support provided by the ultimate parent company. The directors have received confirmation that the ultimate parent company will continue to support the company and provide it with adequate funds when necessary to enable it to meet its debts as they fall due in the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

SCALE COMPUTING, LTD

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

The impact of the United Kingdom exiting the European Union

The United Kingdom withdrew from the European Union on 31 January 2020 and entered into an Implementation Period which is scheduled to end on 31 December 2020. During this period, the trading relationship between the UK and the EU is expected to remain unchanged, however the terms of the future relationship between the UK and the EU from 1 January 2021 onwards are still unknown. At the date of this report it is therefore impossible to assess in detail the opportunities and threats that this future relationship could present. The directors are managing these risks by closely monitoring developments, and are confident that the company will be able to amend and modify its procedures to remain fully compliant with any future rules and regulations, and to maintain its standing and reputation in the marketplace throughout Europe and worldwide.

The impact of the COVID-19 Coronavirus pandemic

With the outbreak of the Coronavirus and preventive measures taken by governments, there is high economic uncertainty in the short-term and most likely in the long-term as well. For the company the impact of the Coronavirus is limited but visible. The company notices that clients defer orders to the company. Otherwise we cannot estimate the impact of the Covid-19 Pandemic on our activities for the coming period.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Post balance sheet events

The impact of Coronavirus outbreak is not yet clear and it is therefore not currently possible to evaluate all potential implications to the company's trade, customers, suppliers and the wider economy.

Auditor

During the year, Mazars LLP was appointed as auditor.

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



S Loughmiller
Director

Date: 12/21/2020

SCALE COMPUTING, LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCALE COMPUTING, LTD

Opinion

We have audited the financial statements of Scale Computing, Ltd (the 'company') for the year ended 31 December 2019 which comprise the Statement of income and retained earnings, the Statement of financial position and 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 United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the company financial statements, which is not modified, we draw attention to the directors' view on the impact of the COVID-19 as disclosed on page 2, and the consideration in the going concern basis of preparation on page 2 and non- adjusting post balance sheet events on page 18.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCALE COMPUTING, LTD

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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.

Other information

The directors are 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 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCALE COMPUTING, LTD

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are 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 directors 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 intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.


Use of the audit 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.

Other matters

Without qualifying our opinion we draw attention to the accounting policies on pages 10 to 14 of the financial statements and the fact that the comparative information in the financial statements was unaudited.

Gerhard Bonthuys (Senior Statutory Auditor)


Gerhard Bonthuys (Dec 22, 2020 15:06 GMT)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

2nd Floor
6 Sutton Plaza
Sutton Court Road
Sutton
Surrey
SM1 4FS

Date: 12/21/2020

SCALE COMPUTING, LTD

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	3	1,112,746	1,106,605
Cost of sales		(329,140)	(441,776)
Gross profit		783,606	664,829
Administrative expenses		(568,210)	(669,286)
Operating profit/(loss)		215,396	(4,457)
Profit/(loss) after tax		215,396	(4,457)
<hr/>			
Retained earnings at the beginning of the year		(1,572,576)	(1,568,119)
		(1,572,576)	(1,568,119)
Profit/(loss) for the year		215,396	(4,457)
Retained earnings at the end of the year		(1,357,180)	(1,572,576)

The Statement of income and retained earnings has been prepared on the basis that all operations are continuing operations.

The notes on pages 8 to 17 form part of these financial statements.

SCALE COMPUTING, LTD
REGISTERED NUMBER: 07342786

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	Restated Unaudited 2018 £
Fixed assets			
Tangible assets	7	1,230	3,040
		<u>1,230</u>	<u>3,040</u>
Current assets			
Stocks	8	6,300	6,300
Debtors: amounts falling due within one year	9	135,330	141,043
Cash at bank and in hand	10	264,179	701,677
		<u>405,809</u>	<u>849,020</u>
Creditors: amounts falling due within one year	11	(1,763,219)	(643,773)
Net current (liabilities)/assets		<u>(1,357,410)</u>	<u>205,247</u>
Total assets less current liabilities		<u>(1,356,180)</u>	<u>208,287</u>
Creditors: amounts falling due after more than one year		-	(1,779,863)
Net liabilities		<u>(1,356,180)</u>	<u>(1,571,576)</u>
Capital and reserves			
Called up share capital	13	1,000	1,000
Profit and loss account		(1,357,180)	(1,572,576)
Total equity		<u>(1,356,180)</u>	<u>(1,571,576)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

S Loughmiller
 Director



Date: 12/21/2020

The notes on pages 8 to 17 form part of these financial statements.

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

1. General information

Scale Computing, Ltd is a private company limited by shares, incorporated in England and Wales. The address of its registered office is 5 New Street Square, London, EC4A 3TW.

The principal activity of the company is that of the supplier of infrastructure technology.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements have been prepared in Pound Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements are prepared on a going concern basis. The company remains assured of the financial support provided by the ultimate parent company. The directors have received confirmation that the ultimate parent company will continue to support the company and provide it with adequate funds when necessary to enable it to meet its debts as they fall due in the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

2.3 Foreign currency translation

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings.

All foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'administrative expenses'.

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

2. Accounting policies (continued)

2.4 Revenue

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

Sale of goods

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

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

Rendering of services

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

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

2.5 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 income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.6 Tangible fixed assets

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

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

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Plant and machinery - 5 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.7 Stocks

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

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

2.8 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.

2.9 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.

2.10 Creditors

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

2.11 Financial instruments

The company only enters into basic financial instrument 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.

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

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

2. Accounting policies (continued)

2.11 Financial instruments (continued)

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 income and retained earnings.

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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

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

3. Turnover

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

	2019 £	Unaudited 2018 £
Hardware	553,539	664,940
Services	545,877	424,460
Shipping income	13,330	17,205
	<u>1,112,746</u>	<u>1,106,605</u>

Analysis of turnover by country of destination:

	2019 £	Unaudited 2018 £
United Kingdom	1,112,746	1,106,605
	<u>1,112,746</u>	<u>1,106,605</u>

All turnover arose within the United Kingdom.

4. Auditor's remuneration

	2019 £	Unaudited 2018 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>9,500</u>	<u>-</u>
Fees payable to the company's auditor and its associates in respect of:		
All other services	<u>4,400</u>	<u>-</u>
	<u>4,400</u>	<u>-</u>

SCALE COMPUTING, LTD

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

5. Employees

The average monthly number of employees, including the directors, during the year was 4 (2018 - 4).

No director received any remuneration from the company, nor did any benefits accrue under money purchase schemes. The remuneration of directors is borne by other group companies.

Management consider the directors to be the key management personnel of the company.

6. Taxation

	2019 £	Unaudited 2018 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

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

	2019 £	Unaudited 2018 £
Profit/(loss) on ordinary activities before tax	215,396	(4,457)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	40,925	(847)
Effects of:		
Adjust deferred tax to average rate	(4,308)	-
Deferred tax not recognised	(36,617)	847
Total tax charge for the year	-	-

SCALE COMPUTING, LTD

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

6. Taxation (continued)**Factors that may affect future tax charges**

The UK Budget 2020 announced that the corporation tax rate was to be held at 19% rather than reduced to 17% with effect from 1 April 2020 as previously enacted. This provision was substantially enacted on 17 March 2020, after the end of the accounting period, and so deferred tax closing balances have been calculated at 17%.

7. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2019	10,181
Additions	1,458
	<hr/>
At 31 December 2019	11,639
	<hr/>
Depreciation	
At 1 January 2019	7,141
Charge for the year	3,268
	<hr/>
At 31 December 2019	10,409
	<hr/>
Net book value	
At 31 December 2019	1,230
	<hr/>
At 31 December 2018	3,040
	<hr/>

8. Stocks

	2019 £	Unaudited 2018 £
Finished goods and goods for resale	6,300	6,300
	<hr/>	<hr/>
	6,300	6,300
	<hr/>	<hr/>

SCALE COMPUTING, LTD

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

9. Debtors

	2019 £	Unaudited 2018 £
Trade debtors	132,285	103,686
Other debtors	2,548	8,596
Prepayments and accrued income	497	28,761
	<u>135,330</u>	<u>141,043</u>

10. Cash and cash equivalents

	2019 £	Unaudited 2018 £
Cash at bank and in hand	264,179	701,677
	<u>264,179</u>	<u>701,677</u>

11. Creditors: Amounts falling due within one year

	2019 £	Unaudited 2018 £
Trade creditors	13,073	3,505
Amounts owed to group undertakings	1,215,853	-
Accruals and deferred income	534,293	640,268
	<u>1,763,219</u>	<u>643,773</u>

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

SCALE COMPUTING, LTD

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

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

	2019 £	Unaudited 2018 £
Amounts owed to group undertakings	-	1,779,863
	<u>-</u>	<u>1,779,863</u>

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

13. Share capital

	2019 £	Unaudited 2018 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

The company has one class of ordinary shares; each share carries full voting, dividend and capital distribution rights.

14. Prior year adjustment

During the year, the directors have identified certain debtors and creditors were not reclassified correctly in the comparative year. The results have been restated accordingly the adjustment resulted in an increase of £8,596 to debtors and creditors respectively and have no impact in the net liabilities position.

15. 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 £4,210 (2018: £363). Contributions totalling £768 (2018: £444) were payable to the fund at the reporting date and are included in creditors.

16. Related party transactions

At the year end, an amount of £1,215,853 (2018: £1,779,863) was due to Scale Computing Inc., the immediate parent company. This balance is included within amounts owed to group undertakings due in more than one year.

SCALE COMPUTING, LTD

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

17. Post balance sheet events

The impact of Coronavirus outbreak is not yet clear and it is therefore not currently possible to evaluate all potential implications to the company's trade, customers, suppliers and the wider

18. Controlling party

The immediate parent undertaking is Scale Computing Inc., a company incorporated in the USA. The address of their registered office is Scale Computing, Inc. 5225 Exploration Drive, Indianapolis, In, USA, 46241.