

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

**Annual report and financial statements
for the year ended 31 January 2022**

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TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

Company information

Directors

K Allgire
A Gass
S Nolan
S Philp
S Walker

Registered number

10511136

Registered office

Maplewood Crockford Lane
Chineham Park
Basingstoke
Hampshire
RG24 8YB

Independent auditor

KPMG LLP
2 Forbury Place
33 Forbury Road
Reading
Berkshire
RG1 3AD

TD SYNEX UK Resources Limited (formerly Tech Data UK Resources Limited)

Contents

	Pages
Strategic report	1 - 2
Directors' report	3 - 4
Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements	5
Independent auditor's report to the members of TD SYNEX UK Resources Limited (formerly Tech Data UK Resources Limited)	6 - 9
Income statement	10
Statement of financial position	11
Statement of changes in equity	12
Notes to the financial statements	13 - 25

TD SYNEX UK Resources Limited (formerly Tech Data UK Resources Limited)

Strategic report for the year ended 31 January 2022

The directors present the strategic report for the year ended 31 January 2022.

Change of name

As part of the TD SYNEX group companies rebranding, the company changed its name to TD SYNEX UK Resources Limited on 13 December 2022.

Review of business

The principal activity of the company is that of a group financing entity within the TD SYNEX group.

In March 2021, the Board of Tech Data Corporation, the ultimate parent undertaking of the company at that time, announced that it had entered into an agreement to merge with TD SYNEX Corporation. The merger completed on 1 September 2021 and TD SYNEX Corporation became the ultimate parent undertaking of the company.

Following the merger, the Accounts Receivables Purchase Agreement ('ARPA') was terminated in several countries and only 5 European TD SYNEX entities remain (2021: 14).

The company continues to pursue the strategic policy set by the board of directors.

The company's key financial indicators during the year can be summarised as follows:

	2022	2021	Change
	€000	€000	%
Net current assets	1,732,487	1,676,516	3.4
Shareholder's equity	1,732,487	1,691,365	3.4

A number of countries left the ARPA facility during the year. At the end of FY22, 5 countries were part of this arrangement compared to 14 at the end of FY21. The debtor purchasing scheme commenced in FY21 and resulted in a one off expense due to the expected credit losses ("ECL") provision being recognised on all the debtors purchased by the company driving the loss in FY21. In FY22, through effective working capital management within countries and a robust collection strategy on accounts receivable, the company has achieved a reduction in the ECL provision and other credit costs resulting in an increased operating profit for the current year.

Principal risks and uncertainties

The following risks apply to the company:

Liquidity risk

The company has access to the cash required for normal operations by being part of the global cash-pooling arrangement. The directors consider that the cash flow risk is at an acceptable level, and risks are mitigated through use of the group cash pool balances.

Interest rate risk

The company's principal financial instruments comprise amounts owed by / to fellow group undertaking. The main risk arising from the company's financial instruments is interest rate risk. The company monitors the level of borrowings to / from fellow group undertakings and related finance income / expense recognising that interest rates are subject to fluctuations.

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

Strategic report (continued) for the year ended 31 January 2022

Principal risks and uncertainties (continued)

Counterparty risk

Counterparty risk is the risk of financial loss to the company if a counterparty to a financial instrument fails to meet its contractual obligations. The company purchases debtors from some Tech Data entities within Europe. The risk of default on these debtors is also transferred to the company upon purchase of the debtors. All of the entities maintain appropriate credit control procedures. The risk that amounts will not be collected is considered low due to the group's policy on trade receivables which include a 100% write off against receivables greater than 180 days regardless of credit insurance coverage, a robust collections policy across the group, regular analysis of the lifetime expected credit losses and credit insurance cover.

Future developments

The directors expect the company to continue to act as a group financing entity.

Streamlined Energy and Carbon reporting

The directors have considered the new Streamlined Energy and Carbon reporting requirements and have concluded the company has nothing to report. This is because the company has no open offices in the UK, and does not have any vehicles or any other equipment or machinery that emit greenhouse gases and no other employees besides directors whose services to the company are insignificant in relation to the group as a whole.

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

DocuSigned by:

Steve Philp

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**S Philp
Director**

Date: Jan 30, 2023

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

Directors' report for the year ended 31 January 2022

The directors present their report and the audited financial statement of the company for the year ended 31 January 2022.

Principal activity

The principal activity of the company continued to be that of a group financing entity within the TD SYNnex group.

