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**Report of the Directors and**  
**Financial Statements**  
**for the year ended 31<sup>st</sup> December 2014**  
**for**  
**Getronics Services UK Limited**

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**Getronics Services UK Limited**

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**for the year ended 31<sup>st</sup> December 2014**

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**Getronics Services UK Limited**  
**Company Information**  
**for the year ended 31<sup>st</sup> December 2014**

**DIRECTORS:**

M Cook  
S Goodwin

**SECRETARY:**

G Brown

**REGISTERED OFFICE:**

200 Brook Drive  
Green Park  
Reading  
Berkshire  
RG2 6UB

**REGISTERED NUMBER:**

07966594 (England and Wales)

**INDEPENDENT AUDITORS:**

Grant Thornton UK LLP  
Chartered Accountants and Statutory Auditors  
1020 Eskdale Road  
Winnersh  
Wokingham  
Berkshire  
RG41 5TS

**SOLICITORS:**

Howes Percival LLP,  
Oxford House  
Cliftonville,  
Northampton.  
NN1 5PN

**BANKERS:**

Barclays Bank plc.,  
London Corporate Banking,  
1 Churchill Place,  
London.  
E14 5HP

**Getronics Services UK Limited**  
**Strategic Report**  
**for the year ended 31<sup>st</sup> December 2014**

The directors present their report and the audited financial statements of the company for the year ended 31<sup>st</sup> December 2014.

## **BUSINESS REVIEW**

During the last 12 months, the company has continued to focus on developing its business for the long-term and this has included pursuing the following key initiatives, which the Board expects to result in a growing and profitable business by 2016:-

- reducing its cost base to improve profitability
- putting in place processes to drive revenue growth both organically and through acquisition
- repositioning and retraining the company's resources to develop new business in higher value propositions whilst continuing to invest and develop its traditional portfolio

The results for 2014 show considerable improvement in a number of areas over the 2013 results, in spite of significant headwinds resulting from factors outside of the direct control of the company. These factors, related to the recent economic downturn, have had a temporary adverse effect on the company achieving its targets and, as described further below, will have limited bearing on the long-term development of the business.

The company made significant improvements due to the actions noted above as is demonstrated by the 2.4% increase in its overall EBITDA% from 0.5% in 2013 to 2.9% in the year under review.

The key financial performance indicators during the year were as below:

	2014	2013	Definition, method of calculation and analysis
Services gross profit excluding depreciation and amortisation as percentage of turnover	22.1%	20.7%	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. In 2014 there has been an improvement in this KPI which reflects the decisions taken by the company to address the cost base in Q4 2013 and other continuous improvement initiatives undertaken in the year.
Earnings before interest, tax, depreciation and amortisation (EBITDA) as a percentage of turnover	2.9%	0.5%	EBITDA as percentage of turnover is calculated as earnings before tax and interest adjusted for depreciation, amortisation and exceptional items such as impairments relating to fixed assets and divided by turnover for the year. In 2014 there has been a significant improvement in this KPI reflecting the decisions taken by the company to address the overall cost base and implement continuous improvement initiatives across all areas of the business.
Service revenue per full time employee (in thousands)	£93	£94	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. Despite the fall in total revenue, service revenue per employee has remained stable and reflects the decisions taken by the company to reduce its cost base in Q4 of 2013.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The economic environment was one of the principal risks faced by the company as the recessionary pressures impacted the growth of the UK ICT Market. This factor coupled with its core portfolio becoming commoditised presented significant challenges. However, with the investment and the repositioning of resources and investment referred to in the business review and strategy above, the directors believe that the risks can be managed.

## **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 meets the objectives of managing exposure in this area.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

***Liquidity risk***

Management seek to ensure sufficient liquidity is available to meet the identifiable needs of the Company. The Company's short term funding is provided through an overdraft facility with its banking partner. In 2014 this has been strengthened where greater funding is available through a mixture of overdraft and revolving credit facility. The Company also looks to utilise longer-term leasing arrangements where possible to minimise pressure on short-term liquidity.

***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 has made significant further progress since the end of the financial year, towards its goal of achieving an EBITDA margin of 7.5% within the next 2 years through the introduction of 3 key objectives:-

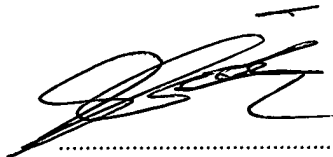
1. Focussing on being a customer intimate business throughout its operations;
2. Introduction of a continuous improvement philosophy, ensuring the business maintains a drive to become relentlessly efficient;
3. Developing and driving profitable sales growth.

**GOING CONCERN**

The directors believe that the New Shareholder Sales Growth plan and Portfolio Offering will create a sustainable business which will enable the company to trade profitably. The company will grow organically by strengthening its existing portfolio whilst it also continues to develop new offerings. This organic growth will be reinforced by strategic acquisitions where possible. The directors are 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.

The directors of the company have prepared the financial statements on the going concern basis.

**ON BEHALF OF THE BOARD:**



.....  
Director: S Goodwin

Date: 29/9/2015

**Getronics Services UK Limited**  
**Directors' Report**  
**for the year ended 31<sup>st</sup> December 2014**

**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  
Online Services

The UK operation employees in excess of 500 staff and are part of the Getronics Group.

**DIVIDENDS**

No dividends will be distributed for the year ended 31<sup>st</sup> December 2014 (period ended 2013: £nil).

**DIRECTORS**

The directors who have held office during the period from 1<sup>st</sup> January 2014 to the date of signing this report are as follows:

M Cook  
S Goodwin

Both the directors are eligible to offer themselves for election at the forthcoming first Annual General Meeting.

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 with all employees continues through 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. The number of days' purchases outstanding as at 31<sup>st</sup> December 2014, calculated by reference to the amount owed to trade creditors at the year end as a proportion of the amounts invoiced by suppliers during the period, was 60 days.

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

The company did not make any political or charitable donations during 2014 (2013: £nil).

**EVENTS SINCE THE END OF THE PERIOD**

There are no significant events since the balance sheet date.

