Building long-term value based on trust

Computacenter plc
Annual Report and Accounts 2023

Computacenter

"This Annual Report explains how we turn the resources and relationships provided by our key stakeholders – our customers, people, technology vendors, communities and shareholders – into the delivery of value for them.

It is a story of how we create, deliver and maintain that value. Most of all, it makes clear the importance of our key stakeholders and why building long-term trust with them is fundamental to our continued success."

Peter Ryan
Chair

Our growth and development

Founded
1981

1994
Largest UK privately-owned IT company

Successful flotation on the London Stock Exchange
1998

2001
Opening of Europe's largest Integration Center in Hatfield, United Kingdom

Acquisition of GE CompuNet in Germany
2003

2005–2016
Development of global Managed Service capabilities

Group Operating Model introduced
2012

2018–2022
Acquisition of FusionStorm, Pivot and BITS in North America

40th anniversary
2021

2022
20,000 people

Updated Group Operating Model introduced
2023

Building long-term value based on trust

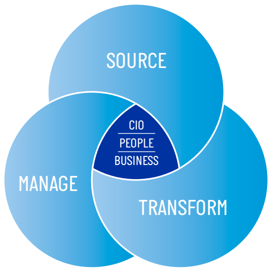
Who we are

We are a leading independent technology and services provider, trusted by large corporate and public sector organisations. We are a responsible business that believes in winning together for our people and our planet.

Computacenter is one of the world's six largest value-added resellers (VAR) of information technology (IT). We are also a major international IT services company.

What we do

We help our customers to Source, Transform and Manage their technology infrastructure to deliver digital transformation, enabling people and their business.



Our Purpose

Helping our customers change the world

Our customers are some of the world's greatest organisations, in both the corporate and public sectors. They make world-changing decisions and investments and while we do not change the world ourselves, we enable success for our customers so that they can realise the transformative benefits of IT for their organisations, people, and the world. We work hard to get to know our customers, understand their needs and put them at the heart of everything we do.

Contents

Performance in 2023

Financial highlights

Revenue (£m)
+7.0%
6,922.8

2023	6,922.8
2022	6,470.5
2021	5,034.5

Profit before tax (£m)
+9.3%
272.1

2023	272.1
2022	249.0
2021	248.0
2020	206.6
2019	141.0

Diluted earnings per share (p)
+8.9%
173.2

2023	173.2
2022	159.1
2021	160.9
2020	133.8
2019	89.0

Net funds (£m)
+193.2%
343.6

2023	343.6
2022	117.2
2021	95.3
2020	51.1
2019	20.3

Gross invoiced income[1] (£m)
+11.4%
10,081.4

2023	10,081.4
2022	9,052.2
2021	6,923.5
2020	5,441.3
2019	5,052.8

Adjusted[1] profit before tax (£m)
+5.4%
278.0

2023	278.0
2022	263.7
2021	255.6
2020	200.5
2019	146.3

Adjusted[1] diluted earnings per share (p)
+3.0%
174.8

2023	174.8
2022	169.7
2021	165.6
2020	126.4
2019	92.5

Adjusted[1] net funds (£m)
+87.9%
459.0

2023	459.0
2022	244.3
2021	241.4
2020	188.6
2019	137.1

Dividend per share (p)
+3.1%
70.0

2023	70.0
2022	67.9
2021	66.3
2020	50.7
2019	10.1

Adjusted[1] profit before tax
+17.4%
Four-year annual compound growth rate

Adjusted[1] diluted earnings per share
+17.2%
Four-year annual compound growth rate

Return on capital employed
12.5pts
55.4%

2023	55.4
2022	42.9
2021	52.2
2020	46.7
2019	42.6

1. For details of our Alternative Performance Measures, including links to reconciliations, and other terms used in this Annual Report and Accounts, please refer to our Glossary on page 244.

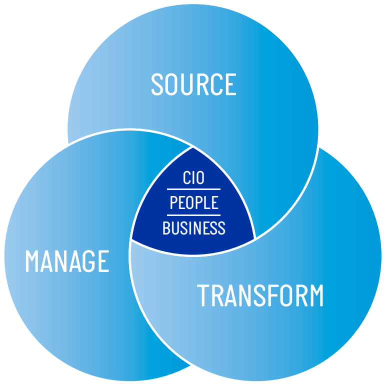
See our financial track record – p032

Performance in 2023 continued

Operational highlights

Our business portfolio

The three Service Lines within our portfolio are Technology Sourcing (Source), Professional Services (Transform) and Managed Services (Manage). We want to grow and build scale in each part of the portfolio. These complementary activities allow us to maximise our value for our customers.



Source

Technology Sourcing

We help our customers to determine their technology needs and, supported by our technology vendors, we arrange the commercial structures, integration and supply chain services to meet them reliably. We earn revenue from large contracts, with thinner margins and lower predictability than for Services but with fantastic customer loyalty.

Revenue (£m)
+7.9%
5,286.3

Gross invoiced income (£m)
+12.9%
8,444.9

	Revenue (£m)	Gross invoiced income (£m)
2023	5,286.3	8,444.9
2022	4,899.9	7,481.6
2021	3,583.6	5,472.6
2020	4,180.1	
2019	3,822.2	

Transform

Professional Services

We provide structured solutions and expert resources to help our customers to select, deploy and integrate digital technology, to achieve their business goals. Our revenue depends on our forward order book, which contains a multitude of short-, medium- and long-term projects.

Revenue (£m)
+6.6%
678.8

	Revenue (£m)
2023	678.8
2022	636.6
2021	552.4
2020	425.4
2019	366.1

Manage

Managed Services

We maintain and manage digital operations and user support for our customers, to improve quality and flexibility while reducing costs. Our revenue under contract has high predictability and is long term.

Revenue (£m)
+2.5%
957.7

	Revenue (£m)
2023	957.7
2022	934.0
2021	898.5
2020	835.8
2019	864.5

- **Nineteenth consecutive year of adjusted earnings per share growth**, showing the resilience of our business
- **Significant increase in adjusted net funds to £459m**, demonstrating the highly cash generative nature of our business

- **Technology Sourcing revenue growth of 8.1%** in constant currency, driven by resilient large corporate spend and further market share gains
- **Continued momentum in Germany with adjusted operating profit increase of 13.8%** in constant currency demonstrating our market leading position

- **Strong growth in North America with adjusted operating profit increase of 24.0%** in constant currency, demonstrating the scale of the long-term growth opportunity
- **Continued significant programme of investments** to underpin our long-term resilience, competitiveness and growth

- **Sustainable engagement score of 83%** in our 2023 Group Employee Survey, showing the commitment of our people
- **2032 mid-term and 2040 Net Zero targets approved by SBTi** as part of our sustainability roadmap

Chair's statement

Delivering consistent financial performance and value for our stakeholders

Peter Ryan
Chair

"Long-term thinking and short-term execution – both core strengths of Computacenter – have been the foundation of our progress in recent years."

2023 was another positive year for Computacenter, with the business delivering record revenue and profit together with excellent cash generation.

The performance of our teams was particularly creditable given the continued unpredictable macroeconomic conditions in our major markets. The strong results of our businesses in Germany and North America were pleasing both in terms of the in-year execution and the validation of our long-term strategy.

The Group's performance this year also reflects the importance of our culture, which puts our customers at the heart of what we do, and our Winning Together Values. The relentless pace of technological change means our customers need a partner they can trust to help maximise the value of their IT investment. We become their partner of choice by putting our customers first, keeping our promises, employing and developing great people, and focusing on building a long-lasting relationship with them. The Board continues to pay close attention to our culture, which we see as a competitive advantage for Computacenter.

Our focus on the long term is also reflected in our continued investment in the business. Expanding our geographical reach and enhancing our portfolio, systems and resources continues to reap rewards, facilitating increased market share and establishing a strong platform for delivering sustained value to our stakeholders.

Financial performance and dividend

Revenue for the full year increased by 7.0% to £6,922.8m (2022: £6,470.5m). Gross invoiced income grew by 11.4% to £10,081.4m (2022: £9,052.2m). The Group generated adjusted profit before tax of £278.0m (2022: £263.7m), and adjusted diluted earnings per share (EPS) of 174.8p (2022: 169.7p). On a reported basis, the Group saw profit before tax of £272.1m (2022: £249.0m) and diluted EPS of 173.2p (2022: 159.1p).

Chair's statement continued

We are proposing a final dividend of 47.4p per share. If approved by shareholders at Computacenter's 2024 Annual General Meeting, this will bring the full-year dividend for 2023 to 70.0p per share. This represents an increase of 3.1% over that paid for 2022 and remains in line with our long-term dividend policy of paying a dividend that is covered between 2.0 and 2.5 times by adjusted diluted EPS.

The Group's cash position finished strongly at the end of the year, with adjusted net funds of £459.0m as at 31 December 2023 (2022: £244.3m). The Board continues to review our approach to capital allocation, so that it ensures balance sheet efficiency and appropriate returns for shareholders. Our use of cash continues to prioritise organic growth, the development of our business, and merger and acquisitions activity which aligns with our strategy. Where available opportunities to invest in this way are limited, the Board will consider returning value to shareholders.

The Board in 2023

During 2023, there was one change to the Board, as Chris Jehle was appointed Chief Financial Officer (CFO) in June, as a result of our comprehensive succession planning process. Chris is already making a significant contribution to the Board and the Group.

While we meet the new Listing Rule requirement for a woman to hold at least one of the senior board roles, with Ros Rivaz as our Senior Independent Director, we do not meet the rule to have a minimum of 40% of women on the board, with our current representation of 33%. We will continue to look for opportunities during planned succession to become compliant with this Listing Rule. We do consider, however, that the Board continues to be effective, independent, and diverse, with 80% of our independent Non-Executive Directors either gender or ethnically diverse.

Environmental, Social and Governance matters

The Company has continued to make meaningful progress on sustainability, diversity and inclusion, and ensuring our governance practices evolve. These subjects are regarded as very important by both the Board and our people across Computacenter. You will find considerable detail on our approach to sustainability (pages 078-101), diversity and inclusion (pages 084-086) and governance (pages 107-164) in this report.

We continued to be carbon neutral for the second successive year and have made good progress towards our corporate gender diversity targets, both at leadership team level, and throughout the organisation. We have also approved an important investment in our Circular Services capability, where we can make a meaningful contribution, building upon our RDC business in the UK. This is an attractive proposition for our customers, to help them on their own sustainability journeys. More detail can be found on pages 026-027 and 093.

The year ahead

We remain purposeful in our focus to strengthen and grow Computacenter to enable the success of our stakeholders. I thank them all for their continued trust and support.

The demand drivers for our business remain strong as we enter 2024. Corporate and public sector organisations continue to have digital technologies, solutions and capabilities at the heart of their efforts to improve productivity, innovation and security. We feel we are well positioned to make positive contributions to support their ambitions. This will require a focus on short-term execution and long-term thinking – both core strengths of Computacenter.

This makes us believe that 2024 will be another year of further progress.

Peter Ryan
Chair
19 March 2024

Promoting the Group's long-term success

Each member of Computacenter plc's Board of Directors is required to act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole.

To understand how they have done so, please see our full Section 172 statement on page 105, which references where you can find the principal decisions and activity of the Board in 2023, how the Company's key stakeholders have been taken into account, and the outcomes that they have produced for the Group.

Fair, balanced and understandable

The Board confirms that it considers this Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

Creating long-term value

We are trusted by large corporate and public sector organisations to Source, Transform and Manage their technology infrastructure to deliver digital transformation. Our purpose-driven approach means that we work hard to get to know our customers, understand their needs and put them at the heart of everything we do, helping our customers change the world.

Computacenter at a glance – five key differentiators

1 Our business is about technology. But first of all, it's about people.

We are a service company, and our customers depend on us to underpin their own businesses. We could not be effective without the extraordinary commitment and hard work of our people. We now employ over 20,000 people across 22 countries. Together, we've created a 'can-do', customer-centric culture in which our people are empowered to make responsible decisions that help us meet the needs of our customers faster. People matter and are encouraged to thrive.

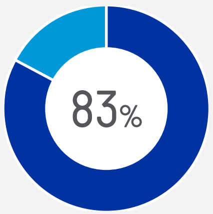
We work hard to maintain our culture and to attract, develop and reward talent, which is essential to creating value and success for our customers.

Our people strategy is designed to help ensure we engage and motivate our people throughout their careers. One of the ways that we help to recognise our people is through our global recognition platform, 'Bravo!'. This allows our people from across the business to say 'thank you' and recognise each other for their contribution to our customers, our business and to each other. In mid-2021, we launched our 'Bravo Stars' programme which allows people to nominate their peers for bronze and silver awards which carry a higher number of Bravo! points. During 2023, we issued 150 bronze, 177 silver and 16 gold awards across 15 countries. Here are a few of our gold award winners in 2023.

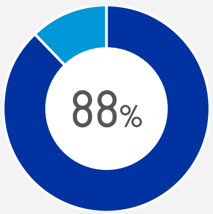
Read more about our people on pages 083 to 088.

In our 2023 Employee Survey, we achieved a score of 83% for sustainable engagement, and 88% for inclusion. These scores help to give us confidence that we have created a culture where people want to stay with us, grow with us, and feel that they belong with us.

Sustainable engagement



Inclusion score



Our Values

Winning Together
Our Values

These are the values on which we built this Company and they are the values on which we will continue to grow Computacenter.

Putting customers first
We work hard to get to know our customers, understand their needs and put them at the heart of everything we do. This lets us use our skills and experience to help them in the right way at the right time.

Keeping promises
We're straightforward, open and honest in all of our dealings. We're pragmatic and do our very best to keep our promises. When that's difficult, we help our customers find other ways to solve their problems.

Understanding people matter
We're committed to being diverse and inclusive. We build supportive, rewarding relationships and celebrate success. We're proud of the people we work with and we treat people as we expect them to treat us.

Considering the long term
We're building a sustainable and efficient business for the long term. This leads our decisions and actions and helps people trust us.

Computacenter at a glance – five key differentiators continued

2 Services breadth and scale

We have the largest service capability of any VAR in the world, with over 13,400 billable people helping our customers. This allows us to support our customers to Transform and Manage their digital technology at scale, in addition to our Technology Sourcing activities. Additionally, our Services scale provides our business with better resilience, as well as access to broader growth opportunities.

Our people have a breadth of skills and experience across the key technology areas. This is underpinned by the breadth and depth of our technology vendor partnerships which allow us to help our customers navigate the complexity and speed of change in the current market.

5,000
Service Center agents

5,000
Engineers and Technicians

1,800
Project, Service and Delivery Managers

1,500
Consultants

Breadth of skills and experience

Cloud & Applications	Data Center	Networking	Security	Workplace

Source	Procurement and logistical services Configuration, lifecycle and circular services
Transform	IT strategy, advisory and application services Integration, deployment and expert services
Manage	Maintenance, field and managed lifecycle services Remote user support and digital operations

Read more about our integrated portfolio on pages 022 to 025.

3 Powerful partnerships

We have built powerful partnerships with the world's leading technology vendors, who can rely on our reach and scale. We are among the top five partners in EMEA for most of the major technology vendors and are increasingly recognised for our achievements at a global level. We are already among the top five partners globally for many of the major technology vendors.

The increasing pace of technological change and the diversity of the technology landscape has made our technology vendor independence more critical to our customers. We are trusted to provide impartial and knowledgeable advice and to integrate solutions comprising products from multiple technology vendors.

75
awards received from 23 technology vendors in 2023

13,000
technical certifications held by our people

Authorised Enterprise Reseller

Cisco Partner

vmware by Broadcom

Dell Technologies Titanium Black Partner

Microsoft Solutions Partner

Lenovo 360 Partner 2023 Platinum Plus

NetApp Prestige Partner

IBM Platinum Partner

Computacenter at a glance – five key differentiators continued

4 Market-leading international coverage

We have what we believe to be the best international capability of any VAR in the world. This allows us to help customers to deploy and support IT standards consistently worldwide.

We Source, Transform and Manage technology for our customers in over 70 countries worldwide

We sell to customers in eight countries

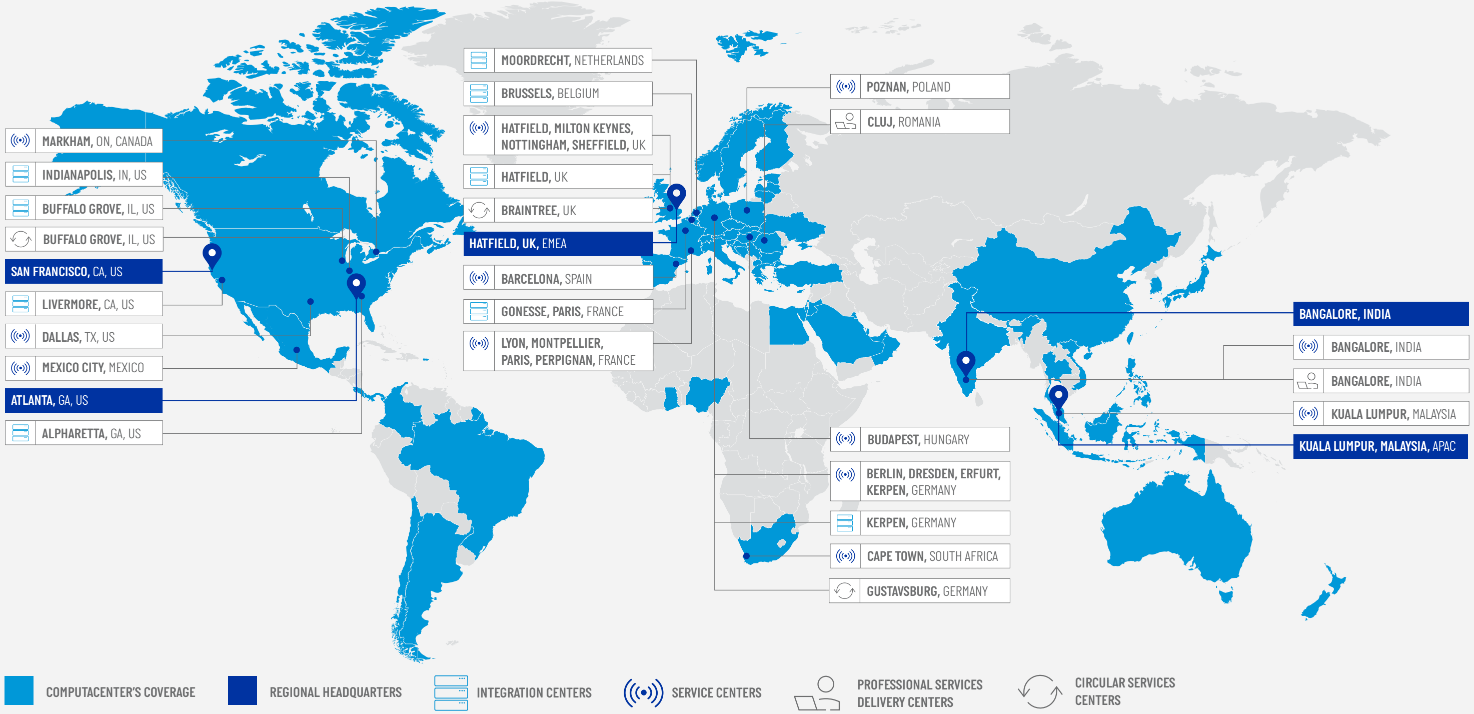
Belgium	Netherlands
Canada	Switzerland
France	United Kingdom
Germany	United States

We have nearshore and offshore operations in another eight countries

Hungary	Poland
India	Romania
Malaysia	South Africa
Mexico	Spain

We have support operations in another seven countries/territories

Australia	Ireland
Brazil	Japan
China	Singapore
Hong Kong (SAR)	



5 Resilient scale infrastructure

We have invested over many years to build resilient and market-leading scale infrastructure, to meet the demanding requirements of our customers. We continue to invest for the long term.

Facilities

Our Integration Centers are among the largest and most capable in each of our markets, providing customers with the capability to deploy technology at scale. Our Service Centers across the world provide support for our customers' IT infrastructure and users 24 hours a day, seven days a week. They can operate independently or as a group, to provide both capability and resilience as part of our Services business.

Systems

The systems underpinning our operations provide flexibility for our customers. They have to be secure to protect both us and our customers, while supporting us to meet service level agreements through automation and innovation. We continue to invest in improving our platforms to provide improved customer service, efficiency and innovation, including Artificial Intelligence (AI), using technology from among the world's leading providers, including Microsoft, SAP, ServiceNow and Salesforce.

Standards and certifications

Our systems and processes are certified to high standards to underpin the consistency of our service delivery.

ISO 20000-1	ISO 27001
ISO 14001	ISO 45001
ISO 9001	

Our purpose-driven approach

Our purpose is helping our customers change the world

We know that we do not change the world ourselves. But we enable success for some of the world's greatest organisations by helping them to realise the transformative benefits of IT – for their organisations, people, and the world.