Results and dividends

The profit for the year, after taxation, amounted to €41,122,000 (2021: €14,218,000).

No ordinary dividends were paid (2021: €nil). The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signing of the financial statements, unless otherwise indicated, were as follows:

K Allgire
A Gass
S Nolan
S Philp (appointed 31 August 2021)
S Walker
H Tuffnail (resigned 31 August 2021)

Going concern

As at 31 January 2022, the company has net current assets of €1,732,487,000 which mainly comprises factored receivables and receivables owed by fellow group companies. Within this is €171,564,000 held as part of a cash pool balance by a group treasury entity which is available to the company on demand. This amount covers the company's intercompany liabilities of €13,520,000 which are repayable at 45 days' notice. The company does not incur significant cash outflows that aren't related to the onward sweep of settled receivables to the group treasury entity. There is therefore no immediate expectation that the company will require funding from its ultimate parent TD SYNnex Corporation, however TD SYNnex Corporation, including any subsidiary entities thereof that act as the funding entity, has confirmed that it has no intention to call for settlement of inter-company balances in the event that this would impact the ability of the company to continue as a going concern.

The directors have made an assessment of the parent and are satisfied that it does have the ability to provide this support. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The directors have been monitoring the recent turmoil in the markets, in particular the impact on interest rates and the performance of the UK pound vs the US dollar. Regarding interest rates most intercompany loan notes are fixed rates. The in-house bank borrowings are on overnight rates but there are not significant borrowings currently or expected. Furthermore, due to the group structure, entities can depend on subsidiary earnings and with the centralised treasury function the group is pooling funds which minimises the reliance on external borrowings. The falling UK pound and euro vs the US dollar will affect the US Dollar trading for the EMEA entities however this is mitigated by the foreign exchange policy to hedge with forward contracts all specific foreign currency deals over €50k, with a general hedge for all deals falling below this threshold.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

Directors' report (continued) for the year ended 31 January 2022

Subsequent events

The company's next accounting period has been shortened so as to end on 30 November 2022.

There have been no other significant events after the statement of financial position date.

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 the director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

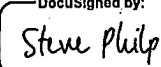
On 16 November 2022, the company appointed KPMG LLP as auditor.

KPMG LLP is deemed to be reappointed under Section 487(2) of the Companies Act 2006.

Strategic report

The company has chosen in accordance with Companies Act 2006, Section 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management policies, Streamlined Energy and Carbon reporting disclosures and future developments.

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

DocuSigned by:

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**S Philp
Director**

Maplewood Crockford Lane
Chineham Park
Basingstoke
Hampshire
RG24 8YB

Date: Jan 30, 2023

TD SYNEX UK Resources Limited (formerly Tech Data UK Resources Limited)

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the strategic report, the directors' report and the financial statement in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 year.

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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of TD SYNEX UK Resources Limited (formerly Tech Data UK Resources Limited)

Opinion

We have audited the financial statements of TD SYNEX UK Resources Limited (formerly Tech Data UK Resources Limited) ("the Company") for the year ended 31 January 2022 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

Independent auditor's report to the members of TD SYNEX UK Resources Limited (formerly Tech Data UK Resources Limited)
(Continued)

Fraud and breaches of laws and regulations – ability to detect (Continued)

- Enquiring of directors and management as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is calculated by the application of a percentage factoring charge to the receivables purchased from other group companies each month, which is simple and does not involve estimation or judgement.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included postings to revenue accounts with unexpected corresponding entries to unrelated accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: GDPR compliance and legislation relating to money laundering or fraud, corruption and bribery, recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent auditor's report to the members of TD SYNEX UK Resources Limited (formerly Tech Data UK Resources Limited)

(Continued)

Fraud and breaches of laws and regulations – ability to detect (Continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and Directors' report

The directors are responsible for the other information, which comprises the strategic report and the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Independent auditor's report to the members of TD SYNEX UK
Resources Limited (formerly Tech Data UK Resources Limited)
(Continued)**

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Robert Fitzpatrick (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
2 Forbury Place,
33 Forbury Road
Reading,
Berkshire
RG1 3AD
Date: 31 January 2023

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

Income statement for the year ended 31 January 2022

	Note	2022 €000	2021 €000
Revenue	4	34,751	32,027
Administrative credit / (expenses)		7,976	(18,510)
Operating profit	7	42,727	13,517
Finance income	8	838	3,702
Finance costs	9	(1,745)	(3,001)
Profit before taxation		41,820	14,218
Tax on profit	10	(698)	-
Profit and total comprehensive income for the financial year		41,122	14,218

There were no recognised gains and losses for 2022 and 2021 other than those presented in the income statement above. Accordingly, no statement of other comprehensive income has been presented.