**Getronics Services UK Limited**  
**Directors' Report**  
**for the year ended 31<sup>st</sup> December 2014**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRS) as adopted by the European Union, have been followed; 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**INDEPENDENT AUDITORS**

The auditors, Grant Thornton UK LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
Director: S Goodwin

Date: 29/9/ 2015

**Getronics Services UK Limited**  
**Independent Auditors' Report to the Members of**  
**Getronics Services UK Limited**

We have audited the financial statements of Getronics Services UK Limited for the year ended 31 December 2014 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/apb/scope/auditscopeukprivate](http://www.frc.org.uk/apb/scope/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.

**Matters on which we are required to report by exception**

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

**GRANT THORNTON UK LLP**

Nicholas Watson  
for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
Reading

Date: 29/9/2015



**Getronics Services UK Limited**  
**Income Statement**  
**for the year ended 31<sup>st</sup> December 2014**

	Notes	Year ended 31 <sup>st</sup> Dec 2014 £'000	Year ended 31 <sup>st</sup> Dec 2013 £'000
Revenue		55,461	63,837
Cost of sales		(46,467)	(55,024)
Gross profit		8,994	8,813
Administrative expenses	3	(11,793)	(13,638)
Operating loss before exceptional items		(2,799)	(4,825)
Exceptional administrative expenses		(1,200)	(1,378)
Operating loss		(3,999)	(6,203)
Finance costs	4	(1,537)	(926)
Loss before income tax		(5,536)	(7,129)
Income tax	6	-	963
Loss for the year	17	(5,536)	(6,166)

**Statement of Comprehensive Income**  
**for the year ended 31<sup>st</sup> December 2014**

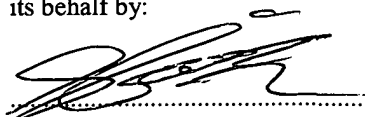
	Year ended 31 <sup>st</sup> Dec 2014 £'000	Year ended 31 <sup>st</sup> Dec 2013 £'000
Loss for the year	(5,536)	(6,166)
Other comprehensive income	-	-
Total comprehensive loss for the year	(5,536)	(6,166)

The notes form part of these financial statements

**Getronics Services UK Limited**  
**(Registered number 07966594)**  
**Statement of Financial Position**  
**as at 31<sup>st</sup> December 2014**

	Notes	2014 £'000	2013 £'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	6,600	7,399
Goodwill	7	1,321	1,321
Intangible assets	8	1,979	2,633
Investment in subsidiary	10	265	265
		<hr/> 10,165	<hr/> 11,618
<b>CURRENT ASSETS</b>			
Inventories	12	162	207
Trade and other receivables	12	20,664	24,159
Cash and cash equivalents	13	-	193
		<hr/> 20,826	<hr/> 24,559
<b>TOTAL ASSETS</b>		<hr/> <b>30,991</b>	<hr/> <b>36,177</b>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	14	6,523	2,523
Share premium	14	7,662	7,162
Retained losses	15	(14,006)	(8,470)
<b>TOTAL EQUITY</b>		<hr/> 179	<hr/> 1,215
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	16	-	1,347
Borrowings	17	1,158	1,826
Provisions for other liabilities and charges	19	-	495
		<hr/> 1,158	<hr/> 3,668
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	23,733	25,232
Bank overdrafts and borrowings	17	5,545	4,993
Provisions for other liabilities and charges	19	376	1,069
		<hr/> 29,654	<hr/> 31,294
<b>TOTAL LIABILITIES</b>		<hr/> 30,812	<hr/> 34,962
<b>TOTAL EQUITY AND LIABILITIES</b>		<hr/> <b>30,991</b>	<hr/> <b>36,177</b>

The financial statements on pages 7 to 28 were approved by the Board of Directors on 29/1/2015 and were signed on its behalf by:



Director  
S Goodwin

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**Getronics Services UK Limited**  
**Statement of Changes in Equity**  
**for the year ended 31<sup>st</sup> December 2014**

	<b>Called up share capital £'000</b>	<b>Share premium £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
1 <sup>st</sup> January 2013	1,251	-	(2,304)	(1,053)
Issue of share capital	1,272	7,162	-	8,434
Total comprehensive loss	-	-	(6,166)	(6,166)
<b>Balance at 31<sup>st</sup> December 2013</b>	<b>2,523</b>	<b>7,162</b>	<b>(8,470)</b>	<b>1,215</b>

	<b>Called up share capital £'000</b>	<b>Share premium £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
1 <sup>st</sup> January 2014	2,523	7,162	(8,470)	1,215
Issue of share capital	4,000	500	-	4,500
Total comprehensive loss	-	-	(5,536)	(5,536)
<b>Balance at 31<sup>st</sup> December 2014</b>	<b>6,523</b>	<b>7,662</b>	<b>(14,006)</b>	<b>179</b>

The notes form part of these financial statements

**Getronics Services UK Limited**  
**Statement of Cash Flows**  
**for the year ended 31<sup>st</sup> December 2014**

		<b>Year ended 31<sup>st</sup> Dec 2013 £'000</b>	<b>Year ended 31<sup>st</sup> Dec 2014 £'000</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	4,008	(14,001)
Interest paid		(1,537)	(926)
Net cash from operating activities		<u>2,471</u>	<u>(14,927)</u>
<b>Cash flows from investing activities</b>			
Investment in subsidiary undertaking		-	(265)
Purchase of intangible fixed assets		(119)	(438)
Purchase of tangible fixed assets		(1,356)	(1,979)
Net cash from investing activities		<u>(1,475)</u>	<u>(2,682)</u>
<b>Cash flows from financing activities</b>			
Share issue		4,500	8,434
(Repayment) / advance of intercompany loans		(4,988)	4,403
Short term borrowings		4,000	-
Repayment of finance of leases		(1,253)	(2,352)
Net cash from financing activities		<u>2,259</u>	<u>10,485</u>
<b>Increase / (decrease) in cash and cash equivalents</b>		3,255	(7,124)
<b>Cash and cash equivalents at beginning of period</b>		(3,769)	3,355
<b>Cash and cash equivalents at end of period</b>		<u>(514)</u>	<u>(3,769)</u>