See pages 022 to 025

Our purpose drives our strategy and business model

How we measure our progress

Strategic KPIs

- Customer relationships
- Services growth
- Productivity

See pages 034 to 035

Financial KPIs

- Revenue (£m)/Gross invoiced income (£m)
- Gross profit (£m)
- Adjusted diluted EPS (p)
- Adjusted net funds (£m)

See page 033

Sustainability KPIs

- Employee engagement
- Net Zero roadmap
- Devices recovered

See pages 078 to 101

Our ambitions drive long-term value for our stakeholders

- Our customers will strongly recommend us
- We'll be the preferred route to market for technology vendors
- People will want to join us, stay with us, and grow with us
- We'll be a trusted, agile and innovative provider of technology and services across the world

Our purpose-driven approach continued

Our strategy and business model respond to external opportunities and mitigate risks

Strategy

Focus on target market customers

Build Service Line scale and competitive advantage

Empower our people

See page 012

Business model

Putting **customers** at the heart of everything we do

Sales is totally focused on their needs

Service Lines build scale capabilities to meet customer needs efficiently and consistently

Business Services functions maximise leverage, efficiency and compliance

See page 016

Market and customer trends

See page 014

Principal risks and uncertainties

See page 064

These foundations underpin our strategy and business model

Shaped by our values

Winning Together:

Putting customers first

Understanding people matter

Keeping promises

Considering the long term

See page 007

These are the values on which we have built this Company and they are the values on which we will continue to grow Computacenter

Guided by our principles

Winning together for our people and our planet:

We recognise that the long-term future of our company, our people and our planet relies on an enduring commitment to sustainability

See page 078

We'll be the best we can be – a company that our people, customers, partners and communities can be proud of

Governed with integrity

A clear governance framework guides all decisions

See page 107

We are a responsible business that believes in winning together for our people and our planet

Our strategy and business model help us to create long-term value

Strategy

Our purpose is helping our customers change the world

We help our customers to realise the transformative benefits of IT for their organisations, people and the world.

Our strategy:

Focus on target market customers

We focus only on a target market of the largest 500-1,000 corporate and public sector organisations in each of our Sales countries. These target market customers require us to offer significant flexibility to meet their specific needs while also being competitive in each part of our portfolio. We invest in sales and customer engagement teams to build long-term relationships which earn customer loyalty. We work hard to get to know our customers, understand their needs and put them at the heart of everything we do. Feedback from our customers helps prioritise our decisions on investments in capability and their loyalty underpins our growth and development.

Build Service Line scale and competitive advantage

We want to be the logical choice for our target market customers in the activities on which we focus. Our Service Lines of Technology Sourcing, Professional Services and Managed Services are focused on building and leveraging capabilities to meet customer needs efficiently and consistently and to build economic advantage. In Technology Sourcing, we are one of the six largest value-added resellers (VARs) by gross invoiced income in the world and the largest headquartered outside the United States. We have the largest Services business, and have built what we believe to be the best international capability, of any VAR. By growing our Services, we aim to build value for our customers and technology vendors, in addition to scale leverage. We compete in Services with VARs, and small service companies through breadth and scale, as well as systems integrators who do not have competitive Technology Sourcing capability.

Empower our people

We work hard to understand the needs of our customers and allow our customer-facing people to make responsible decisions that help us meet the needs of our customers faster. This has always been and remains a fundamental strategic pillar for Computacenter. It is an essential part of our culture and helps to differentiate us from our competition, ensuring that we are focused on the needs of our target market customers and that our investments deliver an effective return. We empower our customer-facing people, while ensuring that all decisions are taken within a clear governance framework, supported by strong customer profitability reporting and clear remuneration plans.

Market and customer trends: Artificial Intelligence

We are excited by the opportunities that AI represents for our customers and our business.

We believe that AI will be pervasive but is also a continuation of existing digital transformation trends. We are adapting our plans to maximise the impact of AI on our business, based on the following framework, and have established an **AI Strategy Board** to help shape, drive and oversee the adoption of AI, to ensure we deliver our AI vision and achieve our goals.

Technology Sourcing

Customer trend: Customers will continue to invest in additional infrastructure to help them leverage AI

Impact on Computacenter: AI implementation for customers should help us to grow and generate additional revenue

Our target: We are market leaders in infrastructure for AI workloads at scale

Professional Services

Customer trend: Customers are asking us to advise them on the best ways to design and implement their AI solutions

Impact on Computacenter: AI advisory and deployment services build credibility with our customers and strengthen both new and existing relationships

Our target: We have advanced AI expertise in key areas to help customers to plan their strategies and leverage AI

Managed Services

Customer trend: Customers expect us to continue to invest in AI to make our Managed Services more effective

Impact on Computacenter: AI is helping us to improve the quality and efficiency of our user and customer experience

Our target: We optimise key AI capabilities that are used to deliver our Managed Services and provide increased value to our customers

Business Services

Customer trend: We already use AI solutions to support our Business Services and will continue to leverage more over time

Impact on Computacenter: AI can help us to reduce costs and improve productivity as well as providing tangible use case models to help build credibility with customers

Our target: We will maximise the adoption of AI internally and across all customer-facing processes and services

Policies and Governance

Ensuring that we adopt AI responsibly for the benefit of our customers, employees and other stakeholders. The focus is on adoption, regulations, ethics and compliance.

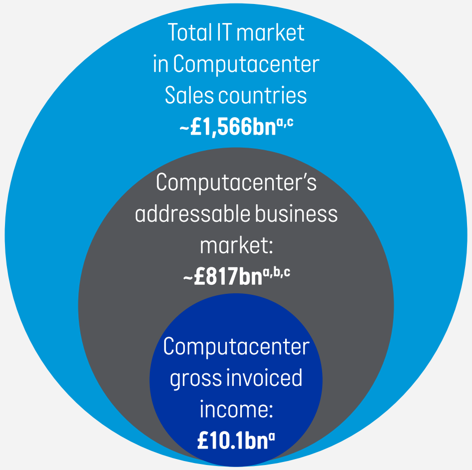
Market and customer trends

Our market

The parts of the addressable business IT market where Computacenter is active are expected to grow at an average of over 5% (a) per annum in 2024-2027 in our Sales countries. This provides a positive economic backdrop for Computacenter's growth and development.

Computacenter is focused on the largest corporate and public sector organisations in our Sales countries and this is a subset of the Computacenter addressable business market. Based on an estimate of this subset, we believe that we have an overall market share in our target accounts of no greater than 5% overall. In our most mature area of Technology Sourcing, we estimate that our market share in our target accounts is approximately 2% in the United States, rising to approximately 15% in Germany.

We believe we have substantial opportunity to both grow with the market, as well as to take increased market share in every one of our Sales countries.



2024-2027 average annual growth rate of Computacenter's addressable business market:

>5.0%[a]

a. Source: Computacenter estimates based on available market data.
b. Computacenter's addressable business market represents business spending in technologies relevant to our business. It is broader than Computacenter's target market.
c. Data includes only Computacenter Sales countries: Belgium, Canada, France, Germany, Netherlands, Switzerland, United Kingdom and United States.

Trends in our market

Our investment strategy is informed by these trends, helping us to be resilient and responsive to the needs of our target market customers.

Agility and speed

Organisations rely on technology to drive the efficiency and flexibility they need to bring new capabilities to market for their own customers.

Computacenter impact

- Organisations are deploying standardised infrastructure at scale globally, to allow them to leverage hybrid and multi-cloud platforms for application delivery.
- Our customers are demanding access to broader sets of skills on a more flexible basis.
- Some services buying cycles are speeding up, with contracted outcomes simplified to allow for more competition.
- There is increased demand from certain customer sectors for data center, cloud and application services.

Our response

- Investments in our Integration and Service Centers to allow standardised deployment and support of technologies.
- Access to expert resources in near and offshore Delivery Centers in Romania and India, with flexible commercial terms to facilitate agile contracting.
- Globally consistent best-of-breed tooling infrastructure, including our upgrades to our ERP and IT Service Management tools.

Market and customer trends continued

Resilience and security

The challenging threat landscape is continually evolving, while the demand for highly available and responsive systems grows. Regulatory pressures command greater visibility and control.

Computacenter impact

- Customers are investing more in their network and security infrastructure, with a particular focus on cyber-defence measures to protect their business and reputation.
- Organisations demand high-performance infrastructure, leveraging hybrid platform designs and solutions.
- Regulatory changes introduce increased oversight of our assurance measures, as well as driving greater customer scrutiny in line with their compliance needs.

Our response

- Ongoing investment in our own networking and security infrastructure to protect ourselves and our customers.
- Delivering reliable outcomes through our Technique Professional Services framework.
- Embedding improved security within our core Managed Services offerings.
- Accelerating of development of networking and security capabilities.

People experience

The hybrid working environment for employees requires different forms of service delivery and greater innovation to provide secure, engaging, and flexible support.

Computacenter impact

- Our people continue to adapt to hybrid working, evolving the way we interact and share.
- Continued demand from our customers for our help to enable collaboration through systems, tools, and facility upgrades.
- Increased demand for workplace Technology Lifecycle solutions.
- Greater desire for flexible technology provisioning solutions such as pre-configuration, Tech Centers and lockers, and consumer-like courier experiences.

Our response

- Our own infrastructure upgrades in networking and security facilitate remote and hybrid working for our people.
- We continue to invest in leveraging the systems that enable an Analytics, Automation and AI approach, focused on user experience.
- Our IT Service Management upgrade programme increases flexibility in our support and engagement.

Value and efficiency

Organisations seek to maximise the return on investment and business efficiency they achieve from their existing IT environments and from new investments in technology and services.

Computacenter impact

- Customers are expecting value and competitive pricing from suppliers
- Customers are extending the lifetime of some IT asset investments
- Customers require highly efficient deployment solutions.
- Continued pressure on customers to justify their investment in IT.

Our response

- Investments in our underpinning systems infrastructure will provide greater global standardisation and scalability, as well as improved ability to support software and technology vendor 'as a service' offerings.
- Circular Services helps customers extend the life of assets or recover their residual value.
- Development of skills in our Sales & Customer Engagement and Service Lines will enable information-driven decision making and business case achievement for our customers.

Sustainability

With increased market and consumer pressure, along with a rapidly expanding regulatory burden, sustainability is becoming a more common factor in strategic decision-making for our customers.

Computacenter impact

- Our customers want to do business with responsible suppliers who have the similar sustainability commitments, and who can help them to achieve their goals and meet regulatory obligations.
- Forthcoming regulation increases the need for transparency throughout the value chain, increasing the demand for general and contract-specific reporting.
- Supply chain transparency is becoming increasingly important.

Our response

- Our SBTi approved targets and clear social strategy help to give confidence to all our stakeholders.
- Our investment in our Circular Services business will help our customers make a real difference in carbon avoidance and sustainable IT use.
- We are driving sustainable procurement with our vendors to help create the transparency and choice our customers need.

Our business model

Our business model is known internally as the Group Operating Model. It was first introduced in 2012 and has evolved since then with a major change in 2023 to introduce three Service Lines with clearer end-to-end responsibility for the success of each respective unit.

Our resources

The skills and experience of our people
- Our business is about technology. But first of all, it's about people.
- 20,000 people across 22 countries
- 13,400 billable people

Digital technology from our technology vendors
- Powerful partnerships with 3,000 technology vendors
- 13,000 technical certifications held by our people
- 75 awards from 23 technology vendors in 2023

Resilient scale infrastructure
- Facilities: Integration and Service Centers across the world
- Systems: secure platforms that support scale, service, efficiency and innovation
- Market-leading international coverage

Brand and reputation
- Long-term relationships with a diverse and high-quality customer base
- Largest service capability of any VAR in the world
- Our Winning Together Values
- Winning together for our people and our planet

Financial strength and stability
- Strong cash generation underpinned by low capital expenditure requirements
- Robust balance sheet with a historically net cash position
- Track record of growth and stability as a partner

Sales and Customer Engagement

Our Sales and Customer Engagement teams work hard to get to know our customers, understand their needs and put them at the heart of everything we do.

EUROPE | NORTH AMERICA

Service Lines

Our Service Lines are focused on developing and leveraging capabilities to meet customer needs efficiently and consistently while building economic advantage in the activities on which we focus.

TECHNOLOGY SOURCING | PROFESSIONAL SERVICES | MANAGED SERVICES

Business Services

Our Business Services functions provide the underpinning business framework to maximise leverage, efficiency and compliance across the Group.

DEVELOPMENT, STRATEGY & MARKETING | INFORMATION SERVICES | LEGAL & COMPLIANCE | HUMAN RESOURCES | FINANCE & GOVERNANCE

Creating value for all our stakeholders

Customers
Our customers will strongly recommend us for the way we help them achieve their goals

People
People will want to join us, stay with us and grow with us

Shareholders
We will be an agile, innovative and sustainable provider of technology and services across the world – creating, maintaining and delivering long-term value

Technology vendors
We will be the preferred route to market for technology vendors

Communities
We will create value for communities by winning together for our people and our planet

Our investments to create value

We continue to make long-term investments to enhance our market-leading scale infrastructure. These investments support our business model and help us to create value by allowing our operations to scale and deliver efficiently and consistently for our customers.

Long-term resilience and differentiation

The core of our business model has been in place for over a decade and has helped us to grow and differentiate. We believe that we will be able to continue to build resilience based on the following differentiators which underpin our strategy:

1. **Our business is about technology. But first of all, it's about people**
   Our people and culture, underpinned by our values and principles.
2. **Services breadth and scale**
   We have the largest services capability of any VAR in the world. Our Services are a scale growth engine in themselves and, as part of our integrated portfolio of Source, Transform and Manage, add material incremental value for our customers.
3. **Powerful Partnerships**
   We have built powerful partnerships with our technology vendors, who can rely on our reach and scale.
4. **Market-leading international coverage**
   We have what we believe to be the best international capability of any VAR in the world.
5. **Resilient scale infrastructure**
   We have invested over many years to build resilient and market-leading scale infrastructure, to meet the demanding requirements of our customers. We continue to invest for the long term.

CIRCULAR SERVICES

New **Circular Services ERP** system configured for our specific needs (Microsoft Dynamics 365)

Opening of **Gustavsburg Circular Services Center** in Germany

ARTIFICIAL INTELLIGENCE

Our new **key platforms include AI capabilities**: e.g. ServiceNow, Salesforce, Genesys

Microsoft **Copilot for Web** (GenAI) and **Copilot M365** (internal search) being deployed

SALES & CUSTOMER ENGAGEMENT

New **Sales CRM and Quotation** systems being deployed globally to approximately 2,000 users

TECHNOLOGY SOURCING

Integration Center investments: Kerpen, DE and Moordrecht, NL

Continued e-commerce deployment: TechSource

PROFESSIONAL SERVICES

India and Romania Professional Services Delivery Centers

Professional Services Standards framework: Technique

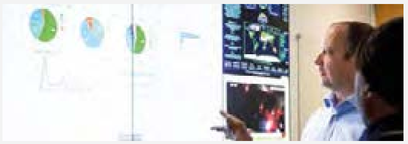
MANAGED SERVICES

India offshore growth to 1,400 people

New building in Bangalore with capacity to scale to **5,000 people**

NETWORKING & SECURITY INFRASTRUCTURE

Significant investment in **network and security infrastructure** globally to support hybrid working and help to secure ourselves and our customers



IT SERVICE MANAGEMENT

Rollout of our **IT Service Management (ITSM) systems upgrade** programme, centred on ServiceNow. Deployed **Genesys Contact Center** software globally

ERP SYSTEMS MODERNISATION

Continued investment in our long-term **SAP ERP upgrade programme** which underpins our operations

Chief Executive Officer's Q&A

Mike Norris
Chief Executive Officer

"IT spend continues to grow and is more critical than ever. We're extremely well placed to grow by focusing on our target market, empowering our people and delivering at scale."

Q Computacenter has grown substantially over the last five years. What's driven that growth?

A Over the last five years, we've achieved a step-change in scale. We're now one of the six largest value-added resellers (VARs) of IT globally and the largest headquartered outside the United States. We also have the largest Services business and we've built what we think is the best international capability of any VAR in the world.

Some of our success is because we're in a growing sector but we've been able to grow faster than our markets by staying faithful to the principles that have driven our business for more than 40 years. Namely, we focus on our customers, we earn their trust by working hard to get to know them and we understand their needs in an increasingly complex IT landscape. We've also made a consistent strategic choice to focus our resources on large corporate and public sector customers, operate at scale and empower our people. This also helps explain why during the pandemic our customers turned to us to help them at pace and at scale. We grew rapidly during the pandemic but, importantly, we've grown further since.

We've grown the number of customers contributing over £1m of gross profit from 119 in 2018 to 183 in 2023. This has enabled us to increase revenue, profit and cash flow while investing in the business to secure future growth. To achieve this growth we've added around 4,000 skilled people across the Group.

Most of our growth has been organic but we have expanded our geographic footprint from Europe to North America through three targeted acquisitions in 2018, 2020 and 2022, for an enterprise value of approximately $350m. In 2023, North America accounted for 40% of our revenue and 21% of our adjusted operating profit, before central costs, and provides an excellent platform for further growth.

Chief Executive Officer's Q&A continued

Q What are the key challenges facing Computacenter's customers and how are you helping to address them?

A Our customers face a myriad of challenges when it comes to realising the benefits of IT. Change is a constant in technology and the pace of that change and the demands it creates are ever increasing. Exponential growth in data, the rise of AI and increased need for cyber security all point to higher IT spend and more scrutiny on return on investment. And of course, sustainability is also very high up on our customers' agenda.

Large enterprises or organisations are often complex and almost without exception they're constantly modernising their IT estates and digitising their operations. It's our role to simplify that process and help them achieve the return on investment they need. Our customers are looking to work with fewer suppliers, with a deep understanding of their requirements and the ability to deliver at scale. This puts us in a strong position to support them, as our three core activities – Technology Sourcing, Professional Services and Managed Services – are all critical for helping customers to achieve their IT ambitions.

Q What's the benefit of having an integrated Technology Sourcing and Services model?

A We operate in competitive markets and the breadth of what we can do for our customers is a clear differentiator. They value a partner who can source, transform and manage at scale and our expertise helps us to build deep, long-term relationships with them.

Our integrated offering provides three complementary entry points for our customers, giving us a balanced business portfolio and helping us to achieve sustained long-term growth. A customer relationship that starts with just one service will often broaden to two or three and when we're working with them across all three parts of the portfolio, that relationship becomes stickier as we become more embedded in their organisation and more critical to their success.

Q Computacenter's people are clearly fundamental to its success. How would you describe the culture at Computacenter?

A We employ more than 20,000 fantastic people and they're the bedrock of the value we add for our customers. We encourage them to take advantage of the many opportunities to develop their career at Computacenter and to learn and apply their knowledge. This helps us keep our talent for longer and our average length of service is over nine years.

Our culture is a big part of why Computacenter is a great place to work. We're an entrepreneurial and customer-focused organisation that fosters our Winning Together Values. Those values require us to put our customers first, to always keep our promises, and to be straightforward in our dealings with them. We empower our people and support them with the tools they need to make good business decisions and deliver for customers.

Q How important is the Group's environmental impact to your overall strategy?

A We've always been committed to running the Group responsibly, which, after all, makes good business sense. We recognise we need to play our part in reducing our impact on the planet and we're already making a difference. We've achieved our aim of becoming carbon neutral for Scope 1 and 2 emissions. For Scope 3 emissions we are targeting a 50% reduction by 2032 and to be Net Zero by 2040.

I'm also particularly excited about the opportunity to support our customers' environmental goals through our Circular Services business. This year we remarketed, redeployed or recycled over 775,000 devices, mainly in the UK and Germany, and we believe we can grow this significantly across our markets.

Q What's your approach to capital allocation?

A As a highly cash-generative business with a strong balance sheet, we can take a balanced approach to where we use our capital and have always considered the long term.

We continue to prioritise organic growth and during 2023 we invested more in our strategic initiatives, to help secure our long-term growth potential. Most of this investment is in our systems, to ensure they remain secure and supportable, and we retain our competitive edge.

We didn't make any acquisitions in 2023, but we continue to look for targeted acquisitions that will add to our existing footprint.

Computacenter has a track record of distributing surplus cash to shareholders. Since flotation we have distributed £945m in dividends and buybacks.

Q How would you describe the growth outlook for Computacenter in the coming years?

A IT spend continues to grow and is more critical than ever. We're extremely well placed to grow by focusing on our target market, empowering our people and delivering at scale. We're well diversified by geography, by service line and by technology area. Our markets are highly fragmented and we expect to take share as we invest organically and through targeted acquisitions.

North America is an exciting opportunity from a relatively low base and we're also pushing for continued growth in Europe. Our long-term approach continues to serve us well and we remain confident in our ability to deliver further profitable growth.

Our people and culture

Our business is about technology. But first of all it's about people.

We want every person who joins Computacenter to feel highly engaged, and empowered to reach their full potential.

Our people and our culture are core to our differentiation in our markets, and underpin our customer value proposition. Our customers rely on our peoples' expertise to provide solutions that use our integrated business portfolio in the most effective way possible to help them achieve their goals. The trust placed in us requires our people to have a deep knowledge of our customers' business strategy and priorities, and how IT can be used to underpin their success. With customers at the heart of our culture and our values, we provide a clear framework through which our people can operate with the speed, agility and flexibility required to address the needs of our customers, and make efficient, responsible, decisions.