The company's results are derived from continuing operations.

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

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

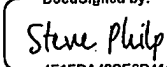
Registered number: 10511136

Statement of financial position as at 31 January 2022

	Note	2022 €000	2022 €000	2021 €000	2021 €000
Non-current assets					
Trade and other receivables	11		-		14,849
			-		14,849
Current assets					
Trade and other receivables	11	1,754,651		2,253,969	
		1,754,651		2,253,969	
Current liabilities					
Trade and other payables	12	(22,164)		(577,453)	
Net current assets			1,732,487		1,676,516
Total assets less current liabilities			1,732,487		1,691,365
Net assets			1,732,487		1,691,365
Equity					
Called up share capital	13		270,081		270,081
Share premium account	14		1,395,000		1,395,000
Retained earnings	14		67,406		26,284
Total equity			1,732,487		1,691,365

Jan 30, 2023

The financial statements were approved by the Board of directors and authorised for issue on 2023 and are signed on its behalf by:

DocuSigned by:

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S Philp
Director

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

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

**Statement of changes in equity
for the year ended 31 January 2022**

	Called up share capital €000	Share premium account €000	Retained earnings €000	Total equity €000
Balance at 1 February 2020	115,081	-	12,066	127,147
Profit and total comprehensive income for the year	-	-	14,218	14,218
Transactions with owners recorded directly in equity				
Proceeds from shares issued	155,000	1,395,000	-	1,550,000
Balance at 31 January 2021	270,081	1,395,000	26,284	1,691,365
Profit and total comprehensive income for the year	-	-	41,122	41,122
Balance at 31 January 2022	270,081	1,395,000	67,406	1,732,487

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

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

Notes to the financial statements for the year ended 31 January 2022

1. General information

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited) (the 'company') is a private company limited by shares, incorporated and domiciled in England. The registered office address is Maplewood Crockford Lane, Chineham Park, Basingstoke, Hampshire, RG24 8YB.

The company's principal activities and nature of its operations are disclosed in the directors' report.

2. Accounting policies

2.1 Accounting convention and statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

In preparing these financial statements the company applies the recognition and measurement requirement of International Financial Reporting Standards as adopted by the UK (UK-adopted International Accounting Standards) amended where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

On 31 December 2020, EU-adopted IFRS was brought into UK law and became UK-adopted International Accounting Standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. In preparing these financial statements in accordance with FRS 101, the company financial statements transitioned to UK-adopted International Accounting Standards (as disclosed above) on 1 February 2021. There is no impact on recognition, measurement or disclosure in the period reported as a result of this change.

The financial statements are prepared in Euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €1,000, unless otherwise indicated.

The financial statements have been prepared under the historical cost basis. The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of: (i) paragraph 79(a)(iv) of IAS 1;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where required, equivalent disclosures are given in the group financial statements of TD SYNnex Corporation. The group financial statements of TD SYNnex Corporation are available to the public and can be obtained as set out in note 15.

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

Notes to the financial statements for the year ended 31 January 2022

2. Accounting policies (continued)

2.2 Going concern

As at 31 January 2022, the company has net current assets of €1,732,487,000 which mainly comprises factored receivables and receivables owed by fellow group companies. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

€171,564,000 held as part of a cash pool balance by a group treasury entity which is available to the company on demand. This amount covers the company's intercompany liabilities of €13,520,000 which are repayable at 45 days' notice. The company does not incur significant cash outflows that aren't related to the onward sweep of settled receivables to the group treasury entity. There is therefore no immediate expectation that the company will require funding from its ultimate parent TD SYNnex Corporation, however TD SYNnex Corporation, including any subsidiary entities thereof that act as the funding entity, has confirmed that it has no intention to call for settlement of inter-company balances in the event that this would impact the ability of the company to continue as a going concern.

The directors have made an assessment of the parent and are satisfied that it does have the ability to provide this support. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.3 Revenue

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other taxes or duty. The company recognises revenue when performance obligations have been satisfied and for the company this is when the services have transferred to the customer and the customer has control of these.