The notes form part of these financial statements

**Getronics Services UK Limited**  
**Notes to the Statement of Cash Flows**  
**for year ended 31<sup>st</sup> December 2014**

**1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	Year ended 31 <sup>st</sup> Dec 2013 £'000	Year ended 31 <sup>st</sup> Dec 2014 £'000
Loss before income tax	(5,536)	(7,129)
Interest paid	1,537	926
Depreciation	2,740	3,054
Amortisation of intangible assets	773	1,024
Impairment of investments	-	581
Decrease in inventories	45	630
Decrease in trade and other receivables	3,495	307
Increase/(decrease) in trade and other payables	2,142	(12,279)
Decrease in provisions	(1,188)	(1,115)
<b>Cash generated from / (used in) operations</b>	<b>4,008</b>	<b>(14,001)</b>

**2. 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:

	2014 £'000	2013 £'000
Cash at bank	-	193
Bank overdraft	(514)	(3,962)
<b>Cash and cash equivalents</b>	<b>(514)</b>	<b>(3,769)</b>

**Getronics Services UK Limited**  
**Notes to the Financial Statements**  
**for the year ended 31<sup>st</sup> December 2014**

**1. ACCOUNTING POLICIES**

**Basis of preparation**

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

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 note Key management assumptions, Critical accounting estimates and judgements.

**Consolidation**

The company was, at the end of the year, a wholly owned subsidiary of another company incorporated in the EU and in accordance with section 400 of the Companies Act 2006, is not required to produce, and has not published consolidated accounts.

These separate financial statements contain information about Getronics Services UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under IAS 27, "Consolidated and separate financial statements", from the requirement to prepare consolidated financial statements as it and its subsidiary are included by full consolidation in the consolidated statements of its parent.

**Going Concern**

The directors believe that the New Shareholder Sales Growth plan and Portfolio Offering will create a sustainable business which will enable the company to trade profitably. The directors are 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.

The directors of the company have prepared the financial statements on the going concern basis.

**Revenue recognition**

Revenue is recognised on long term contracts based on the percentage of the contract completed based on the achievement of recognised milestones or management assessments to the extent that work has been completed.

Profit recognised on long term contracts is determined based on the total contract profit, which is estimated by reference to the total cost incurred to date plus total estimated costs to completion. Profit is recognised from the point at which it is reasonably certain that the profit will be earned. Provision is made for all foreseeable losses based on circumstances identified at the balance sheet date.

Product revenues, sales of goods are recognised when goods are delivered and title has passed.

Interest is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Expenditure incurred to date is recorded as work in progress less amounts billed on account and any provision for foreseeable future losses.

**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. Details of calculated goodwill are shown in note 7.

**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 Directors are of the opinion that the assets have not suffered any impairment during the period.

**Getronics Services UK Limited**  
**Notes to the Financial Statements continued**  
**for the year ended 31<sup>st</sup> December 2014**

**ACCOUNTING POLICIES - continued**

**New standards adopted**

There are no IFRSs or IFRIC interpretations that are effective for the first time in the financial period beginning on or after 1<sup>st</sup> January 2014 that would be expected to have a material impact on the Company.

**New standards and interpretations not yet adopted**

A number of new standards and interpretations are effective for period after 1<sup>st</sup> January 2014, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the statements of the Company:

- IFRS 11 Joint Arrangements
- IAS19 Employee benefits.
- IFRS 9 Financial instruments
- IFRS 15 Revenue from Contracts with Customers
- IFRIC 21 Levies

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

**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	- 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 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.

**Hire purchase and leasing commitments**

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.

**Getronics Services UK Limited**  
**Notes to the Financial Statements continued**  
**for the year ended 31<sup>st</sup> December 2014**

**ACCOUNTING POLICIES - continued**

**Key management assumptions**

**Critical accounting estimates and judgements**

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 may differ from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are noted below:

**Estimates**

Onerous lease provisions have been estimated based on the current cost of vacant property leases for the remaining term of the leases. A discount rate of 10% has been applied to the provision being managements estimated adjustment to re-state the cost at its future value. The provisions are released over the unexpired period of the lease to the profit and loss account.

Deferred tax was attributed to the timing differences in respect of estimated Fair Value adjustments to intangible assets and inventory using the estimated Corporation Tax rate of 21%, being the effective rate from 1<sup>st</sup> April 2014.

**Judgements**

The dilapidation provision is provided for the anticipated cost of restoring the leasehold property to their original state, the provision is based on management judgement of those costs with independent valuations obtained periodically to validate management's provision. An independent valuation was conducted at 31<sup>st</sup> December 2012 and an update to this was provided for the year ended 31<sup>st</sup> December 2014.

The cost of transitioning major contracts has been held on the Statement of Financial Position and amortised evenly over the life of the contract. This reflects the costs of transitioning the services from one provider to another, however if at any time over the life of the contract, management perceive that they will not be able to cover the costs at the rates provided then an additional release is made to the Income Statement based on the value of the anticipated shortfall.

Management have performed an impairment review of goodwill and intangible assets based on 5 year budget projects and forecasts. A discount rate of 8% has been applied. In their opinion no impairment provision is required for the year under review.

**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.

**Exceptional items**

One off costs not related to the normal trading activity of the business have been applied to exceptional items. These costs include the cost of restructuring the business and the IT costs incurred in carving out the Getronics environment from its previous parent company's environment.

**Financial instruments**

Financial assets and financial liabilities are recognised on the company's statement of Financial Position when the company has become a party to the contractual provisions of the instrument.

***Trade receivables***

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Credit risk assessments are performed on all new customers before contracting with them with subsequent reviews performed at defined periods.

***Intercompany borrowing***

Interest bearing intercompany loans are recorded at the proceeds 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.

***Trade payables***

Trade payables are stated at their nominal value.

***Cash and cash equivalents***

The Company had a overdraft facility in place at the year end, therefore cash and cash equivalents are stated at their nominal value. Finance charges are accounted for on an accruals basis and are settled in the period in which they arise.