Recognising that our people are critical to our success, we invest in them throughout the employment lifecycle. Our people policies and programmes are all designed to identify, attract, retain and develop the best talent. We want to ensure every person that joins Computacenter feels highly engaged, empowered to reach their full potential, and able to deliver the best-possible experience for our customers. The longer our people stay with us, the more they understand our organisation and culture, how their role contributes to our success, and what our customers and other key stakeholders need from us. This means they can better utilise their skills, develop their careers, and maximise their potential. As we invest in our people, we create a culture where they feel invested in Computacenter.

Seven key pillars underpin our approach in this area, to ensure that our people continue to create competitive advantage. These are:

Our culture

Our culture puts our customers at the heart of everything we do. We are committed to delivering great results for our customers now and for the long term, and we are open, honest and straightforward in all our dealings. We are passionate about being an inclusive and inspiring employer that supports, develops and values our people, helping them to achieve their goals and supporting ours. We empower our people to make responsible decisions that help to build trust with our key stakeholders.

1. **Attracting talent** – people are key contributors to our long-term ability to compete on quality and cost, and the market for talent is competitive across all of the countries in which we operate.
2. **Learning and development** – the technology landscape is continually advancing, our customers' changing needs mean we have to evolve to compete by being ever-more productive, skilled and engaged across our business. From our ability to understand and advise our customers on the latest technology developments, and the efficiency of our supporting functions, to our own capabilities in disciplines such as cyber defence and AI, our peoples' willingness to learn, grow and develop is a critical priority.
3. **Fostering engagement** – high-quality and continual engagement with our employees helps us to grow together as an organisation. Understanding what is important to them and how we are meeting their expectations are key aspects of people retention over the long term. It also helps us to shape our people strategy, including in areas such as diversity and inclusion.
4. **Developing strong and consistent leadership** – effective leadership provides clarity and continuity for our people across the Group, ensures we focus on the long term, makes us consistent in our customer interactions and allows us to develop deeper relationships with them.
5. **Building our talent pipeline** – we design and deliver targeted development programmes to maximise the potential of our talent. This also helps us to develop under-represented groups within our business to enable better diversity of leadership and thought throughout Computacenter.
6. **Ensuring we are a diverse and inclusive organisation** – being diverse and inclusive enables us to attract, retain and develop the best talent, and helps our people to succeed by providing an environment in which they can be themselves, and where they feel comfortable, connected, heard and understood.
7. **Embedding and maintaining our culture** – across different offices and countries, our culture and values provide us with consistency and continuity when dealing with our stakeholders on a global basis. This means that as we grow, embedding and maintaining our culture becomes even more important. We strive to have a culture that supports the execution of our strategy and the achievement of our purpose, and for our stakeholders to see us as 'One Computacenter', no matter when or where they interact with us.

For more detail on our actions in these areas to support and develop our employees, please see pages 083 to 088.

Our people and culture continued

Q&A

Sarah Long
Chief People Officer

Sarah Long rejoined the business in 2019 as Chief People Officer, having previously been at Computacenter in sales, service delivery and strategy roles.

Q After 10 years away from Computacenter, what made you rejoin?

A I spent 12 years in customer-facing roles at Computacenter. In the ten years I was away I worked with, and for, many organisations in our sector but none had Computacenter's relentless focus on customer outcomes, our highly empowered culture or our focus on our people as a competitive advantage, which makes us an exciting company to work for. My customer and market experience mean that I can help drive our success by ensuring we attract, engage, develop and retain the best people, in turn delivering success for our customers.

Q What are your priorities for 2024?

A Our culture is an integral part of our success, so we need to continue to work on maintaining it as we grow. As the people function, we are on the front line in ensuring that our culture is embedded and maintained effectively. Our other priorities include training our people to meet customer demands and ensuring we have the right people, with the right skills and experience in the right locations.

Q What is the most challenging aspect of your role day-to-day?

A We now have more than 20,000 people globally. That number, and our geographic spread, has changed significantly even since I rejoined Computacenter. The biggest challenge arising from that is the volume and breadth of topics that I deal with, which means every day is different. That can include Senior Executive remuneration, interacting with Works Councils, optimising our organisational structure, succession planning and, crucially, ensuring we are supporting the business appropriately, through a period of rapid change in technology and our customers' needs. As we grow globally, it changes our approach in these areas.

Q Your remit as Chief People Officer includes diversity and inclusion (D&I). What does success look like here and how important is it to the business?

A D&I is really important for our business. Our ambition is to create a sense of belonging for all our people and ensure we give them every opportunity to fulfil their potential with us. Being a more diverse organisation helps us reflect and serve our customers better. While we are pleased with our progress over the past few years, there is always more to do. We have set several D&I-related goals and objectives to help drive us in the right direction, incentivise action and ensure we remain focused on meaningful progress. Since 2020, our Executive Directors have been incentivised through their annual bonus objectives to develop a diverse and inclusive workforce. Our Group Executive Committee has also had a shared bonus-related objective to improve gender diversity within our senior leadership teams since 2021.

Q How is D&I addressed through policies?

A We have several D&I-related policies, such as those covering Equality and Respect at Work, which underpin our D&I strategy. Our strategy, policies and actions are all guided by the five pillars of diversity developed by our people, and supported by our Employee Impact Groups and Employee Networks, covering areas such as gender, ethnicity, PRIDE and wellbeing.

Q What measurable progress have you made around gender balance?

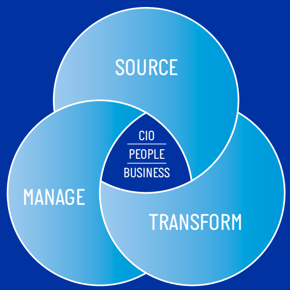
A Since 2020, our publicly reported data shows clear progress in the percentage of women in the Executive Team and their direct reports, which has increased by 12.1%. This progress is replicated across all levels at Computacenter, with the number of women across our whole workforce having risen in that time. We now have around 1,400 more women in our business than we did four years ago.

Q What are you doing to continue D&I progress?

A We have had programmes to develop female leaders for some time and we can see their impact, building confidence, visibility and empowering our female talent to develop their careers. Our Growing Together Programme has been running for over five years, providing development and coaching for women in mid-level roles who aspire to leadership positions. In that time, over 36.7% of participants in the programme have changed role or been promoted. Our Leading Together Programme ran for its third year in 2023, with over 40 senior female leaders participating. They have the opportunity to explore their personal development goals with an executive development coach. Our programmes related to ethnic diversity are in their earlier stages. We continue to review their impact and feedback from participants and our Employee Impact Group, which has helped us to understand how to make them more effective. We participate and lead in industry communities that drive education and awareness, helping us improve ethnic diversity within our organisation and across the technology industry.

Our integrated portfolio

Computacenter has an integrated offering which provides three complementary Service Lines for our customers, helping us to create customer value and deliver long-term growth



Computacenter's strategy is centred on the specific needs of our target market of the largest corporate and public sector organisations in each of the eight countries in which we sell. Our focus is to build long-term relationships which earn customer loyalty and underpin our growth and development, while investing in building value to deepen existing customer relationships and develop new ones. We help our customers to Source, Transform and Manage their technology infrastructure to deliver digital transformation, enabling people and their business.

Computacenter has an integrated offering, which provides three complementary entry points for our customers, helping us to achieve sustained long-term growth. The three parts of our portfolio are: Technology Sourcing (Source), Professional Services (Transform) and Managed Services (Manage). We want to build strength in depth across all three parts of the portfolio.

We gain new customers through Technology Sourcing, Professional Services and Managed Services individually. However, we have greater longevity in customer relationships when we work across all three parts of the portfolio.

SOURCE
Technology Sourcing

We help our customers to determine their technology needs and, supported by our technology vendors, we arrange the commercial structures, integration and supply chain services to meet them reliably. We earn revenue from large contracts, with thinner margins and lower predictability than for Services but with fantastic customer loyalty.

TRANSFORM
Professional Services

We provide structured solutions and expert resources to help our customers to select, deploy and integrate digital technology, to achieve their business goals. Our revenue depends on our forward order book, which contains a multitude of short-, medium- and long-term projects.

MANAGE
Managed Services

We maintain and manage digital operations and user support for our customers, to improve quality and flexibility while reducing costs. Our revenue under contract has high predictability and is long term.

UGAP

The procurement of digitalisation

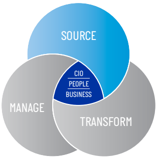
As France's leading public procurement agency, UGAP helps public customers to make the right purchasing choices for a competitive and sustainable economy. The organisation offers high-performance solutions and services to local authorities, government departments, hospitals, and the social and welfare sectors. As a player in the implementation of responsible purchasing policies, UGAP stands out for its objective and measurable CSR commitment.

"Computacenter has been a UGAP supplier for almost 20 years, offering technology sourcing services to 21,000 of the procurement agency's French and overseas territory customers spanning workplace, data center, software solutions, and networking."

Philippe Eychenne,
Head of IT Procurement
UGAP

Our integrated portfolio continued

Technology Sourcing



Procurement and logistical services

Configuration, lifecycle and circular services

Technology Sourcing is our traditional core business and we continue to see it as both fundamental to our customers and a significant growth driver. We help our customers to determine their technology needs and, supported by our technology vendors, we provide the commercial structures, configuration and supply chain services to meet these needs reliably. We earn revenue from large contracts, with thinner margins and lower visibility than for Services, but with fantastic customer loyalty, which we earn through reliability, agility and scale.

We provide our customers with huge flexibility, adapting our processes to fit their quotation, order management, shipment, receipt and documentation requirements, which are often very specific. This flexibility comes from our significant long-term investment in our people, systems and Integration Centers. Our Technology Sourcing services range from pre-configuration of all types of technology to end-of-use management. Our customers value our ability to support them across the entire hardware and software lifecycle, and to act as a partner who can deliver at scale and, increasingly, globally.

12.0m
Items supplied

1.3m
Items configured in our Integration Centers

3,000
Technology vendors

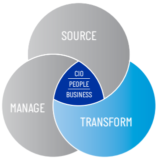
Bosch

Partnership powered by trust and quality

Computacenter has been supporting Bosch – a leading global supplier of technology and services – with IT solutions and services for more than 25 years. We are the main provider of networking, security and technology sourcing in 60 countries, and have been awarded 'Bosch Global Supplier of the Year'. We also provide technology sourcing and onsite services at 440 Bosch locations in Germany.

Our integrated portfolio continued

Professional Services



IT strategy, advisory and application services

Integration, deployment and expert services

We provide structured solutions and expert resources to help our customers select, deploy and integrate technology, so they can achieve their business goals. Our revenue depends on our forward order book, which contains a multitude of short-, medium- and long-term projects.

As the technology landscape has become more complex, our 1,600 consultants play an increasingly important role in advising our customers. Our Professional Services and Technology Sourcing businesses have always been linked and we see this increasing, as our customers need our help to make wise choices in the complex technology landscape and to then deploy and integrate these technologies.

Our Professional Services revenue also reflects some of our 5,000 engineers and 750 project managers, who are charged as part of customer integration and deployment projects. These engagements range from workplace rollouts to complex network and data center solution integrations. Our Professional Services business continues to be a major source of Services growth, as customers look to us for help to deploy new digital technology.

1.5m+
Billed consultancy hours

2.5m
Billed project management and engineering hours

4,000+
Completed projects

Kingfisher

Upgrading technology across France

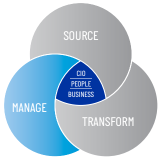
Computacenter helped Kingfisher – an international home improvement company – upgrade its workplace estate including 7,000 devices across 219 stores. Working in partnership with Kingfisher, we provided Professional Services to deliver the project, including modern endpoint management, hardware, logistics, onsite installation, and end-to-end project governance.

"This important project for Kingfisher was brilliantly managed by the Computacenter teams in partnership."

Xavier Llorens,
Project Manager – IT/Group Site Services
Kingfisher

Our integrated portfolio continued

Managed Services



Maintenance, field and managed lifecycle services
Remote user support and digital operations

We maintain, support and manage IT infrastructure and operations for our customers, to improve quality and flexibility while reducing costs. Despite competitive pricing in the market, our revenue under contract has high visibility and is long term and stable. We see this recurring income as a strategic means of balancing our business, as well as being essential to our Source, Transform and Manage customer offerings.

Customers ask us to reduce their costs by managing some of their support operations, as well as taking end-to-end responsibility for sourcing, deploying, transforming and then providing the ongoing managed support of digital projects.

We have continued to improve the predictability of our Managed Services, to the benefit of our customers and our own business. As our customers' businesses continue to evolve and face new challenges, we will continue to adapt our offerings to remain relevant and competitive.

We see significant opportunities to add value to our customers. Our Service Centers are the core of our Managed Services capability and we continue to invest in improving and updating the technology underpinning them.

4.2m
Devices supported under service-level agreements

3.5m
Incidents and requests managed

12.3m
Automated tasks completed

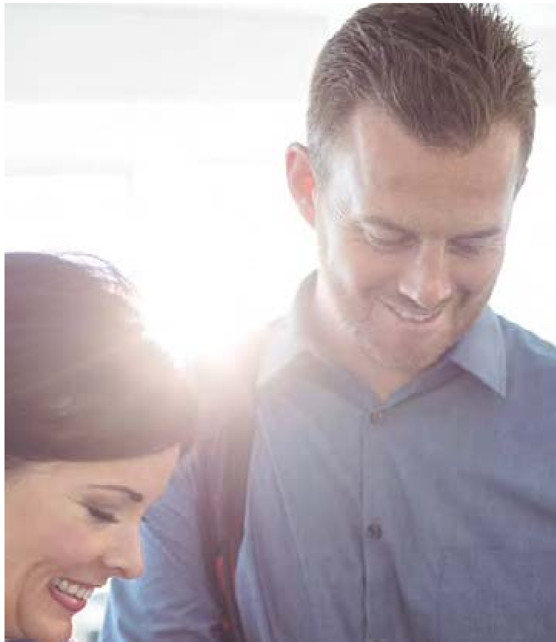
gkv informatik

A healthy partnership

Computacenter has been partnering with gkv informatik (GKVI) – an IT service for statutory health insurance – for 10 years. We provide service desk, field and break fix services to 36,000 users across Germany. GKVI trusts us to deliver our workplace services with quality and integrity, enabling its users to deliver quality services to 17m customers.

"We have a very cooperative partnership which is constructive and solution-oriented, with customer orientation demonstrated across all divisions and partners."

Peter Neiße
Technical Alliance Manager
gkv informatik



Sustainability Q&A

Q&A

Mo Siddiqi
Group Development Director

Mo Siddiqi originally joined the business in 1997 and has held a number of roles in Sales, Business Development and Operations.

"We're proud of what we've achieved in sustainability and we'll continue to improve, invest and innovate. We'll be the best we can be – a company that our people, customers, partners and communities can be proud of."

Q Computacenter formalised its sustainability strategy in 2021. What changes have you seen since then?

A We've always been a responsible business, so bringing together our ESG initiatives into a single strategy was really a means of being able to be much clearer about what we're focused on and the impact we can have.

Since then, we've seen sustainability become a key theme up and down the value chain, and it is now a significant consideration in our choices and the choices of a lot of our customers and vendors.

Q How is sustainability affecting your customers?

A Our customers are major corporate and public sector organisations around the world, and sustainability is definitely high on their agendas. Their goals vary, but underlying all of them is the desire to protect people and the environment. They want to work with suppliers that share their sustainability goals, so our strategy, winning together for our people and our planet, really resonates with them. We find a lot of alignment in where we're focused and what our customers are trying to achieve.

Q What are those focus areas?

A Our strategy has three core pillars, which we underpin with a strong governance and communications framework. The pillars are:

People – that's our people, the people in our supply chain, and those in our communities.

Planet – which encompasses environmental matters, with a particular focus on maintaining our carbon neutral operations and achieving our 2040 Net Zero target.

Solutions – which is how we deploy our three core service lines to support the sustainability goals of our customers.

Sustainability is inherent in how technology is selected, deployed and managed, and we use our expertise to bring that to the fore. But the area where we're starting to place more emphasis – because it's where we can make a real difference – is Circular Services.

Q What is 'Circular Services' at Computacenter?

A Circular Services, or IT Asset Disposition (ITAD), is about how a device is handled at the end of its life, and for Computacenter, we see that taking three forms; redeploying the device into the customer, selling the device into another market to release its value back to the customer, or extracting reusable materials as part of the asset destruction and disposal process.

See page 093

A key differentiator for us is the environmental reporting we provide to our customers, that helps them to understand the carbon and water use avoided through our responsible processing. It's a really powerful way of demonstrating the environmental benefit of these services.

We have over 30 years of experience providing Circular Services to our target market customers. Our track record, combined with our investment in best-of-breed tools, facilities and accredited processes, have seen us win awards for innovation and sustainability.

It's a really strong foundation that we're going to build and expand on this year. We know it's important to our customers, and we know that our competition in both the VAR and system integrator space can't match our capability and track record.

Q What are your growth plans?

A We're going to build a world-class scale business in Circular Services.

Today, we have established capability in two existing hubs in the UK and Germany, but we provide these services to customers in over 40 countries already. We will invest in building further in-house capability in the US and Europe as needed, and we intend to broaden our Circular Services coverage to the 70+ countries that we offer our other services in today.

We will be implementing our global control tower, a system designed specifically for Circular Services, that enables us to provide the same level of data control and reporting we currently offer to our UK customers. And as part of this investment, our local brand identities – RDC in the UK and ITL logistics in Germany – will be retired, with the business being governed and operated under the Computacenter brand.

Sustainability Q&A continued

Circular Services is a core offering that's adjacent to all of our other Service Lines. It helps us to meaningfully contribute to our customers' sustainability agenda, and we see significant growth potential in this space.

Q What is your ambition for Circular Services?

A We've set ourselves a target of recovering a device for every device we sell. We're being specific here. We actually processed over 2m items through our Circular Services business in 2023, of which about 775,000 were devices – PCs, tablets, switches, servers, monitors, printers and routers. In that same period, we sold about 4.7m new devices.

I want to be really clear that we don't want to sell fewer devices to hit our goal – we will keep growing our Technology Sourcing business, and in parallel we will accelerate the growth of our Circular Services business.

Q Why is this important?

A Based on our track record, skills and experience we believe we can grow a profitable business division that helps us achieve our business targets. In addition, we think this investment will help us to differentiate our existing Service Lines – Technology Sourcing, Professional Services and Managed Services – by adding 'recovery' formally to our technology lifecycle proposition.

More importantly though, this will help us to make a faster impact on helping our customers achieve their own sustainability goals, which would be a great contribution to building long-term trust and loyalty. We would do so while helping the planet at the same time. This is the main reason that we will make progress towards this target a key measure for senior leaders across the business.

Computacenter circularity

Circular Services
Redeployment | Remarketing | Recycling

Our target:
Recover a device for every device we sell

2023:

775,000 → 4.7m

Devices recovered | New devices sold

Circular Services Center – Braintree

Integration Center – Hatfield

Delivering long-term value

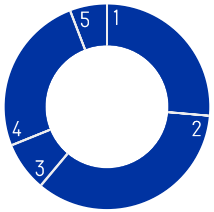
We have a long-term track record of delivering value for our stakeholders, including through financial results. This is based on the execution of our strategy which includes making the investments that underpin our strategy to maintain the long term loyalty of our customers and people.

Business resilience

Diversified across markets

We have a strong presence across the largest IT markets in Europe and North America.

Gross profit by Segments

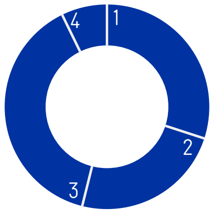


1. United Kingdom: **24%**
2. Germany: **36%**
3. France: **8%**
4. North America: **26%**
5. International: **6%**

Customer focus and longevity

Our focus is to build long-term relationships with our customers in our target market of the largest corporate and public sector organisations. We earn incredible long-term customer loyalty, which underpins our growth and development, while investing in building value to win new customers. Of our 183 customers with greater than £1m gross profit in 2023, 54% have provided above this level of gross profit for five years or more.

Customer longevity – based on customers with greater than £1m of gross profit in 2023

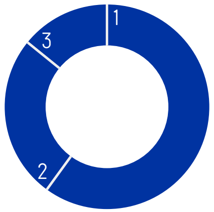


1. Over 10 years: **30%**
2. 5–10 years: **24%**
3. Under 5 years: **39%**
4. Acquisitions: **7%**

Growing with market evolution to software

Our position as trusted partners with our major customers makes us the natural choice as they evolve their IT infrastructure to leverage more software-based solutions.

Technology Sourcing gross invoiced income by product type

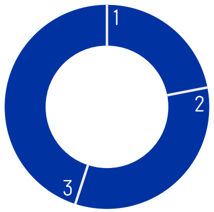


1. Hardware: **60%**
2. Software: **26%**
3. Resold Services: **14%**

Diversified across technology areas

We have strength in multiple key technology areas.

Technology Sourcing gross invoiced income by technology area

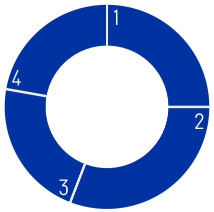


1. Workplace: **22%**
2. Apps, Cloud & Data Center: **33%**
3. Networking & Security: **45%**

Diversified across sectors

Our focus on the largest organisations in each of our markets gives us a diversified and high-quality corporate and public sector customer base, making the Group more resilient.