Discounting fee income

The company purchases accounts receivables from related European TD SYNnex entities. The discounting fees are based on an agreed rate with the related entities and reduce the amount paid for the receivables. Fees are recorded within revenue in the income statement upon purchase of the receivables

Collection fees

The related TD SYNnex entities from whom the company purchases the accounts receivables continues to offer accounts receivable collection services to the company. This collection service is at an agreed rate between the entities and is billed to the company following each Accounts Receivables Purchase Agreement ('ARPA') purchase. On receipt of the invoices collection fees are debited against revenue in the income statement.

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

Notes to the financial statements for the year ended 31 January 2022

2. Accounting policies (continued)

2.4 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

Financial assets classified as fair value through profit and loss

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Trade receivables

For trade receivables, expected credit losses ("ECL") are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the receivable. The risk of a default occurring always takes into consideration all possible default events over the expected life of those receivables ("the lifetime expected credit losses").

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL. When determining whether the credit risk of a trade receivable has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

Notes to the financial statements for the year ended 31 January 2022

2. Accounting policies (continued)

2.4 Financial assets (continued)

Intercompany receivables

The company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all intercompany receivables. All intercompany balances are settled and with no instances of default when debts are due, therefore the risk of default is considered immaterial.

Impairment losses and any subsequent reversals of impairment losses, are adjusted against the carrying amount of the receivable and are recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest rate method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements 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.

2.5 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

Notes to the financial statements for the year ended 31 January 2022

2. Accounting policies (continued)

2.6 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

2.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

Notes to the financial statements for the year ended 31 January 2022

2. Accounting policies (continued)

2.8 Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2.9 Finance income

Interest income is recognised using the effective interest rate method. In calculating interest income, the effective interest rate is applied to the carrying amount of the asset.

2.10 Finance costs

Interest expense is recognised using the effective interest rate method. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

2.11 New standards, amendments and IFRIC interpretations

There are no new accounting standards, amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 January 2022 that have had a material impact on the company's financial statements.

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

Notes to the financial statements for the year ended 31 January 2022

3. Critical accounting estimates and judgements

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

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Key sources of estimation uncertainty

Provision for expected credit losses

For trade receivables, expected credit losses are measured by applying an expected loss rate which is based on management's assessment of the risk of non-collection of the factored receivables balance as at 31 January 2022. This estimate for the year has been computed to €19,537,000 (2021: €20,235,000).

No other key estimates and assumptions that could have a significant risk on these financial statements have been identified by management.

4. Revenue

All revenue is generated in the United Kingdom from services to TD SYNnex companies in Europe. All revenue is from services rendered.

5. Employees

The company had no employees in the current and prior year other than directors.

6. Directors' remuneration

The directors received no remuneration from the company in respect of qualifying services during the year or prior year. The directors are also directors of fellow group undertakings and receive their remuneration directly from those undertakings and no recharge is made. The directors do not believe that it is practicable to apportion their remuneration for services as directors of the company and their services as directors of the group undertakings.

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

Notes to the financial statements for the year ended 31 January 2022

7. Operating profit

Operating profit for the year is stated after charging / (crediting):

	2022 €000	2021 €000
Exchange losses / (gains)	1	(9)

Fees of €75,000 (2021: €23,000) were paid by another group company to the auditor in respect of the audit of the company's financial statements.

Since several countries left the ARPA facility this year, FY22 has seen large releases of provision for expected credit losses as aged receivables are collected. FY21 being the first year of the debtor purchasing scheme, the company recorded higher provision for expected credit losses for all debtors purchased in the prior year.

8. Finance income

	2022 €000	2021 €000
Interest income		
Interest receivable from group undertakings	838	3,702

9. Finance costs

	2022 €000	2021 €000
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	1,745	3,001

10. Tax on profit

	2022 €000	2021 €000
Current tax		
UK tax on income for the year	260	-
Foreign tax		
Overseas taxation	438	-
Total tax charge	698	-

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

Notes to the financial statements for the year ended 31 January 2022

10. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower (2021: lower) than the effective rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 €000	2021 €000
Profit before taxation	41,820	14,218
Current tax at 19% (2021: 19%)	7,946	2,701
Effects of:		
Group relief received for no consideration	(7,248)	(2,701)
Total tax charge	698	-

Factors that may affect future tax charges

Changes to UK corporation tax rates were substantively enacted by the Finance Bill 2021 (on 24 May 2021). These included an increase in the corporation tax rate from 19% to 25% from 1 April 2023. As the company does not have any deferred tax balances, these announcements will only impact the company in the future.