**Getronics Services UK Limited**  
**Notes to the Financial Statements continued**  
**for the year ended 31<sup>st</sup> December 2014**

**ACCOUNTING POLICIES continued**

**Financial Instruments – continued**

***Finance lease borrowings***

Interest bearing finance leases are recorded at the proceeds received. Direct issue costs are expensed in the period in which payment is taken. Finance charges, including premiums payable on settlement, are accounted for on an accruals basis and are prepaid to the extent that payment is made in advance.

Financial instruments by category

	Loans and Receivables £'000	Other financial liabilities at amortised cost £'000	2014 Total £'000
<b>Assets per Statement of Financial Position</b>			
Trade and other receivables excluding prepayments	12,291	-	12,291
Intercompany trade receivables	5,933	-	5,933
Cash and cash equivalents	-	-	-
<b>Total</b>	<b>18,224</b>	<b>-</b>	<b>18,224</b>
<b>Liabilities per Statement of Financial Position</b>			
Borrowings excluding finance leases	-	10,377	10,377
Finance lease liabilities	-	2,189	2,189
Trade and other payables excluding excluding non-financial liabilities	-	14,131	14,131
Intercompany trade payables	-	3,739	3,739
Bank overdraft	-	514	514
<b>Total</b>	<b>-</b>	<b>30,950</b>	<b>30,950</b>
	Loans and Receivables £'000	Other financial liabilities at amortised cost £'000	2013 Total £'000
<b>Assets per Statement of Financial Position</b>			
Trade and other receivables excluding prepayments	19,937	-	19,937
Intercompany trade receivables	522	-	522
Cash and cash equivalents	193	-	193
<b>Total</b>	<b>20,652</b>	<b>-</b>	<b>20,652</b>
<b>Liabilities per Statement of Financial Position</b>			
Borrowings excluding finance leases	-	15,328	15,328
Finance lease liabilities	-	2,857	2,857
Trade and other payables excluding excluding non-financial liabilities	-	13,976	13,976
Intercompany trade payables	-	1,237	1,237
<b>Total</b>	<b>-</b>	<b>33,398</b>	<b>33,398</b>

**Derivative financial instruments**

No hedging derivatives were held at the year end. The foreign currency contracts 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.

**Getronics Services UK Limited**  
**Notes to the Financial Statements continued**  
**for the year ended 31<sup>st</sup> December 2014**

**ACCOUNTING POLICIES - continued**

**Employee benefit costs**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension 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 is included as an exchange gain or loss in the income statement.

**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 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. At 31st December 2014 the company held £20.8m (2013: £24.6m) of liquid assets and other current assets expected to readily generate cash inflows for managing liquidity risk.

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

	<b>6 months or less £'000</b>	<b>6-12 months £'000</b>	<b>1-2 years £'000</b>	<b>2-5 years £'000</b>
<b>2014</b>				
Finance lease liabilities (inc. interest)	538	567	1,002	435
Intercompany loans (inc interest)	-	4,782	-	-
Trade and other payables (excludes accruals and deferred revenue)	16,092	-	-	-
	<b>6 months or less £'000</b>	<b>6-12 months £'000</b>	<b>1-2 years £'000</b>	<b>2-5 years £'000</b>
<b>2013</b>				
Finance lease liabilities (inc. interest)	512	539	1,008	1,446
Intercompany loans (inc interest)	1,938	257	10	-
Trade and other payables (excludes accruals and deferred revenue)	15,833	-	-	-

**Getronics Services UK Limited**  
**Notes to the Financial Statements continued**  
**for the year ended 31<sup>st</sup> December 2014**

**Financial risk management - continued**

**Currency risk**

The company is exposed to currency risk on purchases, sales, borrowings and cash that are denominated in a currency other than GBP- primary currency. Foreign exchange risk arises from transactions booked in foreign currencies. Currently the company's exposure to third party foreign exchange risk is not significant but the company monitors the foreign currency requirements and would hedge foreign currency exchange risk exposure as it becomes necessary.

**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.

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 directors believe that the New Shareholder Sales Growth plan and Portfolio Offering will create a sustainable business which will enable the company to trade profitably. The directors are 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.

**Bank**

During 2014 the company renewed its overdraft facility and also arranged a new revolving credit facility with its bankers, Barclays. The overdraft balance at 31<sup>st</sup> December 2014 was £514,000 and the balance on the revolving credit facility was £4,000,000.

**2. EMPLOYEES AND DIRECTORS**

	Year ended 31 <sup>st</sup> Dec 2014 £000	Year ended 31 <sup>st</sup> Dec 2013 £000
Wages and salaries	21,077	23,432
Social security costs	2,312	2,618
Other pension costs	743	704
<b>Staff costs</b>	<b>24,132</b>	<b>26,754</b>

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

	Year ended 31 <sup>st</sup> Dec 2014 (Number)	Year ended 31 <sup>st</sup> Dec 2013 (Number)
Operational	464	501
Sales, general and administration	81	92
	<b>545</b>	<b>593</b>

**Getronics Services UK Limited**  
**Notes to the Financial Statements continued**  
**for the year ended 31<sup>st</sup> December 2014**

**EMPLOYEES AND DIRECTORS - continued**

	Year ended 31 <sup>st</sup> Dec 2014 £'000	Year ended 31 <sup>st</sup> Dec 2013 £'000
Directors' emoluments (including benefits in kind)	655	522
Directors' pension contributions to money purchase schemes	79	61

The directors' remuneration shown above (excluding pension contributions) includes amounts paid to the highest paid director as follows:

	Year ended 31 <sup>st</sup> Dec 2014 £'000	Year ended 31 <sup>st</sup> Dec 2013 £'000
Aggregate emoluments (including benefits in kind)	468	373
Pension contributions paid	62	43

The number of directors to whom retirement benefits were accruing was as follows:

	Year ended 31 <sup>st</sup> Dec 2014 £'000	Year ended 31 <sup>st</sup> Dec 2013 £'000
Money purchase schemes	2	2

**3. EXCEPTIONAL ITEMS**

Following the acquisition of the trade and assets of Getronics UK Limited on 1st May 2012 by Getronics Services UK Limited the company initiated a cost review programme. The key business areas included the transition and novation of the acquired trade and field staff business. Exceptional costs reported in the period related to the KPN Separation Programme and Operational Alignment to the New Sales Growth Plan.