Total gross invoiced income by customer sector – based on customers with greater than £1m of gross profit in 2023



1. Industrial, retail and consumer: **25%**
2. Public sector, education and healthcare: **31%**
3. Financial services, banking, insurance and professional services: **22%**
4. Telecoms, media and technology: **22%**

Chief Executive Officer's performance review

Delivering growth while investing for the future

Mike Norris
Chief Executive Officer

"In 2023 we have grown faster than the market and our major competitors, and we have gained market share as a result."

2023 was another record year for Computacenter, with further growth in gross profit, adjusted profit before tax and adjusted earnings per share. This reflects the strength and benefits of our integrated Technology Sourcing and Services model, as well as our geographic diversity. We achieved this result despite the uncertain macroeconomic backdrop and elevated inflation, while increasing our investment in strategic initiatives to secure future growth.

By staying faithful to our strategy and focusing on customer needs, over the last five years we have grown organically and also significantly expanded our geographic footprint through targeted acquisitions in North America. This enlarged platform has delivered a step change in profits, with adjusted profit before tax and adjusted earnings per share more than doubling over the same period.

We now have more than 20,000 colleagues worldwide and their commitment to our customers drives our success. We believe in empowering our people and helping them to make good business decisions. With an average service length of over nine years, many have devoted significant parts of their careers to Computacenter and I thank them all for their contribution and agility, especially in navigating the various significant unexpected events of recent years.

Outperforming our markets

In 2023, we grew faster than both the market and our major competitors and have gained further market share as a result. We benefited from our target market, the largest organisations, proving the most resilient and continuing to invest in technology, combined with the breadth of our capability across Technology Sourcing and Services. Notable features of 2023 have been the ongoing growth of our share with some existing large customers, in addition to acquiring some strategically significant new customers, with whom we expect to grow in the coming years. We are grateful for their faith in us and look forward to supporting their ambitions.

Technology Sourcing

Technology Sourcing grew by 12.9% on a gross invoiced income basis and by 13.1% in constant currency, fuelled by strong growth in networking and data center. Workplace-related activity remained subdued following the significant spend during the pandemic but will naturally recover as customers refresh the workplace environment and implement new technologies, including AI. During the year, and notably in the first half of 2023, we benefited from exceptional demand from certain customers, which we expect to normalise in 2024. Gross margin performance was robust, reflecting our scale benefits and changes in product mix.

Industry supply chains and customer ordering behaviours have returned to pre-Covid-19 normalised levels, with customers no longer placing long lead-time orders due to the improved availability of product. Backlogs for most of our geographies have therefore decreased and as a consequence we responded by managing down our inventory position very effectively, which has helped drive very strong cash generation.

We continue to invest in and develop our value-added services to ensure our customers have consistently great experiences. Our Integration Centers are benefiting from investment in greater automation to improve efficiency and agility. Our international reach, which matches the footprint of many of our large multi-national customers, is helping us to win new business and is an ongoing source of differentiation. Our Circular Services capability is also helping customers deliver on their sustainability agendas.

Chief Executive Officer's performance review continued

Services

Services, which encompasses Professional and Managed Services, is critical to our business model. In 2023 Services revenue increased by 4.2% and by 3.1% in constant currency. Our Services gross margin was impacted by inflation during the year. However, it remains healthy versus historical levels and improved as the year progressed, as we made efficiencies and took advantage of contractual opportunities to recover cost increases.

Customers value our highly skilled consultants, engineers and programme managers across our Professional Services business, using them to deploy new digital technology, from complex network and data center integrations to workplace rollouts. Professional Services has been a strong driver of growth for Services over the last five years, and we see it as an important future revenue and profit-growth driver for the Group.

In 2023, we grew Professional Services revenue by 6.6% and by 5.7% in constant currency, fuelled by another strong performance in Germany, which reflects the strength and breadth of our capability and depth of relationships with large corporate and public sector customers. We are committed to growing and enhancing Professional Services by having a broader and scalable portfolio across all countries, based on a common operating framework and a strong sales approach.

Managed Services generates visible long-term contract revenue, as we maintain, support and manage our customers' IT infrastructure and operations, to improve quality and flexibility while reducing costs. These services are important to the longevity of our customer relationships, with more than three-quarters of our major European headquartered customers contracting with us, supported by our Service Centers globally.

In 2023, we grew Managed Services revenue by 2.5% and by 1.3% in constant currency. Managed Services contracts generally have specific cost of living adjustment clauses within them that enable us to increase our rate card prices and recover increases in our costs at a later date which helped our margin performance as the year progressed. Towards the end of the year, we won some significant new contracts which will contribute from 2024 onwards.

To offer increased value to our customers we continue to invest in new and improved systems, greater automation and offshoring. We now have nearly 1,400 colleagues in India versus 1,100 at the end of 2022, serving our customers. The market opportunity for Managed Services is substantial in our core areas of workplace, networking, infrastructure and cloud.

Diversified across markets

Germany had an excellent year, continuing its strong growth trajectory in 2023 as it consolidated its market-leading position for large corporate and public sector customers. Germany's performance reflects our deep capabilities in technology areas such as networking and cyber and our ability to support customers at every stage of the IT lifecycle.

In North America, the largest market globally, we have a clear long-term growth opportunity as we continue to leverage Computacenter's broader capability and resources. In 2023, we further integrated the businesses we have acquired and at the same time delivered a strong financial performance.

We are also pleased to see positive momentum in France, where our enlarged business is starting to deliver on its potential, as well as strong performances in Belgium and the Netherlands. Our UK performance was disappointing, reflecting in part higher exposure to subdued workplace demand. We responded by making changes to our UK leadership team and our sales approach and saw the benefits start to come through at the end of last year.

Investing to secure future growth

2023 has been a year of significant additional investment in critical strategic initiatives, which will improve our capabilities and productivity, enable us to further leverage AI solutions, and underpin our systems for the future. This investment increased by £13m to £28m and we expect to maintain our spending at this level in 2024. Most of the investment is focused on our systems. We are not just upgrading but also moving to new systems to obtain the security and support we need and to develop competitive advantage through new toolsets and processes, all of which will help secure future growth.

Cyber security remains one of the greatest risks to our business. It also presents one of the greatest opportunities to differentiate ourselves from our competitors, both through our own resilience and by helping our customers to overcome the same challenges. We will continue to invest significantly to mitigate cyber risks.

Strong inventory management driving excellent cash generation and balance sheet strength

As noted above, the easing of supply chain challenges and better availability of product in 2023 meant customers reverted to more normal ordering patterns and we reduced our inventory significantly as a result. Consequently we generated excellent levels of cash that exceeded our expectations. The Group had £216.0m of inventory as at 31 December 2023, a decrease of 48.3% since 31 December 2022 (£417.7m). Adjusted net funds increased by £214.7m to £459.0m at the year end.

The strength of our balance sheet provides us with significant optionality, and we continue to evaluate a number of capital allocation options, including potential inorganic growth and the return of surplus capital to shareholders.

Outlook

Looking ahead to 2024, in the context of a continuing uncertain macroeconomic backdrop, the Group is well positioned to continue to compete and gain further market share.

As anticipated, we expect to see Technology Sourcing volumes normalise in 2024 as some of the high-volume, lower-margin projects we delivered, especially in the first half of 2023, were completed. In Services we expect continued growth while inflationary pressures are expected to moderate further. We will continue to invest in strategic initiatives to enhance our systems and improve our competitive position to sustain our long-term performance. At the same time, we are increasingly focused on delivering productivity benefits across the Group.

Overall we expect to make further progress in 2024 with growth weighted to the second half of the year, reflecting a significantly more challenging comparison in the first half of the year than in the second half.

Looking further ahead, we are excited by the pace of innovation and growth in demand for technology. With our strength in Technology Sourcing, Professional Services and Managed Services, and focus on retaining and maximising customer relationships over the long term, we believe that we are well placed to deliver profitable growth and sustained cash generation.

Mike Norris
Chief Executive Officer
19 March 2024

Our track record

Computacenter has a long-term track record of revenue and profit growth combined with high levels of cash generation. In 2023, gross invoiced income exceeded £10bn for the first time and it was our nineteenth consecutive year of growth in adjusted earnings per share. Our balance sheet is extremely strong, with a record level of adjusted net funds.

Financial strength and stability

10,081.4
Gross invoiced income (£m)

1,044.0
Gross profit (£m)

459.0
Adjusted net funds (£m)

49.3%
Return on capital employed (Four-year average)

Our financial track record

	2019	2020	2021	2022	2023	2022 vs 2023
Gross invoiced income (£m)	5,052.8	5,441.3	6,923.5	9,052.2	**10,081.4**	11.4%
Revenue (£m)*			5,034.5	6,470.5	**6,922.8**	7.0%
Gross profit (£m)	663.1	720.5	867.8	947.1	**1,044.0**	10.2%
Adjusted profit before tax (£m)	146.3	200.5	255.6	263.7	**278.0**	5.4%
Profit before tax (£m)	141.0	206.6	248.0	249.0	**272.1**	9.3%
Adjusted diluted EPS (p)	92.5	126.4	165.6	169.7	**174.8**	3.0%
Diluted EPS (p)	89.0	133.8	160.9	159.1	**173.2**	8.9%
Dividend per share (p)	10.1	50.7	66.3	67.9	**70.0**	3.1%
Net cash flow from operating activities (£m)	198.3	236.9	224.3	242.1	**410.6**	69.6%
Adjusted net funds (£m)	137.1	188.6	241.4	244.3	**459.0**	87.9%
Return on capital employed	42.6%	46.7%	52.2%	42.9%	**55.4%**	12.5 pts

Four-year annual compound growth rate

12.0%
Gross profit

17.4%
Adjusted profit before tax

17.2%
Adjusted diluted EPS

35.3%
Adjusted net funds

* Following an interpretation of the revenue accounting standard by the International Accounting Standards Board, we, and a number of our peer value-added resellers, have changed the way we recognise revenues for standalone software and resold third-party services contracts and revised our accounting policies to reflect this change. This change has been applied from 2022 and, retrospectively, we have restated our prior-year 2021 revenues. The equivalent adjustment is not available for years prior to 2021 as it is not practicable to calculate.

Key performance indicators

Our financial KPIs

Revenue (£m)
+7.0%
6,922.8

Gross invoiced income (£m)
+11.4%
10,081.4

	Revenue	Gross invoiced income
2023	6,922.8	10,081.4
2022	6,470.5	9,052.2
2021	5,034.5	6,923.5
2020	5,441.3	
2019	5,052.8	

Gross invoiced income/revenue

Gross invoiced income and revenue measure our growth with existing and new customers.

2023

We outperformed our markets, benefiting from our focus on large organisations.

Gross invoiced income grew by 11.4% and by 11.3% in constant currency. Revenue increased by 7.0% and by 6.9% in constant currency. Gross invoiced income exceeded £10bn for the first time, driven by strong growth in Technology Sourcing and solid growth in Services.

Gross profit (£m)
+10.2%
1,044.0

2023	1,044.0
2022	947.1
2021	867.8
2020	720.5
2019	663.1

Gross profit

Gross profit measures the conversion of revenue into absolute profit, after deducting the cost of goods sold.

2023

Gross profit increased by 10.2% and by 9.8% in constant currency, reflecting strong revenue growth and a robust gross margin performance.

Adjusted diluted EPS (p)
+3.0%
174.8

2023	174.8
2022	169.7
2021	165.6
2020	126.4
2019	92.5

Adjusted diluted EPS

Adjusted diluted EPS measures our net profit generation after administrative costs, Group-wide investment, net finance income and tax on a fully diluted per-share basis.

2023

Adjusted diluted EPS grew by 3.0%, our nineteenth consecutive year of growth. This result reflects growth in adjusted profit before tax and an increase in the effective tax rate.

Adjusted net funds (£m)
+87.9%
459.0

2023	459.0
2022	244.3
2021	241.4
2020	188.6
2019	137.1

Adjusted net funds

Adjusted net funds or adjusted net debt includes cash and cash equivalents, other short- or long-term borrowings and current asset investments. Following the adoption of IFRS 16, this measure excludes all lease liabilities. Computacenter has a track record of positive adjusted net funds and of distributing surplus capital to shareholders and reducing the number of shares in issue.

2023

Adjusted net funds increased by £214.7m to £459.0m at 31 December 2023. This reflects excellent cash generation during the year, driven by effective inventory management.

Key performance indicators continued

Our strategic KPIs

The measures set out opposite address what we believe to be the key drivers of successfully delivering our strategy.

While our 'Customer relationships' and 'Services growth' KPIs have remained unchanged, we have made two changes to our strategic KPIs.

First, we have changed the measure for 'Productivity' from 'services revenue generated per services head' to 'operating profit as a proportion of gross profit'. We believe that this new measure is a more comprehensive reflection of productivity across both our Technology Sourcing and Services activities and better meets the needs of our stakeholders in the long term.

Secondly, we have removed 'Customer Value', which sought to measure the rate at which a blend of products and services is consumed by our target market customers, from our strategic KPIs. While the typical customer uptake across our balanced portfolio is an interesting metric, we felt that this measure was too difficult to define sufficiently clearly to reflect progress in line with our strategic aims. We believe that Services growth reflects long term value creation for our customers by itself.

We believe that the revised Strategic KPIs are a simple and clear reflection of the metrics that underpin the delivery of our strategy.

Customer relationships

Services growth

Productivity

Customer relationships

Retain and maximise the relationships with our large corporate and public sector customers over the long term

Number of customer accounts with gross profit of over £1m
-2.7%

183

Year	Accounts
2023	**183**
2022	188
2021	165
2020	156
2019	134

Computacenter is focused on securing, growing and maintaining our relationships with large corporate and public sector customers. While our customers which contribute more than £1m of gross profit are not all of equal strategic importance, their overall number is a key driver of our profitability. We focus on understanding why customers have exceeded or dropped below this £1m threshold, and the extent to which this correlates with and is driven by our quality of service, or wider market trends which are outside of our control.

In 2023, we finished with 183 of these customers, a decline of five from the previous year. This decline is unusual in a year in which we have maintained positive performance momentum. It is due to a diversity of performance from our customer base – a small number of customers have contributed significantly to our overall gross profit through significant investment programmes, while others have temporarily fallen below the £1m threshold, although they have continued to spend with us. While the decline is due to customer spending patterns, we are not complacent about this measure and have placed renewed focus on improvement in this KPI in the years ahead, through both growth in spend with existing customers as well as new customer acquisition. At the same time, we are pleased that the diversity and breadth of our customer base has delivered resilience in our performance.

How we define customer accounts with gross profit of over £1m

A customer account is the consolidated spend by a customer and all of its subsidiaries. Where a customer account exceeds £1m of gross profit, it is included within this measure. The prior-year comparatives are restated on a constant currency basis to provide a better indicator of underlying growth.

Key performance indicators continued

Services growth
Lead with and grow our Services

Services revenue (£m)
+3.1%
1,636.5

2023	**1,636.5**
2022	1,587.5
2021	1,474.0
2020	1,246.4
2019	1,231.0

We understand that having a significant Services element within a customer engagement generally increases the value to the customer and the longevity of the relationship. Management is highly incentivised, both in-year and through our long-term incentive plans, to grow our Services revenue.

During 2023, we grew Services revenue in constant currency by 3.1%, all organically. We are pleased with this performance, especially in the context of a market where some services competitors have been showing revenue decline. However, we are not satisfied and believe that we can grow faster.

Group Professional Services revenue grew by 5.7% in constant currency, despite a decline in the UK. Our German business, where we have built greater scale and competitive advantage, continues to set a benchmark for the levels of Professional Services growth achievable, with an increase of 13.5% in constant currency. We believe that we can grow Professional Services across the Group significantly. We have organised our previously disparate Professional Services resources into a single Group Service Line to provide the necessary focus and to leverage our success in Germany across the Group.

Group Managed Services revenue grew by 1.3% in constant currency. Our Managed Services business has continued to make reasonable progress in challenging market conditions. Despite the impact of inflation, and resulting upward pressure on our cost base, customers continue to expect productivity gains through systems and automation, the development of which requires sustained and consistent investment. We are particularly pleased with some new Managed Services contract wins towards the end of 2023, which will support our continued growth in the years ahead.

How we define Services revenue
Services revenue is the combined revenue of our Professional Services and Managed Services business. The prior-year comparatives are restated on a constant currency basis to provide a better indicator of underlying growth.

Productivity
Increase the adjusted operating profit we retain as a proportion of our gross profit

Adjusted operating profit as a percentage of gross profit (%)
-2.4pts
26.0

2023	**26.0**
2022	28.4
2021	30.1
2020	28.5
2019	22.8

Productivity is an important driver of value for the Group and we have broadened the way we measure this KPI. We are using gross profit conversion as the best overall productivity measure for our business across all our activities. It measures how much of our gross profit we convert into adjusted operating profit and helps measure how effectively we use our scale to improve operational leverage.

Management has already been incentivised on this KPI internally for some years. Historically, gross profit conversion increased in 2020 to 28.5% and in 2021 to 30.1%, as a result of both increased gross profit generation and improved Services productivity as a result of the Covid-19 pandemic. In 2022, Services productivity returned to more normal levels while inflation increased selling, general and administrative costs, resulting in a decline of gross profit conversion to 28.4%.

At the end of 2022 and throughout 2023 we have increased central corporate costs, primarily driven by the increased spend in strategic initiatives, resulting in a reduction in gross profit conversion to 26.0%. We believe this investment is essential to underpin our long-term competitiveness and will continue at an increased level in 2024.

We will focus on this KPI as the key productivity indicator for our business.

How we define productivity
Adjusted operating profit (£m) divided by gross profit (£m), expressed as a percentage. The prior-year comparatives are restated on a constant currency basis to provide a better indicator of underlying growth.

Our performance in 2023

Group

6,922.8
Revenue (£m)
+6.9% in constant currency

1,044.0
Gross profit (£m)
+9.8% in constant currency

271.5
Adjusted operating profit (£m)
+0.6% in constant currency

+3.0%
Adjusted earnings per share growth

Gross invoiced income (£m)
+11.4%

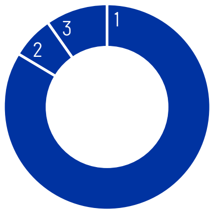
Revenue (£m)
+7.0%

Year	Revenue (£m)	Gross invoiced income (£m)
2023	6,922.8	10,081.4
2022	6,470.5	9,052.2
2021	5,034.5	6,923.5
2020	5,441.3	
2019	5,052.8	

Adjusted operating profit (£m)
+0.9%

Year	Adjusted operating profit (£m)
2023	271.5
2022	269.1
2021	262.8
2020	206.4
2019	151.5

Gross invoiced income by business type



1. Technology Sourcing: **83.8%**
2. Professional Services: **6.7%**
3. Managed Services: **9.5%**

In 2023, we continued to see strong demand for Technology Sourcing, with our target market, the largest customers, proving the most resilient and continuing to invest in technology. We grew our share within existing customers and also acquired new customers. Our Services business delivered solid growth during the year, with Professional Services revenue growing faster than Managed Services.

Total gross invoiced income increased by 11.4% and by 11.3% in constant currency and total revenue increased by 7.0% and by 6.9% in constant currency. Gross profit increased by 10.2% on a reported basis and by 9.8% in constant currency, driven by the strength of Technology Sourcing. Group gross margin increased by 44 basis points to 15.1%, reflecting a 74 basis points increase in Technology Sourcing and a 32 basis points decline in Services.

Adjusted operating profit increased by 0.9% on a reported basis and by 0.6% in constant currency, largely reflecting the impact of inflation and incremental investment in strategic initiatives. By geography, Germany and North America delivered strong growth in adjusted operating profit, more than offsetting a weaker performance in the UK.

Adjusted profit before tax increased by 5.4% on a reported basis and by 5.1% in constant currency, benefiting from higher net finance income. Adjusted diluted EPS increased by 3.0%, reflecting an increase in the adjusted effective tax rate to 27.6% (2022: 25.5%). Profit before tax increased by 9.3%. The difference between profit before tax and adjusted profit before tax relates to the Group's net costs of £5.9m from exceptional and other adjusting items mainly associated with the acquisitions of Pivot and BITS. Diluted EPS increased by 8.9%.

Our cash performance was excellent as we reduced inventory, resulting in an increase of adjusted net funds of £214.7m to £459.0m.

Technology Sourcing

Technology Sourcing achieved strong growth during the year, driven by the spread of the customer base across multiple market segments, technology lines and geographies, which create durability and sustainability through diversification. After a very strong performance in the first half driven by certain high-volume projects, as expected, the second half saw more normalised activity levels as these were completed.

Our performance in 2023 continued

Group Technology Sourcing gross invoiced income grew by 13.1% in constant currency. Technology Sourcing gross margin increased by 74 basis points, reflecting broad-based improvements largely offsetting the impact of certain projects with lower-margin volumes, and a higher-software mix.

By technology area demand has been strongest in networking and data center. Workplace has been subdued reflecting high levels of investment during the pandemic. Customers continue to re-engineer IT structures and employ digital transformation to cope with the ever-evolving technology landscape and the need to reduce non-IT operating costs. The heightened cyber threat landscape continues to drive demand in this area.

By geography, Germany and North America were the key drivers of growth. North America benefited in particular from certain high-volume, lower-margin projects which are expected to normalise in 2024.