TD SYNEX UK Resources Limited (formerly Tech Data UK Resources Limited)

Notes to the financial statements for the year ended 31 January 2022

11. Trade and other receivables

	2022 €000	2021 €000
Due after more than one year		
Amounts owed by fellow group undertakings	-	14,849
	<u> </u>	<u> </u>
	2022 €000	2021 €000
Due within one year		
Trade receivables	1,578,240	756,507
Amounts owed by fellow group undertakings	171,564	1,492,615
Current tax recoverable	4,847	4,847
	<u>1,754,651</u>	<u>2,253,969</u>

Trade receivables represents factored receivables net of provision for expected credit losses that the company purchases from some of the European TD SYNEX entities. The total provision for expected credit losses as at 31 January 2022 is €19,538,000 (2021: €20,235,000).

The maximum exposure to credit risk at the balance sheet date for trade receivables was:

	2022 €000	2021 €000
Trade receivables	<u>1,597,778</u>	<u>776,742</u>

The concentration of credit risk for trade receivables at the balance sheet date by geographic region was:

	2022 €000	2021 €000
Europe	<u>1,597,778</u>	<u>776,742</u>

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

Notes to the financial statements for the year ended 31 January 2022

11. Trade and other receivables (continued)

A summary of the company's exposure to credit risk for trade receivables by credit risk rating ageing as at 31 January 2022 is as follows:

	Credit impaired €000	Not credit- impaired €000
Below 90 days	1,555,995	-
Above 90 days	41,783	-
Total gross carrying amount	1,597,778	-

The company starts providing for expected credit losses from day one, hence trade receivables that are not credit impaired is €Nil.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2022 €000	2021 €000
Balance at 1 February	(20,235)	-
Impairment loss recognised	(6,276)	(30,145)
Impairment loss reversed	4,678	7,870
Amounts written off	2,295	2,040
Balance at 31 January	(19,538)	(20,235)

Amounts owed by fellow group undertakings relate to amounts collected on behalf of the company by the entities that are part of the ARPA, classified as current as these are due in the short term and a non-current loan to a fellow subsidiary bearing interest at 5.62%. Management consider the amounts to be fully recoverable and thus no provision is considered necessary on those receivables.

During the year ended 31 January 2021, the company and other related parties entered into a Pledge agreement with the company's bankers Citibank N.A. The pledge agreement was part of a group wide initiative to obtain Asset Backed Lending. As part of the pledge agreement, the company pledged its factored receivables which amounted to €756,507,000 at 31 January 2021. The Asset Backed Lending facility with Citibank N.A has been closed during the year, however the company will continue to purchase receivables from some of the entities within Europe.

TD SYNEX UK Resources Limited (formerly Tech Data UK Resources Limited)

Notes to the financial statements for the year ended 31 January 2022

12. Trade and other payables

	2022 €000	2021 €000
Amounts owed to fellow group undertakings	21,778	577,453
Accruals and deferred income	386	-
	<u>22,164</u>	<u>577,453</u>

The company starts providing for expected credit losses from day one, hence trade receivables that are not credit impaired is £Nil.

Amounts owed to fellow group undertakings include an in-house bank balance of €13,520,000 (2021: €569,759,000) payable to the immediate parent company at 45 days' notice with interest at replacement LIBOR/SONIA rates plus 1%.

13. Called up share capital

	2022 €000	2021 €000
Allotted, called up and fully paid		
270,080,819 (2021: 270,080,819) ordinary shares of €1 each	<u>270,081</u>	<u>270,081</u>

14. Reserves

Share premium account

Consideration received for shares issued above their nominal value net of transaction costs.

Retained earnings

Cumulative profit and loss net of distributions to owners.

15. Immediate parent undertaking and controlling party

The company's immediate parent undertaking is TD United Kingdom Acquisition Limited, incorporated in the United Kingdom.

The company's ultimate parent undertaking and controlling party is TD SYNEX Corporation, which is incorporated in the United States of America. Copies of its group financial statements, which include the company, are available from the group's website at www.tdsynnex.com.

At the previous reporting date, the ultimate parent undertaking and controlling party was Apollo Global Management, Inc., which is incorporated in the United States of America.

TD SYNnex UK Resources Limited (formerly Tech Data UK Resources Limited)

Notes to the financial statements for the year ended 31 January 2022

16. Subsequent events

The company's next accounting period has been shortened so as to end on 30 November 2022.

There have been no other significant events after the statement of financial position date.