In 2014 the dispute between Getronics and P&O Ferries following the termination of the outsourcing agreement in February 2013 was resolved leading to the exceptional charge noted below.

	Year ended 31 <sup>st</sup> Dec 2014 £'000	Year ended 31 <sup>st</sup> Dec 2013 £'000
Employee related restructuring costs	390	1,378
Settlement of commercial dispute	810	-
<b>Exceptional items</b>	<b>1,200</b>	<b>1,378</b>

**4. FINANCE COSTS**

	Year ended 31 <sup>st</sup> Dec 2014 £'000	Year ended 31 <sup>st</sup> Dec 2013 £'000
Intercompany loan interest	663	392
Interest paid on finance leases	438	310
Bank overdraft interest	244	86
Other finance costs	192	138
<b>Finance costs</b>	<b>1,537</b>	<b>926</b>

**Getronics Services UK Limited**  
**Notes to the Financial Statements continued**  
**for the year ended 31<sup>st</sup> December 2014**

**5. LOSS BEFORE INCOME TAX**

The loss before income tax is stated after charging:

	Year ended 31 <sup>st</sup> Dec 2014 £'000	Year ended 31st Dec 2013 £'000
<b>Cost of sales:</b>		
Employee benefit expenses	18,023	20,177
Other operating leases	508	493
Depreciation – owned assets	1,403	1,784
Depreciation – assets on hire purchase contracts or finance leases	1,049	1,093
Amortisation of intangible assets – software	59	333
<b>Administration expenses:</b>		
Employee benefit expenses	6,109	6,578
Depreciation own assets	288	177
Amortisation of intangible assets – customer contracts and relations	714	691
Foreign exchange loss	727	472
Auditors' remuneration – audit services	65	65

**6. INCOME TAX**

**Analysis of tax expense**

No liability to UK corporation tax arose on ordinary activities for the year/period.

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

	Year ended 31 <sup>st</sup> Dec 2014 £'000	Year ended 31st Dec 2013 £'000
<b>Current tax</b>		
UK corporation tax	-	-
<b>Total current tax</b>	-	-

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

	Year ended 31 <sup>st</sup> Dec 2014 £'000	Year ended 31st Dec 2013 £'000
Loss before income tax	(5,536)	(6,203)
Tax on the standard rate in the UK 21.5% (2013 – 23.3%)	(1,190)	(1,445)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	374	395
Tax losses available to carry forward	816	1,050
Release of deferred tax provision	-	963
<b>Current tax charge for the year</b>	-	963

Deferred tax was attributed to the timing differences in respect of intangible assets and inventory, the main corporation tax has reduced from 23% to 21% from 1<sup>st</sup> April 2014. Deferred tax balances have therefore been revalued to 21% at the period end as this is the rate based on legislation that had been substantively enacted at the balance sheet date.

**Getronics Services UK Limited**  
**Notes to the Financial Statements - continued**  
**for the year ended 31st December 2014**

**7. GOODWILL**

	<b>£'000</b>
<b>Cost</b>	
At 1 January 2014 and 31 December 2014	1,902
Accumulated amortisation	
At 1 January 2014	(581)
Charge for the year	-
Impairment charge for the year	-
At 31 December 2014	(581)
<b>Net book value</b>	
At 31 December 2014	1,321
At 31 December 2013	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 31st December 2014, the assumptions used in the model were terminal growth rate of 2.25% and a discount rate of 9.8% the model looked to estimate net present value of cash generating assets at that date. The cash flows were based on projected revenue and EBIT, depreciation, capital expenditure and tax using the latest forecasts and budgets. As a result of this review the Directors are of the opinion that the assets had not suffered any further impairment.

**8. INTANGIBLE ASSETS**

	<b>Customer contracts &amp; relations costs £'000</b>	<b>Computer software £'000</b>	<b>Totals £'000</b>
<b>Cost</b>			
At 1 January 2014	3,575	609	4,184
Additions	-	119	119
At 31 December 2014	3,575	728	4,303
<b>Accumulated amortisation</b>			
At 1 January 2014	(1,168)	(383)	(1,551)
Charge for the year	(714)	(59)	(773)
At 31 December 2014	(1,882)	(442)	(2,324)
<b>Net book value</b>			
At 31 December 2014	1,693	286	1,979
At 31 December 2013	2,407	226	2,633

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. The asset is being amortised on a straight line basis over 60 months. The directors do not believe that there has been a material change to the valuation or the amortisation assumptions. An impairment review was performed at 31st December 2014, the assumptions used in the model were terminal growth rate of 2.25% and a discount rate of 9.8% the model looked to estimate net present value of cash generating assets at that date. The cash flows were based on projected revenue and EBIT, depreciation, capital expenditure and tax using the latest forecasts and budgets. As a result of this review the Directors are of the opinion that the assets had not suffered any further impairment.

**Getronics Services UK Limited**  
**Notes to the Financial Statements - continued**  
**for the year ended 31<sup>st</sup> December 2014**

**9. PROPERTY, PLANT AND EQUIPMENT**

	Freehold property £'000	Leasehold property £'000	Machinery & equipment £'000	Fixtures & fittings £'000	MIS Equipment £'000	Total £'000
<b>Cost</b>						
At 1 January 2014	2,521	712	2,930	27	5,949	12,139
Additions	189	14	185	49	1,504	1,941
Disposals	-	-	-	-	-	-
At 31 December 2014	2,710	726	3,115	76	7,453	14,080
<b>Accumulated depreciation</b>						
At 1 January 2014	(1,344)	(448)	(1,547)	(17)	(1,384)	(4,740)
Charge for the year	(85)	(203)	(734)	(17)	(1,701)	(2,740)
Disposals	-	-	-	-	-	-
At 31 December 2014	(1,429)	(651)	(2,281)	(34)	(3,085)	(7,480)
<b>Net book value</b>						
At 31 December 2014	1,281	75	834	42	4,368	6,600
At 31 December 2013	1,177	264	1,383	10	4,565	7,399

The net book value of MIS Equipment includes £2,138k in respect of assets held under hire purchase contracts or finance leases.