Our product order backlog, which is the total value of committed outstanding purchase orders placed with our technology vendors against non-cancellable sales orders for delivery within 12 months, as at 31 December 2023, is significantly lower than the prior-year equivalent. The reduction largely reflects the completion of certain high-volume projects in North America and the return to usual customer ordering behaviour as industry supply chains returned to normal. The product order backlog[1] at 31 December 2023 was £1,222.3m, on a gross invoiced income basis, a 56.3% decrease since 31 December 2022 (£2,794.6m) in constant currency.

The Technology Sourcing backlog, alongside the Managed Services contract base and the Professional Services forward order book, provide visibility of future revenues in these areas.

Services

Our Services performance for the year was solid. Total Services revenue grew by 3.1% in constant currency. Services gross margin decreased by 32 basis points during the year, mainly reflecting the impact of inflation and some onboarding costs for contracts won in 2022. We managed our margin recovery more effectively across the year, resulting in a better margin performance in the second half.

Professional Services revenue grew by 5.7% in constant currency and accounted for 41% of total Services revenue. Germany, our largest source of Professional Services revenue, grew strongly during the year across all solutions lines. This outweighed the weaker performance in the UK, which reflected the softer environment for workplace.

Managed Services revenue grew by 1.3% in constant currency and accounted for 59% of total Services revenue. Germany, our largest source of Managed Services revenue, grew well during the year reflecting contracts won in 2022.

The UK experienced a slight decline in revenue in 2023, although a number of contract wins towards the end of the year are expected to support growth in 2024 and beyond.

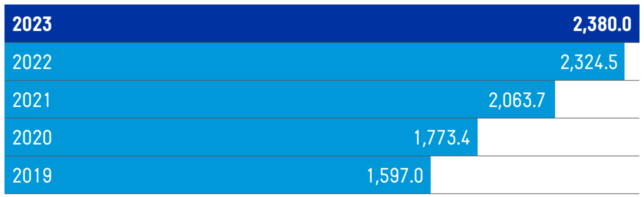
RESULTS	2023 £m	2022 £m	Change	Change in constant currency
Technology Sourcing gross invoiced income	**8,444.9**	7,481.6	**12.9%**	13.1%
Services revenue	**1,636.5**	1,570.6	**4.2%**	3.1%
Professional Services revenue	**678.8**	636.6	**6.6%**	5.7%
Managed Services revenue	**957.7**	934.0	**2.5%**	1.3%
Total gross invoiced income	**10,081.4**	9,052.2	**11.4%**	11.3%
Technology Sourcing revenue	**5,286.3**	4,899.9	**7.9%**	8.1%
Services revenue	**1,636.5**	1,570.6	**4.2%**	3.1%
Professional Services revenue	**678.8**	636.6	**6.6%**	5.7%
Managed Services revenue	**957.7**	934.0	**2.5%**	1.3%
Total revenue	**6,922.8**	6,470.5	**7.0%**	6.9%
Gross profit	**1,044.0**	947.1	**10.2%**	9.8%
Adjusted administrative expenses	**(772.5)**	(678.0)	**13.9%**	13.5%
Adjusted operating profit	**271.5**	269.1	**0.9%**	0.6%
Net adjusted finance income/(costs)	**6.5**	(5.4)		
Adjusted profit before tax	**278.0**	263.7	**5.4%**	5.1%
Gross profit	**1,044.0**	947.1	**10.2%**	
Administrative expenses	**(783.3)**	(690.7)	**13.4%**	
Other income related to acquisition of subsidiary	**5.3**	–		
Gain on acquisition of subsidiary	**2.8**	–		
Operating profit	**268.8**	256.4	**4.8%**	
Net finance income/(costs)	**3.3**	(7.4)		
Profit before tax	**272.1**	249.0	**9.3%**	

Our performance in 2023 continued

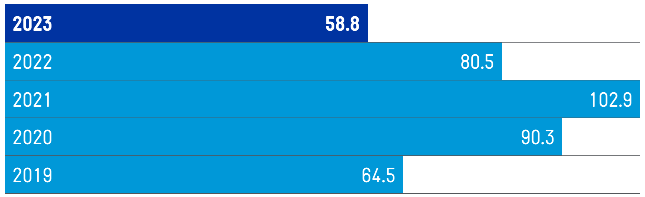
United Kingdom

RESULTS	2023 £m	2022 £m	Change
Technology Sourcing gross invoiced income	**1,938.1**	1,864.2	**4.0%**
Services revenue	**441.9**	460.3	**(4.0%)**
Professional Services revenue	**132.2**	147.5	**(10.4%)**
Managed Services revenue	**309.7**	312.8	**(1.0%)**
Total gross invoiced income	**2,380.0**	2,324.5	**2.4%**
Technology Sourcing revenue	**771.8**	809.1	**(4.6%)**
Services revenue	**441.9**	460.3	**(4.0%)**
Professional Services revenue	**132.2**	147.5	**(10.4%)**
Managed Services revenue	**309.7**	312.8	**(1.0%)**
Total revenue	**1,213.7**	1,269.4	**(4.4%)**
Gross profit	**250.8**	259.2	**(3.2%)**
Adjusted administrative expenses	**(192.0)**	(178.7)	**7.4%**
Adjusted operating profit	**58.8**	80.5	**(27.0%)**

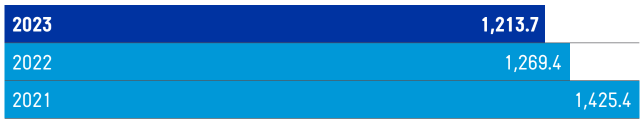
Gross invoiced income (£m)
2.4%



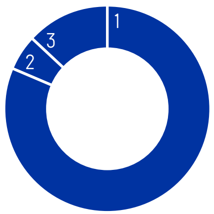
Adjusted operating profit (£m)
-27.0%



Revenue (£m)
-4.4%



Gross invoiced income by business type



1. Technology Sourcing: **81.4%**
2. Professional Services: **5.6%**
3. Managed Services: **13.0%**

Our performance in 2023 continued

The UK delivered a weaker result in a soft market, especially for workplace activity. Total gross invoiced income increased by 2.4% reflecting growth in Technology Sourcing, partly offset by a 4.0% decline in Services revenue. Total revenue decreased by 4.4% reflecting a higher mix of software. Gross profit decreased by 3.2% with gross margin increasing by 24 basis points. Administrative expenses increased by 7.4% largely reflecting inflation and higher people costs, resulting in adjusted operating profit decreasing by 27.0%.

The UK market softened during the year due to unsettled economic conditions, with businesses and organisations delaying project implementations and investment decisions.

Early in the year, we implemented new leadership followed by significant structural changes, to enhance our focus on our target market of large corporate and public sector organisations and maximise growth. As part of this, we expanded our sales sectors from four to five, allowing us to get closer to our customers, better understand their needs and preferences, and ultimately drive increased sales opportunities. While near-term demand remains uncertain, we are encouraged by some significant Services contract wins towards the end of the year.

Technology Sourcing

Technology Sourcing gross invoiced income increased by 4.0%. Volumes started the year strongly but softened as the year progressed. Gross margin increased by 31 basis points.

Demand for hardware was subdued, particularly in the workplace, although we increased share with our key vendors. This follows customers' significant investments through the pandemic to support home and hybrid working and the completion of a number of large Windows 10 rollouts. As anticipated, this has led to a lag in customer adoption of Windows 11. Workplace activity is an important driver of utilisation at our Integration Centers, where our costs remain largely fixed. Software demand was stronger in areas such as data center and cloud.

We expect the adoption of Windows 11 to gain momentum during the second half of 2024. This will likely drive increased demand for new hardware, as customers upgrade their systems to align with the new operating system.

The product order backlog at 31 December 2023 was £364.3m. This represents a 10.1% increase since 31 December 2022 (£331.0m).

Services

Services revenue declined by 4.0%, with Managed Services decreasing by 1.0% and Professional Services by 10.4%. Gross margin increased by 11 basis points, reflecting good recovery of cost inflation.

The lower demand in Technology Sourcing has had a ripple effect in Professional Services, which led to lower demand for workplace-related activities. This outweighed the significant growth achieved in supporting customers' adoption of public cloud and expanding and securing their networks.

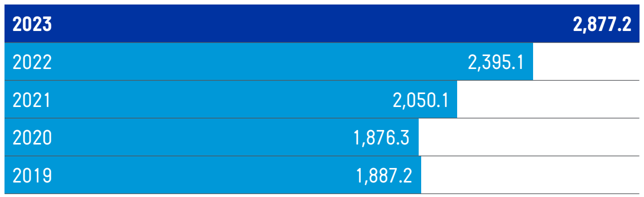
In Managed Services, we concluded a large number of contract renewals during the year. Encouragingly, towards the end of the year we secured a large public sector contract as well as a number of smaller corporate contracts, all of which also provide growth opportunities in Technology Sourcing and Professional Services.

Our performance in 2023 continued

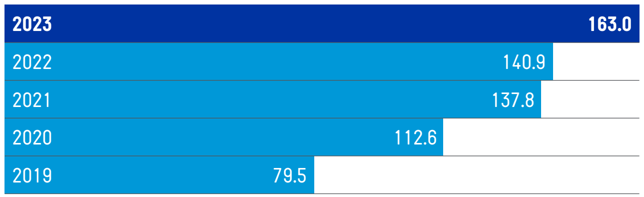
Germany

RESULTS	2023 £m	2022 £m	Change	Change in constant currency
Technology Sourcing gross invoiced income	**2,111.5**	1,704.7	**23.9%**	21.7%
Services revenue	**765.7**	690.4	**10.9%**	8.7%
Professional Services revenue	**365.4**	315.7	**15.7%**	13.5%
Managed Services revenue	**400.3**	374.7	**6.8%**	4.7%
Total gross invoiced income	**2,877.2**	2,395.1	**20.1%**	17.9%
Technology Sourcing revenue	**1,261.8**	1,153.1	**9.4%**	7.5%
Services revenue	**765.7**	690.4	**10.9%**	8.7%
Professional Services revenue	**365.4**	315.7	**15.7%**	13.5%
Managed Services revenue	**400.3**	374.7	**6.8%**	4.7%
Total revenue	**2,027.5**	1,843.5	**10.0%**	8.0%
Gross profit	**374.5**	325.1	**15.2%**	13.1%
Adjusted administrative expenses	**(211.5)**	(184.2)	**14.8%**	12.5%
Adjusted operating profit	**163.0**	140.9	**15.7%**	13.8%

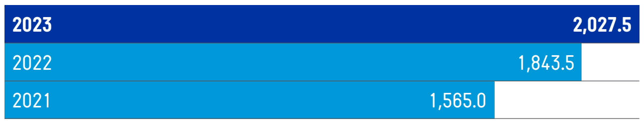
Gross invoiced income (£m)
+20.1%



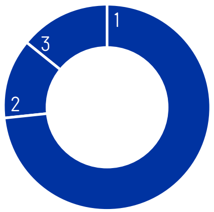
Adjusted operating profit (£m)
+15.7%



Revenue (£m)
+10.0%



Gross invoiced income by business type



1. Technology Sourcing: **73.4%**
2. Professional Services: **12.7%**
3. Managed Services: **13.9%**

Our performance in 2023 continued

Germany delivered another strong year of growth, reflecting the depth and breadth of our capabilities and customer relationships. Total gross invoiced income increased by 17.9% in constant currency, driven by very strong growth in Technology Sourcing and strong growth in Services revenue. Gross profit increased by 13.1% in constant currency with gross margin increasing by 84 basis points, largely reflecting the strength of the Technology Sourcing performance. Administrative expenses increased by 12.5% in constant currency reflecting higher commissions and inflation, resulting in adjusted operating profit growth of 13.8% in constant currency.

We are benefiting from our strong focus on public sector and corporate business. We significantly broadened our portfolio with existing customers and expanded our customer base. Our investments in the salesforce and broadening the technology and skills base are showing clear benefits and creating the basis for further growth.

The breadth of our portfolio is a key driver of our growth. For example, we concluded the largest Cisco Whole Portfolio Agreement contract in Europe, with a major international industrial technology group headquartered in Germany. This contract will run for five years. We will continue to equip, modernise, and operate IT infrastructure in all schools for a large southern German state capital in the coming years. This is an important milestone as we develop our offer to the German education market. In the transport sector, we expanded our scope with the largest German transport company and we will now provide a large part of its personal computer client infrastructure from next year onwards. Towards the end of the year, we won a significant IT infrastructure framework agreement with one of Germany's largest airports. In chemical and pharmaceuticals, we won Managed Services business with a global producer and will be responsible for the Global Service Desk. In addition, we significantly expanded our app development and cloud management business following investment in developers based in Cluj, Romania, to support our solution designers and project managers in Germany.

Technology Sourcing

Technology Sourcing gross invoiced income increased by 21.7% in constant currency, well ahead of market growth. This was driven by networking and security but data center and workplace also showed good growth. Technology Sourcing gross margin was very strong, increasing by 255 basis points over the period due to strong product mix and increased share of software volumes.

In addition to the increasingly strong software demand, we are seeing greater customer demand to bundle procurements in bigger framework contracts. This particularly applies to the global requirements of large international customers and to the high demand for infrastructure from our major public sector customers at state and federal level.

We also see demand for the combination of innovative and flexible financing solutions with asset management, deployment and maintenance services. The first international implementation of Computacenter's Device as a Service (DaaS) solution went live for a large German financial institution during the year.

The product order backlog at 31 December 2023 was £234.9m, a 25.6% decrease in constant currency since 31 December 2022 (£315.6m). This decrease largely reflects customer ordering patterns returning to normal.

Services

Services revenue increased by 8.7% in constant currency, with 13.5% growth in Professional Services and 4.7% growth in Managed Services. Services gross margin declined by 205 basis points as Managed Services experienced an increase in costs, most of which was inflation-related. In addition, there were one-off costs for onboarding new service contracts won in 2022 and technology refreshes of existing contracts that were up for renewal. Not all of these cost increases could be passed on to customers or offset by cost-reduction measures.

Professional Services saw continuing strong demand from public sector customers for support, engineering and consultancy services. We are excellently positioned here, with a broad base of framework agreements and a very good customer structure, primarily with federal and state authorities and larger local country departments and cities. We expect demand to be robust in the coming years and these areas will remain our focus. We also see a continuing need for project support and skills in our corporate customer segment, especially in networking and security, data center consolidation and cloud management, as well as for expanding modern workplace infrastructures. Our application development business, which we have grown organically, continues to be in high demand with our customers.

In Managed Services we are working hard to mitigate cost inflation by passing on the higher costs to our customers, where contractually appropriate, and by achieving additional savings, for example by using more automation. Our second challenge was to complete the transformational activities and technology refresh at a small number of customers in 2023. We have a very solid pipeline particularly in workplace and networking, where we are very well positioned. An increasing number of our international customers are looking for IT infrastructure service providers with a global capability for these services to improve quality and flexibility while reducing costs.

Our performance in 2023 continued

France

RESULTS	2023 £m	2022 £m	Change	Change in constant currency
Technology Sourcing gross invoiced income	**728.5**	606.7	**20.1%**	18.2%
Services revenue	**183.6**	178.1	**3.1%**	1.0%
Professional Services revenue	**50.8**	41.7	**21.8%**	19.2%
Managed Services revenue	**132.8**	136.4	**(2.6%)**	(4.6%)
Total gross invoiced income	**912.1**	784.8	**16.2%**	14.3%
Technology Sourcing revenue	**479.9**	435.8	**10.1%**	8.3%
Services revenue	**183.6**	178.1	**3.1%**	1.0%
Professional Services revenue	**50.8**	41.7	**21.8%**	19.2%
Managed Services revenue	**132.8**	136.4	**(2.6%)**	(4.6%)
Total revenue	**663.5**	613.9	**8.1%**	6.2%
Gross profit	**87.3**	76.7	**13.8%**	12.3%
Adjusted administrative expenses	**(78.6)**	(69.6)	**12.9%**	10.9%
Adjusted operating profit	**8.7**	7.1	**22.5%**	26.3%

Gross invoiced income (£m)
+16.2%

2023	**912.1**
2022	784.8
2021	653.4
2020	672.8
2019	625.0

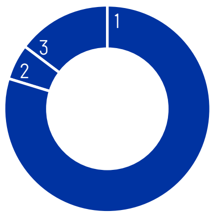
Adjusted operating profit (£m)
+22.5%

2023	**8.7**
2022	7.1
2021	3.5
2020	13.0
2019	17.3

Revenue (£m)
+8.1%

2023	**663.5**
2022	613.9
2021	555.2

Gross invoiced income by business type



1. Technology Sourcing: **79.9%**
2. Professional Services: **5.6%**
3. Managed Services: **14.5%**

Our performance in 2023 continued

France continued its momentum into 2023 and delivered further strong growth during the period. Total gross invoiced income increased by 14.3% in constant currency, driven by strong growth in Technology Sourcing and a slight increase in Services revenue. Gross profit rose 12.3% in constant currency with gross margin increasing by 66 basis points, largely due to higher infrastructure and software mix. Administrative expenses increased by 10.9% in constant currency, reflecting targeted investment in sales headcount and inflation, resulting in adjusted operating profit increasing by 26.3% in constant currency to £8.7m.

Demand for Technology Sourcing was stronger than for Managed Services, where decision-making was slower. During the year we continued to strengthen our position in networking and data center, aided by the full integration of CCNS, the business we acquired towards the end of 2020.

Technology Sourcing

Technology Sourcing gross invoiced income increased by 18.2% in constant currency with a strong performance across both our corporate and public sector businesses. Technology Sourcing gross margin increased by 111 basis points, largely reflecting a higher-margin product mix.

The public sector remains the biggest contributor and this is mainly related to growth in multi-year framework agreements. We increased our presence in this area and were successful in winning new software and networking contracts, which we expect to drive growth. We continue to invest in our technical skills and are committed to maintaining the highest levels of accreditations for our priority technology vendors, especially in networking.

The product order backlog at 31 December 2023 was £124.1m representing a 7.9% increase in constant currency since 31 December 2022 (£115.0m).

Services

Services revenue increased by 1.0% in constant currency with 19.2% growth in Professional Services offset by a 4.6% decline in Managed Services. Services gross margin decreased by 87 basis points, reflecting volume declines in Managed Services and the impact of inflation.

Growth in Professional Services was mainly driven by large workplace and data center projects in the public sector.

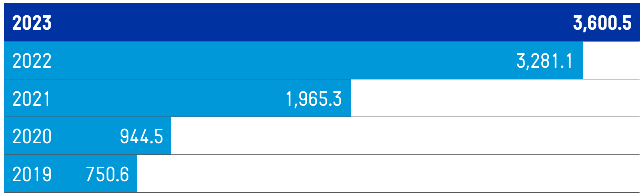
Our Managed Services contracts are predominantly with corporate customers. We saw a decrease in volume reflecting the lack of significant new contract wins in 2022. It was a good year for contract renewals in 2023, and in many instances, we have been able to expand our scope of work. However, decisions on new contract awards are taking longer, with some larger outcomes now expected in 2024.

Our performance in 2023 continued

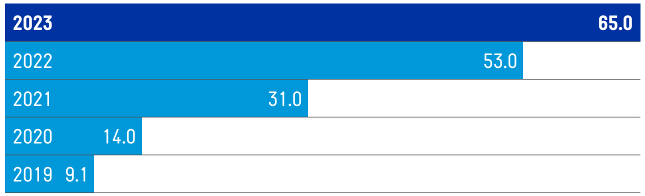
North America

RESULTS	2023 £m	2022 £m	Change	Change in constant currency
Technology Sourcing gross invoiced income	**3,454.4**	3,131.7	**10.3%**	11.8%
Services revenue	**146.1**	149.4	**(2.2%)**	(0.9%)
Professional Services revenue	**118.7**	122.5	**(3.1%)**	(1.7%)
Managed Services revenue	**27.4**	26.9	**1.9%**	2.7%
Total gross invoiced income	**3,600.5**	3,281.1	**9.7%**	11.2%
Technology Sourcing revenue	**2,602.6**	2,357.9	**10.4%**	11.8%
Services revenue	**146.1**	149.4	**(2.2%)**	(0.9%)
Professional Services revenue	**118.7**	122.5	**(3.1%)**	(1.7%)
Managed Services revenue	**27.4**	26.9	**1.9%**	2.7%
Total revenue	**2,748.7**	2,507.3	**9.6%**	11.0%
Gross profit	**267.5**	238.3	**12.3%**	13.7%
Adjusted administrative expenses	**(202.5)**	(185.3)	**9.3%**	10.7%
Adjusted operating profit	**65.0**	53.0	**22.6%**	24.0%

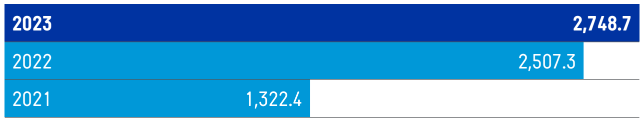
Gross invoiced income (£m)
+9.7%



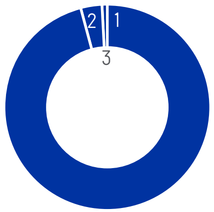
Adjusted operating profit (£m)
+22.6%



Revenue (£m)
+9.6%



Gross invoiced income by business type



1. Technology Sourcing: **95.9%**
2. Professional Services: **3.3%**
3. Managed Services: **0.8%**

Our performance in 2023 continued

North America delivered a strong performance for the year. Gross invoiced income increased by 11.2% in constant currency and by 10.2% on an organic basis, driven by excellent growth in Technology Sourcing, with Services slightly down.