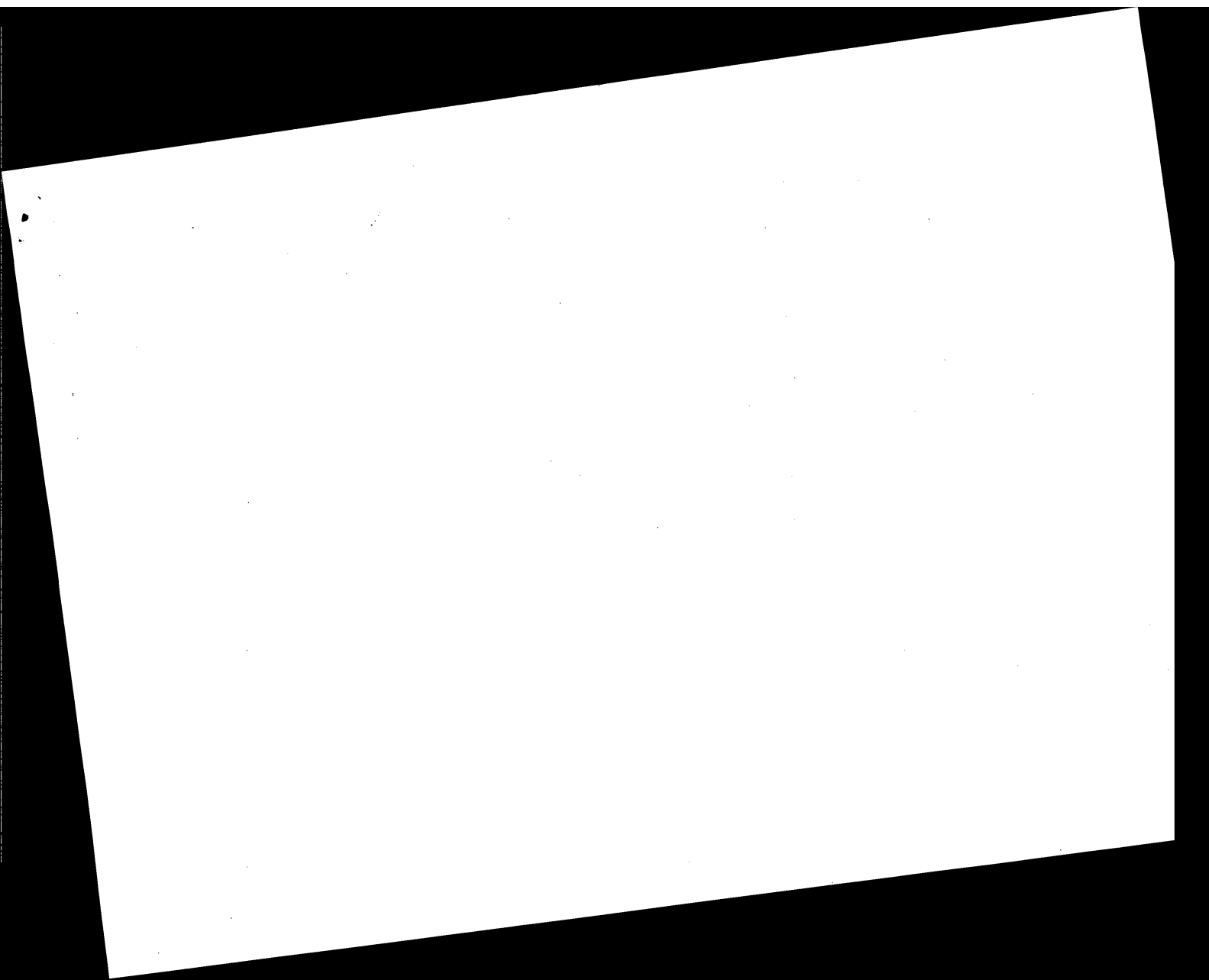
**10. EQUITY INVESTMENTS**

	2014 £'000	2013 £'000
Investment in subsidiary	265	265
	265	265

The equity investment relates to the acquisition of Getronics Unified Communications Ltd, a wholly owned subsidiary of Getronics Services UK Ltd.

**11. INVENTORIES**

	2014 £'000	2013 £'000
Finished goods	162	207
	162	207





**Getronics Services UK Limited**  
**Notes to the Financial Statements – continued**  
**for the year ended 31<sup>st</sup> December 2014**

**12. TRADE AND OTHER RECEIVABLES**

	<b>2014</b>	2013
	<b>£'000</b>	£'000
Trade receivables	8,261	10,762
Less: provision for impairment of trade receivable	-	-
Trade receivables – net	8,261	10,762
Prepayments	2,440	3,700
Receivables from related parties (note 25)	5,933	522
Accrued revenue	3,534	5,187
Other debtors	496	3,988
<b>Current portion</b>	<b>20,664</b>	<b>24,159</b>

There were no non-current receivables at the 31<sup>st</sup> December 2014.

There were no fair value adjustments applied to any of the trade and other receivables at 31<sup>st</sup> December 2014, therefore the amounts are stated at nominal value.

As at 31<sup>st</sup> December 2014, trade receivable of £8,261k were fully performing.

As at 31<sup>st</sup> December 2014, trade receivables of £503k were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	<b>2014</b>	2013
	<b>£'000</b>	£'000
3 to 6 months	503	1,498

As at 31<sup>st</sup> December 2014 no trade receivables were impaired. It is expected that all receivables overdue will be recoverable. The aging of these receivable is per the table above.

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

	<b>2014</b>	2013
	<b>£'000</b>	£'000
GBP	8,080	10,512
EUR	181	312
USD	-	(62)
	<b>8,261</b>	<b>10,762</b>

The other classes within trade receivables do not contain impaired assets.

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.