Gross profit increased by 13.7% in constant currency with gross margin increasing by 23 basis points, reflecting an underlying improvement across most of the business, offsetting the impact of high-volume lower-margin business. Administrative expenses increased by 10.7% in constant currency driven by higher commissions and wage inflation, resulting in adjusted operating profit increasing by 24.0% in constant currency and by 22.3% on an organic basis.

During the year, we significantly simplified the way that we go to market in North America. We have reduced the number of customer sectors we work in from 13 to seven, to ensure that we are targeting markets with appropriate sizes and that we can support them effectively. We continue to expand the number of salespeople to support our growth.

At the beginning of the year, we identified a number of prospective customers that we consider to be strategic for us in the long term. We received orders from 24 of these organisations during 2023 and we expect them to become significant customers for us in the future. We continue to focus heavily on operational improvements within the North American business and consolidated our CRM system in 2023. Implementing our Group ERP system remains a top priority.

Technology Sourcing

Technology Sourcing gross invoiced income grew by 11.8% in constant currency and by 10.8% on an organic basis, reflecting exceptional growth with a hyperscale customer. Our gross margin in Technology Sourcing increased by 23 basis points, with the underlying margin improvement across most of the business outweighing the impact of the growth in the hyperscale customer noted above, which commands a lower margin.

We continued to see a higher level of 'drop-ship' revenue driven by hyperscale customers, where products are delivered directly from the vendor rather than passing through our Integration Centers. Utilisation has however improved across the year and we have a significant pipeline of opportunities to grow Integration Center volumes.

We have continued to increase the number of technology vendors we work with and our US presence is helping to strengthen our relationships and programmes with existing vendors globally.

BITS, which we acquired in July 2022, delivered good growth for the year, with a large customer order that was deferred in the first half of the year fulfilled in the second half.

The product order backlog at 31 December 2023 was £487.1m, a 75.8% decrease in constant currency since 31 December 2022 (£2,009.0m). This decrease largely reflects the completion of certain high-volume lower-margin projects.

In 2024, we expect Technology Sourcing volumes to normalise, following the exceptionally strong growth we achieved with certain high-volume, lower-margin customers in 2023. We believe we are well positioned to manage this over time given the structural improvements we have made and our progress with other large corporate customers.

Services

Services revenue declined by 0.9% in constant currency, reflecting a 1.7% decline in Professional Services and 2.7% growth in Managed Services. Services gross margin increased by 23 basis points. Services revenues are currently small but we are excited by the opportunity to expand and leverage our Group-wide tools and systems, in both Professional and Managed Services.

Professional Services was impacted by unsatisfactory returns from one large customer, which has now been addressed. We continue to focus on efficiency to drive margin improvement.

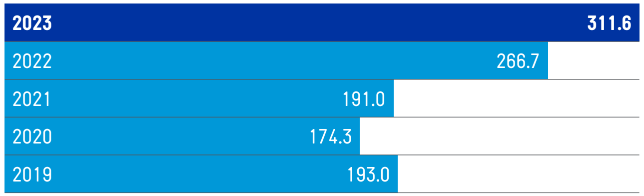
The Managed Services business continues to execute our slow-and-steady growth plan. We went live with a large new customer in the US and won two new contracts in Canada, including one to provide helpdesk, asset and software license management services to a healthcare customer. We also secured a contract to provide a multi-year storage and backup service for a large government entity, which will allow us to sell to a broad range of public sector and non-profit organisations. Towards the end of the year we won a contract with a global automotive customer which will start in 2024, through successful collaboration with our German business.

Our performance in 2023 continued

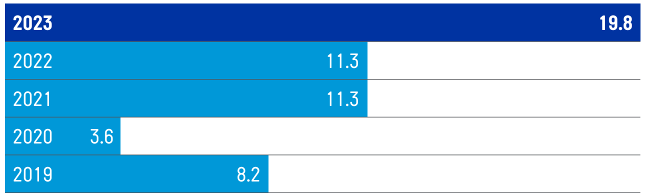
International

RESULTS	2023 £m	2022 £m	Change	Change in constant currency
Technology Sourcing gross invoiced income	**212.4**	174.3	**21.9%**	19.5%
Services revenue	**99.2**	92.4	**7.4%**	5.8%
Professional Services revenue	**11.7**	9.2	**27.2%**	21.9%
Managed Services revenue	**87.5**	83.2	**5.2%**	3.9%
Total gross invoiced income	**311.6**	266.7	**16.8%**	14.8%
Technology Sourcing revenue	**170.2**	144.0	**18.2%**	15.9%
Services revenue	**99.2**	92.4	**7.4%**	5.8%
Professional Services revenue	**11.7**	9.2	**27.2%**	21.9%
Managed Services revenue	**87.5**	83.2	**5.2%**	3.9%
Total revenue	**269.4**	236.4	**14.0%**	12.0%
Gross profit	**63.9**	47.8	**33.7%**	34.8%
Adjusted administrative expenses	**(44.1)**	(36.5)	**20.8%**	20.8%
Adjusted operating profit	**19.8**	11.3	**75.2%**	81.7%

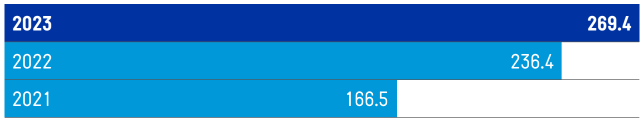
Gross invoiced income (£m)
+16.8%



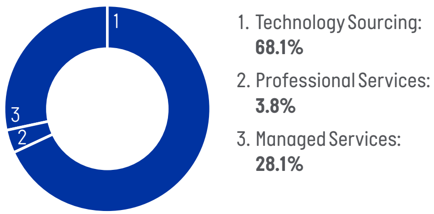
Adjusted operating profit (£m)
+75.2%



Revenue (£m)
+14.0%



Gross invoiced income by business type



Our performance in 2023 continued

The International Segment comprises a number of trading entities, nearshore and offshore Service Center locations and countries in which we have other support operations.

The trading entities include Computacenter Switzerland, Computacenter Belgium and Computacenter Netherlands. As in other markets, we focus on working with the largest corporate and public sector customers. Our target corporate customers in these geographies typically have an international footprint and we are well placed to support them outside their domestic markets. We have a small number of important Managed Services customers that are managed from our International Segment and delivered using our Group Managed Services capability.

Emerge 360 Japan k.k (Emerge), which we acquired in May 2022, has Services delivery locations in Japan, Australia, Singapore and Hong Kong. These trading entities are joined in the Segment by the offshore Group Service Center entities in Spain, Malaysia, India, South Africa, Hungary, Poland, China and Mexico, and the Professional Services Delivery Center in Romania, which have limited external revenues as they charge the relevant Group subsidiaries for the services provided. We established further delivery locations in the Philippines and Brazil during the year.

Financial performance

Total gross invoiced income increased by 14.8% in constant currency, with strong growth in both Technology Sourcing and Services revenue. Gross profit increased by 34.8% in constant currency with gross margin up 350 basis points. Technology Sourcing gross margin increased by 72 basis points and Services gross margin grew by 972 basis points. Administrative expenses increased by 20.8% in constant currency, resulting in adjusted operating profit rising 81.7% in constant currency.

Belgium delivered a strong performance, driven primarily by growth in Technology Sourcing, especially networking, outweighing weaker demand for workplace. Managed Services also performed strongly helped by new business with existing customers and a new multi-year outsourcing contract with a global customer in the financial settlement services industry.

The Netherlands achieved strong growth and made good progress with new business targets. However, one of the largest public sector Technology Sourcing contracts was not renewed in the second half, which is expected have an impact on 2024 performance.

Switzerland had a challenging year, as customers reviewed their hybrid working approach following the pandemic, resulting in a significant decline in volumes in our main Services contracts. We have taken action including increasing our sales activity for national and international opportunities, while resizing our delivery teams. In Technology Sourcing, we have won some significant public sector contracts, especially in the education sector, and won new business by working closely with our preferred technology vendors.

The combined product order backlog at 31 December 2023 was £12.0m, a 50.3% decrease in constant currency since 31 December 2022 (£24.1m) in constant currency.

Chief Financial Officer's review

Continued growth and excellent cash generation

Chris Jehle
Chief Financial Officer

"We increased our spend on strategic initiatives in 2023 that improve our capabilities, productivity and underpin our systems of the future."

2023 was another record year for Computacenter, with growth in gross invoiced income, revenue and all adjusted profit measures. Our cash performance was excellent, driven by strong inventory management, resulting in adjusted net funds of £459.0m at the end of the year. These strong results have been achieved while continuing to invest in the business to secure future growth.

Gross profit

Gross profit grew by 10.2% in the year reflecting strong growth in gross invoiced income and revenue and a robust gross margin performance. Group gross margin increased by 44 basis points with an increase in Technology Sourcing gross margin outweighing a slight decline in Services, as we managed inflationary pressures effectively.

Overall, Group gross margin, expressed as gross profit as a percentage of revenue, increased to 15.1% (2022: 14.6%).

Operating profit

Operating profit grew by 4.8% to £268.8m (2022: 256.4m). Adjusted operating profit grew by 0.9% to £271.5m (2022: £269.1m), and by 0.6% in constant currency.

Administrative expenses increased by 13.4% to £783.3m (2022: £690.7m). We continue to monitor cost-management initiatives across the Group to drive unnecessary cost out of the business. However, we have balanced this with the need to invest to ensure future growth is protected. During the year we increased our spend on strategic corporate initiatives by 89.8% to £28.1m (2022: £14.8m). Adjusted administrative expenses increased by 13.9% to £772.5m (2022: £678.0m), and by 13.5% in constant currency.

Group gross profit conversion, expressed as adjusted operating profit as a percentage of gross profit, fell to 26.0% (2022: 28.4%) partly reflecting the increase in investment during the year.

Profit before tax

The Group's profit before tax for the year increased by 9.3% to £272.1m (2022: £249.0m). Adjusted profit before tax increased by 5.4% to £278.0m (2022: £263.7m) and by 5.1% in constant currency.

The acquisitions of BITS and Emerge, completed in 2022, added £221.4m of revenue (2022: £187.1m) and £9.3m of adjusted profit before tax (2022: £7.1m) to the Group's reported results.

The difference between profit before tax and adjusted profit before tax relates to the Group's net costs of £5.9m (2022: net costs of £14.7m) from exceptional and other adjusting items, associated with the acquisitions of Pivot and BITS and the amortisation of acquired intangibles as a result of these and other North American acquisitions. Further information on these items can be found on page 050.

Chief Financial Officer's review continued

Reconciliation to adjusted measures for the year ended 2023

	Reported full-year results £m	Adjustments: Principal element on agency contracts £m	Adjustments: Amortisation of acquired intangibles £m	Adjustments: Exceptionals and others £m	Adjusted full-year results £m
Revenue	**6,922.8**	3,158.6	–	–	**10,081.4**
Cost of sales	**(5,878.8)**	(3,158.6)	–	–	**(9,037.4)**
Gross profit	**1,044.0**	–	–	–	**1,044.0**
Administrative expenses	**(783.3)**	–	10.8	–	**(772.5)**
Other income related to acquisition of subsidiary	**5.3**	–	–	(5.3)	**–**
Gain related to acquisition of subsidiary	**2.8**	–	–	(2.8)	**–**
Operating profit	**268.8**	–	10.8	(8.1)	**271.5**
Finance income	**13.8**	–	–	–	**13.8**
Finance costs	**(10.5)**	–	–	3.2	**(7.3)**
Profit before tax	**272.1**	–	10.8	(4.9)	**278.0**
Income tax expense	**(72.7)**	–	(4.0)	–	**(76.7)**
Profit for the year	**199.4**	–	6.8	(4.9)	**201.3**

Reconciliation to adjusted measures for the year ended 2022

	Reported full-year results £m	Adjustments: Principal element on agency contracts £m	Adjustments: Amortisation of acquired intangibles £m	Adjustments: Exceptionals and others £m	Adjusted full-year results £m
Revenue	**6,470.5**	2,581.7	–	–	**9,052.2**
Cost of sales	**(5,523.4)**	(2,581.7)	–	–	**(8,105.1)**
Gross profit	**947.1**	–	–	–	**947.1**
Administrative expenses	**(690.7)**	–	10.9	1.8	**(678.0)**
Operating profit	**256.4**	–	10.9	1.8	**269.1**
Finance income	**2.4**	–	–	–	**2.4**
Finance costs	**(9.8)**	–	–	2.0	**(7.8)**
Profit before tax	**249.0**	–	10.9	3.8	**263.7**
Income tax expense	**(64.8)**	–	(2.3)	(0.2)	**(67.3)**
Profit for the year	**184.2**	–	8.6	3.6	**196.4**

Net finance income

Net finance income in the year amounted to £3.3m (2022: £7.4m charge). The main items included within the net income for the year were £4.7m of interest charged on lease liabilities recognised under IFRS 16 (2022: £4.9m) and exceptional interest costs of £3.2m relating to the unwinding of the discount on the contingent consideration for the purchase of BITS, which was excluded on an adjusted basis (2022: £2.0m). Outside of the specific items above, net finance income of £11.2m was recorded (2022: net finance costs of £0.5m). On an adjusted basis, the net finance income was £6.5m during the year (2022: net finance cost of £5.4m).

Taxation

The tax charge was £72.7m (2022: £64.8m) on profit before tax of £272.1m (2022: £249.0m). This represented a tax rate of 26.7% (2022: 26.0%).

The tax credit related to the amortisation of acquired intangibles was £4.0m (2022: £2.3m). The £10.8m of amortisation of intangible assets was almost entirely a result of the North American acquisitions (2022: £10.9m). As the amortisation is recognised outside of our adjusted profitability, the tax benefit on the amortisation is also reported outside of our adjusted tax charge.

The adjusted tax charge for the year was £76.7m (2022: £67.3m), on an adjusted profit before tax for the year of £278.0m (2022: £263.7m). The effective tax rate (ETR) was therefore 27.6% (2022: 25.5%) on an adjusted basis.

Overall, the adjusted ETR, is continuing to trend upwards due to an increasing reweighting of the geographic split of adjusted profit before tax away from the United Kingdom to Germany and the United States, where tax rates are higher. Further, a substantively enacted tax increase has taken effect in the United Kingdom from 1 April 2023, with a rise from 19% to 25%.

The adjusted ETR is therefore within the full-year range that we indicated at the time of our 2023 Interim Results, which showed an expected ETR for 2023 of 27% to 29.5%. We expect that the full year ETR in 2024 will be subject to increasing upwards pressure, due to the changing mix in where profits are earned geographically to where tax rates are higher, as noted above, and also as governments across our primary jurisdictions come under fiscal and political pressure to increase corporation tax rates.

Chief Financial Officer's review continued

The Group Tax Policy was reviewed during the year and approved by the Audit Committee and the Board, with no material changes from the prior year. We make every effort to pay all the tax attributable to profits earned in each jurisdiction that we operate. We do not artificially inflate or reduce profits in one jurisdiction to provide a beneficial tax result in another and maintain approved transfer pricing policies and programmes, to meet local compliance requirements. Virtually all of the tax charge in 2023 was incurred in either the United Kingdom, Germany or United States tax jurisdictions, as it was in 2022. Computacenter France, which includes the Computacenter NS acquisition within a tax group, has returned to being in a profit-making position, increasing the amount of tax paid locally.

There are no material tax risks across the Group. Computacenter will recognise provisions and accruals in respect of tax where there is a degree of estimation and uncertainty, including where it relates to transfer pricing, such that a balance cannot fully be determined until accepted by the relevant tax authorities. For 2023, the Group Transfer Pricing policy implemented in 2013 resulted in a licence fee of £36.9m (2022: £38.7m), charged by Computacenter UK to Computacenter Germany, Computacenter France and Computacenter Belgium. The licence fee is equivalent to 1.0% of revenue and reflects the value of the best practice and know-how that is owned by Computacenter UK and used by the Group. It is consistent with the requirements of the Organisation for Economic Co-operation and Development (OECD) base erosion and profit shifting. The licence fee is recorded outside the Segmental results found in note 4 to the Consolidated Financial Statements, which analyses Segmental results down to adjusted operating profit.

The table below reconciles the tax charge to the adjusted tax charge for the years ended 31 December 2023 and 31 December 2022.

	2023 £m	2022 £m
Tax charge	**72.7**	64.8
Items to exclude from adjusted tax:		
Tax credit on amortisation of acquired intangibles	**4.0**	2.3
Tax on exceptional items	**–**	0.2
Adjusted tax charge	**76.7**	67.3
Effective tax rate	**26.7%**	26.0%
Adjusted effective tax rate	**27.6%**	25.5%

Profit for the year

The profit for the year increased by 8.3% to £199.4m (2022: £184.2m). The adjusted profit for the year increased by 2.5% to £201.3m (2022: £196.4m) and by 1.8% in constant currency.

Exceptional and other adjusting items

The net loss from exceptional and other adjusting items in the year was £1.9m (2022: loss of £12.2m). Excluding the tax items noted above, which resulted in a gain of £4.0m (2022: gain of £2.5m), the profit before tax impact was a net loss from exceptional and other adjusting items of £5.9m (2022: loss of £14.7m).

A $9.3m (£7.4m) settlement was received on 8 May 2023 from the Washington State Department of Revenue. The settlement related to litigation contesting a historic, pre-acquisition, sales tax assessment that was paid by antecedent companies related to the acquired Pivot group of companies. Of this amount, $6.7m (£5.3m) has been recognised as other income relating to the acquisition of a subsidiary for the refunded sales tax amount. Further amounts of $1.6m (£1.3m) and $1.0m (£0.8m) have been credited to adjusted interest income, for the refund of statutory overpayment interest receivable on the original payment, and adjusted administrative expenses, to reimburse legal expenses incurred since acquisition, respectively. The element related to the refunded sales tax amount is non-operational in nature, significant in size and unlikely to recur and has therefore been classified as exceptional.

At acquisition, contingent consideration was agreed which required the Group to pay former owners of Business IT Source Holdings, Inc. (BITS), two earn-out payments based on BITS's 2022 and 2023 earnings before interest, taxation, depreciation and amortisation (EBITDA) and indebtedness. During the year, and in accordance with the share purchase agreement, the Group made its first earn-out payment amounting to £17.4m ($21.2m) which was broadly in line with the estimate made as at 31 December 2022.

On 30 June 2023, a renegotiated agreement was signed with the former owners following which, the second earn-out is now based on BITS's 2023 EBITDA, H1 2024 EBITDA, and indebtedness over these periods. Having considered a range of possible earn-out scenarios, Management has determined that a gross liability of £21.2m under the revised agreement should be recorded as contingent consideration of £20.2m on a discounted basis as at 31 December 2023. The impact of changes to the payment structures under the renegotiated agreement has resulted in a release during the year of £2.8m. This release related to the acquisition is non-operational in nature, significant in size and has therefore been classified as an exceptional item.

A further £3.2m relating to the unwinding of the discount on the contingent consideration for the purchase of BITS has been removed from the adjusted net finance expense and classified as exceptional interest costs.

During 2022, an exceptional loss during the year of £1.8m resulted from costs directly relating to the acquisitions made during the year of BITS and Emerge. These costs include professional advisor fees and seller's fees that were paid on completion of the transaction. These costs are non-operational in nature, significant in size and unlikely to recur and have therefore been classified as outside our adjusted results. A further £2.0m relating to the unwinding of the discount on the contingent consideration for the purchase of BITS has been removed from the 2022 adjusted net finance expense and classified as exceptional interest costs.

We have continued to exclude, as an 'other adjusting item', the amortisation of acquired intangible assets in calculating our adjusted results. Amortisation of intangible assets is non-cash, does not relate to the operational performance of the business, and is significantly affected by the timing and size of our acquisitions, which distorts the understanding of our Group and Segmental operating results.

Chief Financial Officer's review continued

The amortisation of acquired intangible assets was £10.8m (2022: £10.9m), primarily relating to the amortisation of the intangibles acquired as part of the recent North American acquisitions.

Earnings per share

Diluted EPS increased by 8.9% to 173.2p per share (2022: 159.1p per share). Adjusted diluted EPS increased by 3.0% to 174.8p per share (2022: 169.7p per share).

	2023	2022
Basic weighted average number of shares (excluding own shares held) (m)	**112.9**	112.8
Effect of dilution:		
Share options	**1.2**	2.1
Diluted weighted average number of shares	**114.1**	114.9
Profit for the year attributable to equity holders of the Parent (£m)	**197.6**	182.8
Basic earnings per share (p)	**175.0**	162.1
Diluted earnings per share (p)	**173.2**	159.1
Adjusted profit for the year attributable to equity holders of the Parent (£m)	**199.5**	195.0
Adjusted basic earnings per share (p)	**176.7**	172.9
Adjusted diluted earnings per share (p)	**174.8**	169.7

Dividend

The Board recognises the importance of dividends to shareholders and the Group has a long track record of paying dividends and other special cash returns. Computacenter's approach to capital management is to ensure that the Group has a robust capital base and maintains a strong credit rating, whilst aiming to maximise shareholder value. The Group is highly cash generative enabling organic and inorganic investment in recent years to be funded from cash reserves.