**Credit quality of accounts receivable**

The credit quality of accounts receivable that are neither past due nor impaired can be assessed by reference to an internal Credit assessment. This is based on historical information and external credit rating reviews about counterparties credit history and performance. No counterparties have credit rating based solely on external rates.

**Getronics Services UK Limited**  
**Notes to the Financial Statements – continued**  
**for the year ended 31<sup>st</sup> December 2014**

**12. TRADE AND OTHER RECEIVABLES - continued**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>Trade Receivables</b>		
Counterparties with external credit rating:	-	-
Counterparties with internal ratings:		
High risk	-	-
Normal and low risk	8,261	10,762
<b>Total unimpaired trade receivables</b>	<b>8,261</b>	<b>10,762</b>

**13. CASH AND CASH EQUIVALENTS**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Bank accounts	-	193

**14. CALLED UP SHARE CAPITAL**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised, allotted and fully paid</b>		
6,523,139 (2013 – 2,523,139) ordinary shares of £1 each	6,523	2,523

In December 2014 the Company issued 4.0 million ordinary shares of £1 each for £4.5m.

**15. RESERVES**

	<b>Profit &amp; Loss</b>
	<b>2014</b>
	<b>£'000</b>
At 1 <sup>st</sup> January 2014	(8,470)
Loss for the year	(5,536)
At 31 <sup>st</sup> December 2014	(14,006)

**16. TRADE AND OTHER PAYABLES**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current:</b>		
Trade creditors	5,701	3,604
Amounts owed to group undertakings	10,116	11,256
Social security and other taxes	375	2,465
Accruals and deferred income	7,541	7,907
	<b>23,733</b>	<b>25,232</b>

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

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
GBP	5,737	3,604
EUR	(316)	-
USD	280	-
	<b>5,701</b>	<b>3,604</b>

**Getronics Services UK Limited**  
**Notes to the Financial Statements – continued**  
**for the year ended 31<sup>st</sup> December 2014**

**16. TRADE AND OTHER PAYABLES - continued**

	2014 £'000	2013 £'000
Non-current:		
Amounts owed to group undertakings	-	1,347
	-	1,347

Amounts owed to group undertakings:

	Trade Payable £'000	Intercompany Accrual £'000	Loans £'000	Loan Interest £'000	2014 Total £'000
<b>Current:</b>					
GSC Malaysia	123	-	-	-	123
Connectis ICT Services SAU	473	-	-	-	473
GTN Services BV	2,028	-	4,490	-	6,518
Getronics Belgium SA	44	14	-	-	58
Getronics Deutschland GmbH	5	-	-	-	5
EMEA Tavolsagi Szolgatato	690	349	-	-	1,039
Getronics Solution (S) Pte Limited	13	-	-	-	13
Getronics Unified Communications Ltd	-	-	1,887	-	1,887
	3,376	363	6,377	-	10,116

	Trade Payable £'000	Intercompany Accrual £'000	Loans £'000	Loan Interest £'000	2013 Total £'000
<b>Current:</b>					
GSC Malaysia	209	-	-	-	209
Connectis ICT Services SAU	221	-	1,670	-	1,891
Getronics Global Services BV	-	16	5,607	-	5,623
Getronics Belgium SA	85	-	943	-	1,028
Getronics Deutschland GmbH	184	-	-	-	184
EMEA Tavolsagi Szolgatato	350	83	-	-	433
Getronics Solution (S) Pte Limited	89	-	-	-	89
Getronics Unified Communications Ltd	-	-	1,799	-	1,799
	1,138	99	10,019	-	11,256

Amounts owed to group undertakings:

	Trade Payable £'000	Intercompany Accrual £'000	Loans £'000	Loan Interest £'000	2014 Total £'000
<b>Non-current:</b>					
Getronics Global BV	-	-	-	-	-
	-	-	-	-	-

	Trade Payable £'000	Intercompany Accrual £'000	Loans £'000	Loan Interest £'000	2013 Total £'000
<b>Non-current:</b>					
Getronics Global BV (repayable 01.01.15)	-	-	1,347	-	1,347
	-	-	1,347	-	1,347

**Getronics Services UK Limited**  
**Notes to the Financial Statements - continued**  
**for the year ended 31<sup>st</sup> December 2014**

**16. TRADE AND OTHER PAYABLES – continued**

Intercompany borrowings maturity periods and average annual interest rates charged at the 31<sup>st</sup> December 2014 are as follows:

			<b>2014</b>
			<b>£'000</b>
		Annual interest rate	
1-5 years	Getronics Global BV	5.0%	4,490
	Getronics Unified Communications Ltd	0.0%	1,887
			<b>6,377</b>
		Annual interest rate	<b>2013</b>
			<b>£'000</b>
1-5 years	Getronics Global BV	5.0%	6,954
	Getronics Belgium SA	6.5%	943
	Getronics Switzerland	6.5%	1,670
	Getronics Unified Communications Ltd	0.0%	1,799
			<b>11,366</b>

**17. BORROWINGS**

		<b>2014</b>	<b>2013</b>
		<b>£'000</b>	<b>£'000</b>
<b>Current:</b>			
Bank overdrafts		514	3,962
Loans from financial institutions	- due within one year	5,031	1,031
		<b>5,545</b>	<b>4,993</b>
<b>Non-current:</b>			
Loans from financial institutions	- due after one year	1,158	1,826
<b>Total</b>		<b>6,703</b>	<b>6,819</b>

Total

Finance lease borrowings are repayable in the following periods and attract average annual interest rates as follows:

		<b>2014</b>
		<b>£'000</b>
6 months or less	11%	418
6 – 12 months	10%	462
1 – 5 years	7%	1,309
		<b>2013</b>
		<b>£'000</b>
6 months or less	11%	418
6 – 12 months	10%	462
1 – 5 years	7%	1,977

**Getronics Services UK Limited**  
**Notes to the Financial Statements – continued**  
**for the year ended 31<sup>st</sup> December 2014**