Dividends are paid from the standalone balance sheet of the Parent Company and, as at 31 December 2023, the distributable reserves were £474.1m (31 December 2022: £257.4m). The distributable reserves have increased as a result of the capital restructure described on below.

The Board is pleased to propose a final dividend for 2023 of 47.4p per share (2022: 45.8p per share). Together with the interim dividend, this brings the total ordinary dividend for 2023 to 70.0p per share, representing a 3.1% increase on the 2022 total dividend per share of 67.9p.

The Board has consistently applied the Company's dividend policy, which states that the total dividend paid will result in a dividend cover of 2 to 2.5 times based on adjusted diluted EPS. In 2023, the cover was 2.5 times (2022: 2.5 times).

Subject to the approval of shareholders at our Annual General Meeting on 14 May 2024, the proposed dividend will be paid on Friday 5 July 2024. The dividend record date is set as Friday 7 June 2024 and the shares will be marked ex-dividend on Thursday 6 June 2024.

As a business that has returned £945m through a combination of dividends and share buybacks since flotation, with no additional investment required from shareholders over that time, we are committed to managing the cash position for shareholders. The strength of our balance sheet provides us with significant optionality, and we continue to evaluate a number of capital allocation options, including potential inorganic growth and the return of surplus capital to shareholders.

Capitalisation issue and capital reductions

The Company's cash generation over recent years has enabled it to have a strong dividend policy and to periodically return additional value to its shareholders, most recently by way of a tender offer in 2018. While the Company has sufficient profits available for distribution (also known as 'distributable reserves') to fund its projected distributions in the immediate future, the Board recently undertook an assessment of the balance sheet to identify any reserves that were not distributable, and which could be converted into distributable reserves to provide flexibility for future returns of value to the Company's shareholders.

Following that assessment, the Board identified certain reserves and commenced a programme of reductions of capital during the first half of 2023 (each a 'capital reduction' and together the 'capital reductions'). In order to achieve this, it was necessary first to convert certain of these reserves into share capital by issuing New Deferred Shares (the 'Capitalisation Issue'), and then cancelling those shares as part of the first capital reduction. The second capital reduction involved the cancellation of the Company's capital redemption reserve. The capitalisation issue, the changes to the Company's articles of association required in order to effect it, and the subsequent capital reductions were each approved at the Company's Annual General Meeting held on 17 May 2023. The capital reductions were then confirmed by the court in order to become effective.

The capitalisation issue and capital reductions did not result in any change to the nominal value of the Company's ordinary shares, had no impact on the Company's cash position or on its net assets, did not involve any repayment or distribution of capital by the Company, and did not result in any changes to the Company's existing dividend policy.

The capitalisation issue and capital reductions should not result in any UK tax charge for the shareholders.

As a result of the capitalisation issue and capital reductions, the distributable reserves of the Company have been increased by £183.9m as at 31 December 2023.

Chief Financial Officer's review continued

Central corporate costs

Certain expenses are not specifically allocated to individual Segments because they are not directly attributable to any single Segment. These include the costs of the Board itself, related public company costs, Group Executive members not aligned to a specific geographic trading entity and the cost of centrally funded strategic initiatives that benefit the whole Group. Accordingly, these expenses are disclosed separately as central corporate costs, within the Segmental note. These costs are borne within the Computacenter (UK) Limited legal entity and have been removed for Segmental reporting and performance analysis but form part of the overall Group adjusted administrative expenses.

Total central corporate costs were significantly increased on last year with an 84.8% increase to £43.8m (2022: £23.7m). Within this:

- Board expenses, related public company costs and costs associated with Group Executive members not aligned to a specific geographic trading entity, increased to £12.8m (2022: £7.2m) due to certain project costs, the dual running of several Group Executive members handing over portfolios during the year, and the increase in headcount aligned with central corporate costs;
- share-based payment charges associated with Group Executive members as identified above, including the Group Executive Directors, increased from £1.7m in 2022 to £2.8m in 2023, due primarily to the value of Computacenter plc ordinary shares, the overall outlook for the vesting of in-flight PSP awards and the increase in management personnel aligned with central corporate costs; and
- strategic corporate initiatives are designed to increase capability and therefore competitive position, enhance productivity or strengthen systems which underpin the Group. During the year this spend was £28.1m, up 89.9% over 2022 (£14.8m), in line with forecasts, as the Group increases the pace of its investment in new systems, toolsets and cyber resilience.

Investments

In 2023 we nearly doubled our spend on strategic corporate initiatives to £28.1m, all of which was recognised through the income statement. This spend was spread across projects that will improve our capabilities, productivity and underpin our systems of the future.

Computacenter resells, deploys and manages vendor technology for customers. This means we are fundamentally a people-centric business. Customers remain loyal to Computacenter because of the quality of our people and service and this will always be the case. However there are a number of other assets that we employ to deliver to our customers such as our Service and Integration Center facilities, methodologies, best practices and, in particular, great systems. We invest consistently to improve and support these systems, which give us a competitive advantage in a business which is about scale, repeatability and agility.

Most of the spend is focused on our systems to ensure that they continue to be secure and supportable. We are not just upgrading, but also moving to new systems in order to obtain the security and support we need and develop competitive advantage through continued operational leverage of these new toolsets and processes. We have continued to refine our systems investment roadmap through to the end of 2027, with a programme to replace legacy systems that enable our Technology Sourcing and Services businesses. Investing in best-of-breed tools will lower cost to serve, improve the quality of our offerings and enhance our relevance to customers in the marketplace

Our systems need to be robust, secure and able to handle large volumes. They also have to be simple to use and adaptable to most customer eventualities. We prioritise our plans for systems development, and other investments in time and capital, in response to the ever-changing environment in which we operate.

Cyber risk remains one of the greatest risks to our business, but also presents one of the greatest opportunities to differentiate from our competitors through our internal resilience and by helping our customers to overcome these same challenges. We will continue to invest heavily in cyber resilience.

Whilst cyber risk forms part of the Group's overall Principal Risks, as detailed on pages 064 to 073, it could be argued that cyber risk is the single major risk facing large corporates today.

Cash flow

The Group delivered a substantial increase in net cash flow from operating activities, which totalled £410.6m for 2023 (2022: £242.1m inflow).

During the year, net operating cash inflows from working capital, including inventories, trade and other receivables, and trade and other payables, were £136.7m (2022: £60.8m outflow).

Throughout 2022, customers placed advance orders of product, due to the significant product shortages seen during the 18 months to 31 December 2022, to ensure continuity of supply. Additionally, inventory increased as we deliberately invested in working capital by pre-ordering inventory, once a committed purchase order had been received from the customer, using the strength of our balance sheet to support our customers during product shortages. During 2023, supply chains returned to more normal conditions and, as a result, customers have returned to normal purchasing patterns. This has naturally led to both reduced levels of inventory and product order backlogs. Our focus on inventory control has delivered substantial reductions in both Germany and North America, the two Segments where we experienced the greatest inventory accumulation through 2022.

The implementation of additional inventory holding approval controls in the final quarter of 2022, the continued focus from the Group Technology Sourcing and Finance teams, and the re-implementation of internal inventory holding charges across the sales teams from April 2023, have also all contributed to this improvement in our overall working capital balance sheet position.

After interest, tax and gross capital expenditure cashflows, our free cash flow was £339.9m (2022: £150.9m).

Chief Financial Officer's review continued

	31 December 2023 £m	31 December 2022 £m
Adjusted operating profit	**271.5**	269.1
Adjusting items	**(2.7)**	(12.7)
Operating profit	**268.8**	256.4
Other non-cash items and adjustments	**47.3**	49.4
Change in working capital	**136.7**	(60.8)
Change in pensions and provisions	**(0.8)**	(0.7)
Depreciation of right-of-use assets	**41.4**	50.5
Cash generated from operations	**493.4**	294.8
Interest and payments related to lease liabilities	**(46.1)**	(55.2)
Adjusted operating cash flow	**447.3**	**239.6**
Net interest received/(paid)	**10.5**	(0.5)
Tax paid	**(82.8)**	(52.7)
Gross capital expenditure	**(35.1)**	(35.5)
Free cash flow	**339.9**	150.9
Dividends paid	**(77.3)**	(80.5)
Purchase of own shares net of proceeds of exercise of employee share options	**(28.8)**	(28.2)
Acquisition of subsidiaries, including contingent consideration and purchase of non-controlling interests	**(19.3)**	(28.3)
Disposal of assets	**–**	1.1
Net cash flow	**214.5**	15.0
Net debt repayment	**(6.9)**	(16.6)
Increase/(decrease) in cash and cash equivalents	**207.6**	(1.6)
Effect of exchange rates on cash and cash equivalents	**(0.8)**	(7.2)
Cash and cash equivalents at the beginning of the year	**264.4**	273.2
Cash and cash equivalents at the year end	**471.2**	264.4

	31 December 2023 £m	31 December 2022 £m
Opening net funds	**117.2**	95.3
Increase/(decrease) in cash and cash equivalents including impact of exchange rates	**206.8**	(8.8)
Movements in borrowings	**7.9**	11.7
Movements in lease liabilities	**11.7**	19.0
Closing net funds	**343.6**	117.2
Opening adjusted net funds	**244.3**	241.4
Increase/(decrease) in cash and cash equivalents including impact of exchange rates	**206.8**	(8.8)
Movements in borrowings	**7.9**	11.7
Closing adjusted net funds	**459.0**	244.3

The Group had £216.0m of inventory as at 31 December 2023, a decrease of 48.3% on the balance as at 31 December 2022 of £417.7m. The closing balance was materially lower than the high point of £532.6m as at 30 September 2022, with a reduction of £316.6m since that time. We expect that levels of inventory will remain near the levels seen in the second half of 2023, in-line with historical operational norms. Whilst inventory has materially improved, working capital cash flows during the year were still impacted by the strong growth in revenue seen as the business continues to expand.

Capital expenditure in the year was £35.1m (2022: £35.5m) representing, primarily, investments in IT equipment and software tools, to enable us to deliver improved service to our customers.

The Group's Employee Benefit Trust (EBT) made market purchases of the Company's ordinary shares of £38.0m (2022: £34.4m) to satisfy maturing PSP awards and Sharesave schemes and to reprovision the EBT in advance of future maturities. During the year the Company received savings from employees of £9.2m to purchase options within the Sharesave schemes (2022: £6.2m).

During the year the Group made two additional payments related to previous acquisitions. The first was for BITS where, in accordance with the share purchase agreement, the Group made its first earn-out payment amounting to $21.2m (£17.4m) which was broadly in line with the estimate made as at 31 December 2022. The second was on 7 June 2023, where the remaining 5.0% of the voting shares in R.D. Trading Limited (RDC) were acquired for a cash consideration of £1.9m. This completes the acquisition of RDC, which is a central component of our Circular Services offering to customers where we repurpose or recycle end-of-life IT equipment and a key element of our sustainability strategy.

The Group reduced loans during the year by a net £6.9m (2022: £16.6m). We made regular repayments towards the loan related to the construction of the German headquarters in Kerpen and the customer financing facility in Pivot.

The Group continued to manage its cash and working capital positions appropriately, using standard mechanisms, to ensure that cash levels remained within expectations throughout the year. From time-to-time, some customers request credit terms longer than our typical period of 30-60 days. In certain instances, we will arrange for the sale of the receivables on a true sale basis to a finance institution on the customers' behalf. We would typically receive funds on 45-day terms from the finance institution, which will then recover payment from the customer on terms agreed with them. The cost of such an arrangement is borne by the customer, either directly or indirectly, enabling us to receive the full amount of payment in line with our standard terms.

The benefit to the cash and cash equivalents position of such arrangements as at 31 December 2023 was £33.8m (31 December 2022: £45.1m).

The Group had no other debt factoring at the end of 31 December 2023, outside this normal course of business.

During December 2022, the Group engaged in a limited factoring programme of trade receivables within the German business, on a non-recourse basis, to provide assurance against unforeseen liquidity issues which did not, in the event, arise due to the continued aforementioned strength of cash receipts in the final weeks of 2022. This factoring was for £46.1m or 2.7% of the trade receivables before provisions balance as at 31 December 2022, the comparative balance sheet date. The Group had no other debt factoring at the end of 31 December 2022, outside this normal course of business.

Chief Financial Officer's review continued

Cash and cash equivalents and net funds

Cash and cash equivalents as at 31 December 2023 were £471.2m, compared to £264.4m at 31 December 2022. Net funds as at 31 December 2023 were £343.6m (31 December 2022: £117.2m).

The Group excludes £115.4m, as at 31 December 2023 (31 December 2022: £127.1m), of lease liabilities from its non-GAAP adjusted net funds measure, to allow an alternative view of the Group's overall liquidity position excluding the effect of the lease liabilities required to be capitalised the under the IFRS 16 accounting standard.

Adjusted net funds as at 31 December 2023 were £459.0m, compared to adjusted net funds of £244.3m as at 31 December 2022.

Net funds as at 31 December 2023 and 31 December 2022 were as follows:

	31 December 2023 £m	31 December 2022 £m
Cash and short-term deposits	**471.2**	264.4
Bank overdraft	**–**	–
Cash and cash equivalents	**471.2**	264.4
Bank loans – Pivot customer specific facility	**(4.5)**	(7.7)
Bank loans – BITS facility	**–**	(2.0)
Bank loans – Kerpen building facility	**(7.7)**	(10.4)
Total bank loans	**(12.2)**	(20.1)
Adjusted net funds (excluding lease liabilities)	**459.0**	244.3
Lease liabilities	**(115.4)**	(127.1)
Net funds	**343.6**	117.2

For a full reconciliation of net funds and adjusted net funds, see note 31 to the Consolidated Financial Statements.

The Group had five specific credit facilities in place during the year and no other material borrowings.

The Group entered into a multi-currency revolving loan committed facility of £200m on 9 December 2022. This facility had a term of five years plus two one-year extension options exercisable on the first and second anniversary of the facility and was due to expire on 8 December 2027. The Group has exercised the extension option on the first anniversary of the commencement of the facility, extending the term to six years with a revised expiry of 8 December 2028. A further term extension option of one additional year remains available. The Group is subject to certain key financial covenants under this syndicated facility with Barclays, Lloyds, HSBC, BNP Paribas, JPMorgan Chase and PNC Bank. These covenants, as defined in the agreement, are monitored regularly to ensure compliance. As at 31 December 2023, the Group was in compliance with all covenants. To improve short-term liquidity, £60m was drawn down on Friday 6 April 2023 and was repaid in full on Tuesday 9 May 2023. April is typically the lowest point of the cash cycle for the Group and cash can be impacted, from time-to-time, by individual large deals with hyperscale customers depending on the payment terms specific to that deal or customer. This facility is undrawn as at 31 December 2023.

The Group also has a specific term loan for the build and purchase of our German office headquarters and fit out of the Integration Center in Kerpen, which stood at £7.7m at 31 December 2023 (31 December 2022: £10.4m).

Pivot had £4.5m (31 December 2022: £9.7m) financed with a major technology partner for hardware, software and resold maintenance contracts that the Company had purchased as part of a contract to lease these items to a key North American customer.

Computacenter India Private Limited has a local facility with HSBC India for local cash liquidity to facilitate the continued growth of our operations in the country. There was no interest-bearing debt drawn under this facility as at 31 December 2023.

The BITS subsidiary maintains a ringfenced accounts receivable and inventory flooring arrangement facility with Wells Fargo of up to $100m, secured on the assets of that subsidiary. The facility is provided on a rolling basis and the latest amendment was signed on 20 July 2023. There was no interest-bearing debt drawn under this facility as at 31 December 2023 (31 December 2022: £2.0m).

There were no other interest-bearing trade payables as at 31 December 2023 (31 December 2022: nil).

For further information on these facilities, see note 27 to the Consolidated Financial Statements.

The Group's adjusted net funds position contains no current asset investments (31 December 2022: nil).

Trade creditor arrangements

Computacenter has a strong covenant and enjoys a favourable credit rating from technology vendors and other suppliers. Some suppliers provide standard credit directly on their own credit risk, whereas other suppliers decide to sell the debt to banks, which offer to purchase the receivables and manage collection. The standard credit terms offered by suppliers are typically between 30 and 60 days, whether provided directly or when sold to a third-party finance provider. In the latter case, the cost of the free-trade credit period is paid by the relevant supplier, as part of the overall package of terms provided by suppliers to Computacenter and our competitors.

Capital management

Details of the Group's capital management policies are included in note 28 to the Consolidated Financial Statements.

Financial instruments

The Group's financial instruments comprise borrowings, cash and liquid resources, and various items that arise directly from its operations. The Group's policy is not to undertake speculative trading in financial instruments.

The Group enters into hedging transactions, principally forward exchange contracts or currency swaps, to manage currency risks arising from the Group's operations and its sources of finance. As the Group continues to expand its global reach and benefit from lower-cost operations in geographies such as South Africa, Poland, Mexico and India, it has entered into forward exchange contracts to help manage cost increases due to currency movements.

Chief Financial Officer's review continued

The main risks arising from the Group's financial instruments are interest rate, liquidity and foreign currency risks. The overall financial instruments strategy is to manage these risks in order to minimise their impact on the Group's financial results. The policies for managing each of these risks are set out below. Further disclosures in line with the requirements of IFRS 7 are included in the Consolidated Financial Statements.

Interest rate risk

The Group finances its operations through a mixture of retained profits, bank borrowings, leases and loans for certain customer contracts. The Group's general bank borrowings, other facilities and deposits are at floating rates. No interest rate derivative contracts have been entered into. The undrawn committed facility of £200m is at floating rates. However, the borrowing facility for the operational headquarters in Germany is at a fixed rate.

Liquidity risk

The Group's policy is to ensure that it has sufficient funding and facilities to meet any foreseeable peak in borrowing requirements. The Group's positive net cash was maintained throughout 2023 and at the year end was £471.2m, with net funds of £343.6m after including the Group's two specific borrowing facilities and lease liabilities recognised under IFRS 16. Excluding lease liabilities, adjusted net funds was £459.0m at the year end.

Due to strong cash generation over many years, the Group can currently finance its operational requirements from its cash balance, and it operates an informal cash pooling arrangement for the majority of Group entities. The Group has a committed facility of £200m, as noted on the previous page.

The Group has a Board-monitored policy to manage its counterparty risk. This ensures that cash is placed on deposit across a range of reputable banking institutions.

Foreign currency risk

The Group operates primarily in the United Kingdom, Germany, France and the United States, with smaller operations in Australia, Belgium, Brazil Canada, China, Hong Kong, Hungary, India, Ireland, Japan, Malaysia, Mexico, the Netherlands, the Philippines, Poland, Romania, South Africa, Singapore, Spain and Switzerland. The Group uses an informal cash pooling facility to ensure that its operations outside the United Kingdom are adequately funded, where principal receipts and payments are denominated in euros and US dollars. For countries within the Eurozone, the level of non-euro denominated sales is small and, if material, the Group's policy is to eliminate currency exposure through forward currency contracts. For our North American operations, most transactions are denominated in US dollars.

For the UK, the majority of sales and purchases are denominated in pounds sterling and any material trading exposures are eliminated through forward currency contracts.

The Group has been successful in winning international Services contracts, where Services are provided in multiple countries. We aim to minimise currency exposure by invoicing the customer in the same currency in which the costs are incurred. For certain contracts, the Group's committed contract costs are not denominated in the same currency as its sales. In such circumstances, for example where contract costs are denominated in South African rand, we eliminate currency exposure for a foreseeable period on these future cash flows, through forward currency contracts.

In 2023, the Group recognised a gain of £2.8m (2022: loss of £2.5m) through other comprehensive income in relation to the changes in fair value of related forward currency contracts, where the cash flow hedges relating to firm commitments were assessed to be highly effective.

The Group reports its results in pounds sterling. The Group has seen relatively minor currency translation movements, as the pound sterling fluctuations against other currencies, particularly the US dollar and the euro, which impacts us the most, largely offset each other.

The impact of restating 2022 results at 2023 exchange rates would be an increase of £5.0m in 2022 revenue and an increase of £0.5m in 2022 adjusted profit before tax.

Credit risk

The Group principally manages credit risk through customer credit limits. The credit limit is set for each customer based on its creditworthiness, using credit rating agencies as a guide, and the anticipated levels of business activity. These limits are determined when the customer account is first set up and are regularly monitored thereafter. There are no significant concentrations of credit risk within the Group. The Group's major customer, disclosed in note 4 to the Consolidated Financial Statements, is a hyperscale North American technology company which typically settles outstanding amounts on shorter-than-average payment terms. The maximum credit risk exposure relating to financial assets is represented by their carrying value as at the balance sheet date.

Fair, balanced and understandable

The Board confirms that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. Management undertakes a formal process through which it can provide comfort to the Board in making this statement.

Maintaining long-term value

We are a responsible business that believes in winning together for our people and our planet, supported by strong governance to maintain long-term value for all our stakeholders.