**17. BORROWINGS - continued**

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

	<b>2014</b>	2013
	<b>£'000</b>	<b>£'000</b>
Gross finance lease liabilities – minimum lease payments		
No later than 1 year	1,105	1,051
Later than 1 year and no later than 5 years	1,437	2,455
	<b>2,542</b>	<b>3,507</b>
Future finance charges on finance lease liabilities	(353)	(650)
Present value of finance lease liabilities	<b>2,189</b>	<b>2,857</b>

	<b>2014</b>	2013
	<b>£'000</b>	<b>£'000</b>
No later than 1 year	1,031	1,031
Later than 1 year and no later than 5 years	1,158	1,826
Present value of finance lease liabilities	<b>2,189</b>	<b>2,857</b>

**18. LEASING AGREEMENTS**

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

	<b>Land and buildings</b>	<b>Other operating leases</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>2014</b>			
<b>Operating leases which expire</b>			
- within one year	719	364	1,083
- within two – five years	197	154	351
	<b>916</b>	<b>518</b>	<b>1,434</b>
<b>2013</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Operating leases which expire</b>			
- within one year	939	760	1,699
- within two – five years	746	862	1,608
	<b>1,685</b>	<b>1,622</b>	<b>3,307</b>

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

**Getronics Services UK Limited**  
**Notes to the Financial Statements – continued**  
**for the year ended 31<sup>st</sup> December 2014**

**19. PROVISIONS**

	<b>Dilapidations provision</b>		<b>Onerous lease provision</b>		<b>Integration provision</b>		<b>Total</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 January	468	749	635	1,925	461	6	1,564	2,680
Charge for the year	-	10	-	-	390	1,378	390	1,388
Utilisation	(234)	(157)	(493)	(1,290)	(851)	(923)	(1,578)	(2,370)
Released		(134)		-		-		(134)
At 31 December	234	468	142	635	-	461	376	1,564

The current level of provisions is sufficient to meet the expected cost of servicing vacant properties for the next two years plus any specific dilapidation costs on leases that will expire within the next five years.

The dilapidations provision relates to future obligations that may arise when the company vacates the leasehold properties.

The onerous lease provision is in respect of leasehold properties which are unoccupied and no longer operational.

A discount rate of 10% was applied against the dilapidation and onerous lease provisions.

The integration provision relates to restructuring expenses in respect of the reorganisation of the business.

**20. ULTIMATE PARENT COMPANY**

The parent company and ultimate controlling party is Aurelius AG, a company incorporated in Germany with Offices in Munich and London and subsidiaries in Germany, United Kingdom, Switzerland, Norway, Belgium, Luxemburg, Slovakia and Slovenia, as well as the United States, China, Malaysia, India, Thailand and South Korea. The shares of AURELIUS AG are traded in the m:access of the Munich Stock Exchange under ISN DE000A0JKA8.

Copies of Aurelius AG consolidated financial statements are available on their Website or via the Investor Relations & Corporate Communications which can be contacted via;

Phone: (S) +49 (89) 5447990

Fax: +49 (89) 544799 55

E-Mail: [investor@aureliusinvest.de](mailto:investor@aureliusinvest.de)

The largest and smallest group to consolidate results is AureliusAG.

**21. CONTINGENT LIABILITIES**

The company is subject to legal proceeding and claims that arise in the ordinary course of its business. In the opinion of the directors, the amount of any ultimate liability in respect of these actions will not materially affect the financial position of the company.

**Getronics Services UK Limited**  
**Notes to the Financial Statements – continued**  
**for the year ended 31<sup>st</sup> December 2014**

**22. CAPITAL COMMITMENTS**

Capital commitments authorised at 31<sup>st</sup> December 2014 amounted to £nil (2013 - £nil).

**23. OTHER FINANCIAL COMMITMENTS**

Other financial commitments at 31<sup>st</sup> December 2014 amounted to £nil (2013 - £nil).

**24. CUSTOMER DISPUTE**

The dispute between Getronics and P&O Ferries following the termination of the outsourcing agreement in February 2013 was fully resolved by both parties in December 2014.

**25. RELATED PARTY DISCLOSURES**

During the year the company entered into the following transactions with related parties.

<b>Year ended 31<sup>st</sup> Dec 2014</b>	<b>Sales of services £'000</b>	<b>Purchase of services £'000</b>	<b>Amounts owed by related parties £'000</b>	<b>Amounts owed to related parties £'000</b>	<b>Loans owed to related parties £'000</b>
GSC Malaysia	44	133	44	123	-
Connectis ICT Services SAU	-	435	-	473	-
Getronics Global Services BV	3,548	3,437	5,439	2,028	4,490
Getronics Belgium SA	33	41	33	58	-
Getronics Deutschland GmbH	120	3	120	5	-
EMEA Tavolsagi Szolgatato	296	448	297	1,039	-
Getronics Solution (S) Pte Limited	-	6	-	13	-
Getronics Ireland Ltd	200	-	-	-	-
Getronics Unified Communications Ltd	-	-	-	-	1,887
	<b>4,041</b>	<b>4,503</b>	<b>5,933</b>	<b>3,739</b>	<b>6,377</b>

<b>Year ended 31<sup>st</sup> Dec 2013</b>	<b>Sales of services £'000</b>	<b>Purchase of services £'000</b>	<b>Amounts owed by related parties £'000</b>	<b>Amounts owed to related parties £'000</b>	<b>Loans owed to related parties £'000</b>
GSC Malaysia	107	148	-	209	-
Connectis ICT Services SAU	12	330	11	221	1,670
Getronics Global Services BV	1,769	4,804	435	16	6,954
Getronics Belgium SA	8	93	8	85	943
Getronics Deutschland GmbH	96	184	17	184	-
EMEA Tavolsagi Szolgatato	50	590	51	433	-
Getronics Solution (S) Pte Limited	-	89	-	89	-
Getronics Unified Communications Ltd	-	-	-	-	1,799
	<b>2,042</b>	<b>6,238</b>	<b>522</b>	<b>1,237</b>	<b>11,366</b>

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.

**26. EVENTS AFTER THE REPORTING PERIOD**

There are no events that have occurred since the balance sheet date that require disclosure.