Stakeholder engagement

Building trust with our stakeholders

We want long-term, sustainable and increasingly productive relationships with each of our stakeholders. Understanding and addressing their views, interests and concerns helps us achieve this aim.

Engaging with our stakeholders is key to building trust in our relationships with them.

When we first engage, it allows us to understand their needs and expectations and, in line with our Winning Together Values, be open, straightforward and realistic about whether we can meet these. Where we can't, it allows us to explore whether there are alternative solutions, common ground or areas of compromise that will allow us to build a mutually beneficial relationship.

As our relationship develops, ongoing engagement helps us to demonstrate consistency in our behaviours and decision-making, meaning that our stakeholders build up an understanding of what they can and should expect from us. With every interaction, we also develop a clearer picture of their business, technology and wider objectives, the journey that they are on to achieve them, and the role we can play in helping them do so.

Collectively, our key stakeholders are an indispensable part of how we do business. We understand their importance and know we have to keep working hard every day to earn and retain their trust and loyalty.

Our key stakeholders enable Computacenter to create value for them

High quality, cost-competitive offering
Trust and long-lasting relationships

Our customers
Our customers place their trust in us to Source, Transform and Manage their digital technology to help them change the world.

Career development opportunities
Skills, loyalty and value creation

Our people
The calibre and capabilities of our employees drive our business forward and we recognise the importance of attracting, developing and retaining the best people.

Sustainable growth and shareholder value
Investment and valuable feedback

Our shareholders
Our shareholders provide capital support that allows us to build a sustainable business for the long term.

Additional route to market
Leading digital technology

Our technology vendors
Our technology vendors provide us with expertise and leading digital technology that underpins the competitiveness of our customer offering.

Local support and value creation
Strong community relationships

Our communities
The communities in which we operate support the social, economic and personal interests of our other key stakeholders.

Stakeholder engagement continued

Our customers

Why we engage

Our Winning Together Values are clear. We put our customers first, keep our promises to them and always prioritise the long term in our dealings with them. This makes Computacenter a deeply customer-centric organisation.

Our collaboration with customers requires continuous two-way engagement across all levels of our organisation. This ensures we are aware of their needs and values, allowing us to create customer intimacy and serve them effectively, by adapting as their digital environments and technology needs evolve.

What matters to them

Our customers expect us to be flexible, commercial and creative in responding to their requirements. While they have different individual priorities, they want us to add value through a deep understanding of their IT strategy and requirements, and through operational excellence delivered through our people and systems. They also expect us to deliver services to them in a way which reflects agreed terms, and is safe and sustainable.

How we engage

Our day-to-day customer engagement generally covers commercial opportunities, relationship development and our service delivery and performance. Engagement mechanisms include face-to-face meetings with our sales or delivery functions, customer training and workshops, and ongoing dialogue through client directors and account managers, our service support functions and, where necessary, our management teams. We use regular customer surveys and other structured mechanisms to obtain feedback on our operational performance.

How we reported their views to the Board

Customer feedback is reported up through Management levels. The CEO reports any material customer issues as part of his operational performance update at each scheduled Board meeting, which also includes significant contract bids and wins. Our North American and European management leaders also presented to the Board and covered customer feedback, metrics and trends.

Outcomes of the engagement and impact on Board decision-making

The Board discussed key feedback from customers, including how their short- and medium-term buying behaviour was likely to be impacted by: technology trends enabling efficiency and automation for themselves or their own customers; the global macroeconomic outlook, including in some of our core European markets; the unwinding of global IT supply chain issues; and ongoing geopolitical uncertainty.

Customer feedback was important for the Board in discussing and approving the Group's strategy and related investments for 2024-2026, including in which areas Computacenter should focus its investment to develop its customer value proposition and gain market share. Related strategic discussions included customer appetite for artificial intelligence, automation and offshoring, and their carbon reduction objectives. As a result, the Board approved material investment in the Group's customer IT Service Management platforms and its Circular Services proposition.

Information from customers on their likely ongoing IT spend also helped the Board to assess the reliability of financial forecasts, allowing it to approve trading outlook updates during the year, and to set realistic but stretching financial targets for 2024.

> "Effective communication with our customers is key, allowing us to create customer intimacy and serve them effectively."

John Beard
Managing Director, Europe

Customer-value proposition

We maximise the value of customer relationships by selling to our customers across each of our three business services lines:

1. **Leading digital technology through Technology Sourcing**
2. **Deploying technology solutions through Professional Services**
3. **Supporting customer IT operations and infrastructure through Managed Services**

Our customers

Professional Services
4,000+
completed projects for our customers

Managed Services
3.5m
customer incidents and requests managed

Technology Sourcing
12m
items supplied to our customers

Maximising our relationships
183
customer accounts with gross profit of over £1m per annum

Our integrated portfolio case studies
See pages 022 to 025

Market and Customer Trends
See page 014

Stakeholder engagement continued

Our people

Why we engage
Our people are at the centre of what we do and are essential for our growth. They implement and promote our culture and represent Computacenter with our other key stakeholders, building relationships, generating long-term trust, and learning about their requirements and preferred ways of operating.

Clear, consistent and frequent engagement with our people, and the groups that represent them, helps us to understand their key challenges and concerns, and what they think these are for the Group.

What matters to them
Our people expect us to provide fair and safe working conditions, and an environment where they can get the best from themselves. Engagement allows us to understand how we can continually strive to do this better.

How we engage
We engage at all levels across Computacenter, through our management teams, Group HR's supporting activities, frequent employee surveys, and formal interactions with employee representative bodies. Our nominated Non-Executive Director for Workforce Engagement, Ros Rivaz, also undertakes an engagement programme.

We frequently communicate with our people, either individually, at departmental level or on a Group-wide basis. This includes the CEO's 'This Week' email to all employees, covering topics such as sector performance and trends, or significant geopolitical or macroeconomic events, often explaining how the Board and Management think these might affect Computacenter. Employees can provide their feedback to the CEO via a dedicated email address.

How we reported their views to the Board
Employees' views, including material issues they raised, were communicated to the Board through the CEO's general business updates, the Workforce Engagement Director's reports on her engagement programme, and the Chief People Officer's presentations on the 2023 Group Employee Survey results and Management's interactions with employee representative bodies.

Outcomes of the engagement and impact on Board decision-making
The 2023 Group Employee Survey was completed by 81% of our employees, which was over 7 percentage points higher than for the previous survey in 2021 which had a 74% response rate. Over 16,000 responses and 22,000 employee comments were received and reviewed. The Group's sustainable engagement score is a key measure of how connected to the Company employees feel and their general wellbeing at work. At 83%, this was comparable to the wider IT sector and a slight improvement on the last survey in 2021. In most areas, the results were significantly stronger than in 2021, outperforming the sector norm in areas such as inclusion, growth, manager support, and health and wellbeing. Employees also noted substantial improvement in the Group's promotion of environmental responsibility, but thought the Group could make further progress here.

Areas for Management consideration included: enhancing some internal processes to improve efficiency and effectiveness; providing continued education on the Group's strategy and how employees' roles contribute, especially at more junior levels; and improved internal communication, particularly when executing internal change.

Ros Rivaz met employee representative bodies such as 'My Forum' in the UK, with whom she discussed post-Covid-19 working arrangements; and the Group's Climate Change Committee, which provided insight into stakeholder expectations in this area and its importance to current and potential employees. She also met with representatives of our US and Romanian subsidiaries, which are two of the more recent additions to the Group, to understand their views of Computacenter's culture. Feedback indicated that Computacenter's values are clear, are lived on a day-to-day basis and that employees see them as a competitive differentiator. Ros presented employee feedback to the Board on several occasions during the year, which informed the Board's assessment that Computacenter's culture remains well understood and embedded across the Group, and the Board's approval of the Group's environmental strategy, including carbon reduction targets. Wider engagement with employee representative bodies made clear the continued impact of inflation and general macroeconomic conditions on employees across the Group. This was fed back to the Board as part of updates from the Chief Executive Officer and Chief People Officer. Following these updates, the Board approved improved terms on which eligible employees can participate in the Group's Sharesave Schemes.

"Clear and frequent engagement with our people across the Group helps us to understand what's working well and which areas need our focus."

Sarah Long
Group Chief People Officer

Our people

Supporting our growth
24.7%
increase in our global workforce since 2018

Employee connection & wellbeing
83%
employee sustainable engagement score

Group Employee Survey response
16,016
survey responses received

Group Employee Survey feedback
22,000
additional employee comments received and reviewed by the Company

Our people and culture
See page 020

Sustainability – people
See page 083

Stakeholder engagement continued

Our shareholders

Why we engage

As shareholders own the Company, it is essential for the Board and Management to understand their views on key topics such as our strategy and priorities for investment, as well as their expectations of us in evolving areas such as sustainability. Two-way engagement also allows current and potential shareholders to make informed decisions concerning investment in Computacenter.

What matters to them

Our shareholders want an appropriate return from their investment in Computacenter. To help them make effective investment decisions, they want to understand our strategy, our current or projected financial performance, and our approach to ESG matters.

How we engage

The Executive Directors meet shareholders following the release of the Group's full-year and half-year results, which they also present to sell-side analysts. Following these meetings, the Group's brokers obtain feedback. The Chair and the Company Secretary undertake a governance roadshow with significant shareholders following the release of the Annual Report. The Company also offers shareholders the opportunity to meet with the Directors and ask questions at the annual general meeting (AGM).

The Group also communicates with its shareholders through its regulatory announcements and our Annual Report, updating them on strategy, performance and governance.

How we reported their views to the Board

The CEO updates the Board on shareholder and analyst interactions twice per year, supported by detailed reports from the Group's brokers and communications advisory firm on those interactions. The Board reviews and discusses these reports. The Board also requested a presentation from one of the Group's newly appointed brokers, to enhance its understanding of institutional investors' views of Computacenter and the factors that influence the Company's share price. The Board directly interacts with shareholders at the AGM.

Outcomes of the engagement and impact on Board discussions and decision-making

Feedback from our institutional investors focused on a number of areas. These included the long-term sustainability of the Group's success in Germany; the capacity for substantial organic and inorganic growth in the US over differing time horizons; the importance of geographic and business line diversity to the Group's consistency of performance; the prospects for the UK business recovery, following weaker performance in 2022 and 2023; the Group's ability to maintain Services margins, in a cost and wage inflationary environment; and progress with reducing the Group's increased inventory held at the end of 2022 and the impact on the Group's forecast cash position. The Board has ensured that explanations and progress on these issues were included when approving the Group's performance updates to the market during the year.

Shareholders continued to show significant interest in the Group's priorities for its use of cash. This included a range of views around the attractiveness of share buybacks, dividend payouts and further acquisitions, and the need for strategic investment to increase the Group's long-term operational reliability and efficiency, which reduced short-term profitability in 2023.

This was all reflected in the Board's reviews, discussions and/or approvals during the year concerning: mergers and acquisitions opportunities; further IT services management programme spend; the creation of additional distributable reserves through a shareholder-approved share capital reorganisation; the quantum of dividend declarations (which the Board considered against other stakeholder interests concerning our balance sheet strength, investment requirements and long-term viability), resulting in a 2022 final dividend of 45.8p per share and a 2023 interim dividend of 22.6p per share; and approval of the Group's dividend policy, which the Board decided to leave unchanged. As in previous years, there was also significant interest in the Company's share valuation against its peers. The Board considered an action plan to respond in the Company's and shareholders' interests.

> "Two-way engagement with our shareholders allows them to make informed decisions about their investment in Computacenter, and helps us understand their views in key areas such as strategy, performance and governance."
>
> **Christian Cowley**
> Group Head of Investor Relations

Our shareholders

Earnings per share growth
18.2%
compound annual growth in adjusted diluted earnings per share from 2018-2023

Generating returns
55.4%
return on capital employed in 2023

Shareholder distributions
£401m
amount returned to shareholders through dividends and capital returns since 2018

Total shareholder return
179%
growth in market capitalisation, dividend and capital returns since 2018

CEO's performance review
See page 030

Our track record
See page 032

Stakeholder engagement continued

Our technology vendors

Why we engage

Our technology vendors are critical for us. We aspire to be their preferred route to market for our chosen customer sectors and they benefit from our customer intimacy, which comes from our focus on long-term, multi-level strategic customer relationships.

To enable us to grow together, we need strong and sustainable working relationships with our technology vendors, at both a day-to-day and strategic level, covering operational, engagement and commercial support.

What matters to them

Our technology vendors want us to add value and drive customer satisfaction with their products. This requires us to understand their products' capabilities in detail and to leverage our deep customer relationships and technological expertise, to determine how these capabilities support our customers' IT requirements.

How we engage

Our sales, technical and services teams engage regularly with our technology vendors' customer-aligned sales and technical personnel, to ensure strong working partnerships on a customer-by-customer basis. The Group Technology Sourcing Team formally engages with our vendors day-to-day, as well as at management and executive level. Technology vendors also share product and strategy information at multiple formal and informal events during the year, to enable us to fully support our customers' initiatives and business planning.

How we reported their views to the Board

The Board received updates from the Chief Executive Officer, Chief Commercial Officer and other members of the senior Management team on our technology vendors' views, and reviewed the Group's technology strategy and tooling capabilities. Board members also heard directly from senior representatives of several of our technology vendors who presented at our annual Group-wide sales event, where they described their latest technical innovations, their view of how our organisations can most effectively work together and their areas of focus for the year.

Outcomes of the engagement and impact on Board discussions and decision-making

Following engagement and feedback from our technology vendors, we launched a Global Alliances function in 2023 to further strengthen our partnerships with them. We now have representatives on global, regional and country advisory boards for all our strategic technology vendors, which help us to maximise synergies, align strategy and drive growth opportunities with them.

The pace of technology change makes ongoing engagement critical. Our engagement in 2023 made clear that our technology vendors are particularly focused on AI and want to engage with partners who understand and can communicate the opportunity effectively. The Board considered this when discussing and approving the three-year strategy plan for 2024-2026, and related investments.

Engagement at all levels has also played a material role in the continued growth of our Technology Sourcing business, with revenue increasing by 7.9% in 2023. Reflecting the value we deliver, over 20 technology vendors recognised us as their partner of choice through awards across different geographies and sectors during the year.

Engagement has also made clear that security remains at the forefront of vendor priorities, particularly enhancing and improving end-point resilience, in response to an ever evolving threat landscape. On device AI capabilities at both hardware and software layers will continue to enhance cyber protection. Our vendors are also focused on sustainability goals that support the global drive for Net Zero. By working collaboratively with the world's leading technology vendors, Computacenter remains focused on and committed to our 2040 SBTi-validated goals.

"Powerful partnerships are forged through mutual understanding and shared ambition to deliver outstanding customer experience. Our Global Alliances strategy focuses on future advancement and alignment."

Sarah Shields
Group Alliances Director

Our technology vendors

Powerful partnerships
58
technology vendors represented at the Group's most recent sales conference

Engagement impact
163%
absolute growth in our Technology Sourcing gross invoiced income since 2018

Technology vendor engagement
1,291
Computacenter employees who attended the Group's most recent sales conference and heard from our key technology vendors

Technology vendor recognition
20+
technology vendors recognised us as their partner of choice across different geographies and sectors during the year

Our integrated portfolio – Technology Sourcing
See page 023

Our Performance
See page 036

Stakeholder engagement continued

Our communities

Why we engage
We seek to build long-term trust with our stakeholders. These include the communities in which we, and our other stakeholders, live and work. Our communities support our ability to do business and supporting them in return is a responsibility. By doing so, we aim to inspire our people, to illustrate our commitment to understanding people matter (one of our core values), and to maintain and enhance our corporate reputation.

What matters to them
Our communities are interested in ensuring that our operations are safe and sustainable, so that the positive economic and social impact that Computacenter has on them is protected over the long term and increases over time. They expect us to engage with them on social and environmental issues that matter to them, including areas such as D&I, and the sustainable use of resources within our operations. They also expect us to act ethically, to treat our stakeholders fairly and, where possible, to support them financially or with our time.

How we engage
Our activities are focused on attracting diverse talent to our organisation, promoting the awareness of women in technology, as well as supporting those with disabilities and young people from disadvantaged backgrounds. Our core engagement is primarily focused on school, community and university outreach programmes. Over 200 employee volunteers supported our flagship educational outreach programme, Bright Futures, during 2023, completing over 1,000 hours of outreach activity, and reaching over 21,000 students and young adults, often in a mentoring capacity. The Bright Futures mission is to support the next generation of young people by inspiring them to follow a career in technology, and the programme was shortlisted for the Chartered Institute of Personnel and Development (CIPD) People Management Awards Best CSR/ESG initiative in 2023. For further information on engagement with our communities, please see page 087.

How we reported their views to the Board
The Board received updates from the Group Development Director on our commitments and reporting related to the environment and climate change, and from the Chief People Officer on our activities to engage with and support our local communities.

Outcomes of the engagement and impact on Board discussions and decision-making
Our engagement in schools and university continues to make clear the importance that a significant proportion of student and young adults place on preventing climate change, including through the reduction of carbon emissions. Many thought this would be an important differentiator for them in making employment decisions when they left education. There was also interest in ensuring continued progress on social issues, such as encouraging and increasing diversity and ensuring equality in society and fair treatment for all in the workplace.

Feedback from this engagement was considered by the Board when reviewing the Group's Environmental Strategy, including its priorities and objectives, and endorsing the Group's existing environmental targets and commitments, such as being Net Zero by 2040, as well as approving incremental investment to develop and grow the Group's Circular Services capability and integrate it into our core VAR and Services operations. The environmental and social objectives set for the Executive Directors as part of their 2023 annual bonus targets include a corporate objective to increase gender diversity across Computacenter, and also continued progress against our climate change related targets and objectives. The Board also considered the interests and expectations of our communities when reviewing and approving the Group's Modern Slavery Act statement and Gender Pay Gap reporting during the year.

"Our Bright Futures programme reached over 21,000 students and young adults during the year, supporting the next generation of young people by inspiring them to follow a career in technology."

Craig Cobb
Future Talent Manager, UK

Our communities

Employee engagement with our communities
200+
Computacenter employees who volunteered as part of the Bright Futures programme in 2023

Community outreach activity
1,072
employee volunteering hours completed in the UK

Considering social impact
Carbon neutral
in our operations for the second successive year

Community outreach recognition
Award nomination
Bright Futures programme short listed for the CIPD People Management Awards Best CSR/ESG initiative

Sustainability – planet
See page 089

Sustainability – solutions
See page 092

Stakeholder engagement continued

Engaging with our stakeholders

UNDERSTANDING PEOPLE MATTER

Listening to our employee representatives

Myforum is made up of employee representatives from across the UK business, who meet with members of Management on a number of occasions through the year. As a result of direct interaction with myforum representatives, the Company introduced an updated Sickness Policy in the UK in August 2023. This included a new absence management process, designed to help Managers track, monitor and manage absence, the creation of an income protection guide for those on long-term sick leave, and an increase in the length of time for which employees were entitled to sickness related pay in any 12-month period.

7

Meetings between Computacenter Management and formal employee representative bodies in 2023

LISTENING TO OUR TECHNOLOGY VENDORS

Our Group Sales Conference

Our Group Sales Conference was attended by members of the Board, the Group Executive Committee, other senior Management, our sales force, and representatives from a wide range of our technology vendors. The range of mutual engagement is extensive, often taking place within our technology vendor village (pictured below), where vendor representatives are able to discuss and illustrate their latest technology offerings with members of our sales force. Those representatives also heard from our Executive Directors and the leaders of our three business lines on Computacenter's areas of business focus, and financial and operational objectives for 2024.

"Our Group Sales Conference provides an opportunity for our sales force to speak with our technology vendors and understand in detail the latest range of technology options available for our customers."

Lieven Bergmans
Chief Commercial Officer

Principal risks and uncertainties

We manage risks to support our Group strategy in delivering long-term value

We do this through a well-established risk and control framework, enabling management to consider our main risk areas – Strategic, Contractual and Operational, Infrastructure, Financial and People.

Risk overview

Our long-term success is built on a clear strategic direction, contractual and operational excellence and effective business services functions, such as Finance, Human Resources, and Legal and Compliance, which support customer-facing employees to fulfil their obligations effectively. All of this is underpinned by an advanced IT infrastructure, hosting both internal and customer platforms. Our strategic, contractual and infrastructure risks are largely determined by the industry in which we operate and our long-term approach to adding value. Our financial and people risks are defined by the wider economic environment, the way we run our business day-to-day and our long-term employee needs. While outside factors such as geopolitical risk, market trends and macroeconomic factors are beyond our control, our risk management approach is committed to managing the impact of these influences, while controlling the internal elements vital to our success.

Risk appetite

Our Group-level overall risk appetite is strongly influenced by our experience in our industry sector. At an operational level, we have a higher risk appetite for business development where we have experience of the risks and a lower risk appetite where we have less experience. This is supported day-to-day by our operating policies and governance processes, which include decision-making support and authority over new contracts and contract changes.

Risk culture

Risk management and governance processes are well established and understood within the business and operate at all levels. Strategic-level risks are monitored by the Risk and Audit Committees, as well as by the Board. Lower-level operational risks are identified, analysed and mitigated at a functional level on an ongoing basis, using well-embedded processes.

Risk identification and impact

Risk assessment and reporting are designed to provide the Board with a Group-wide perspective of key risks.

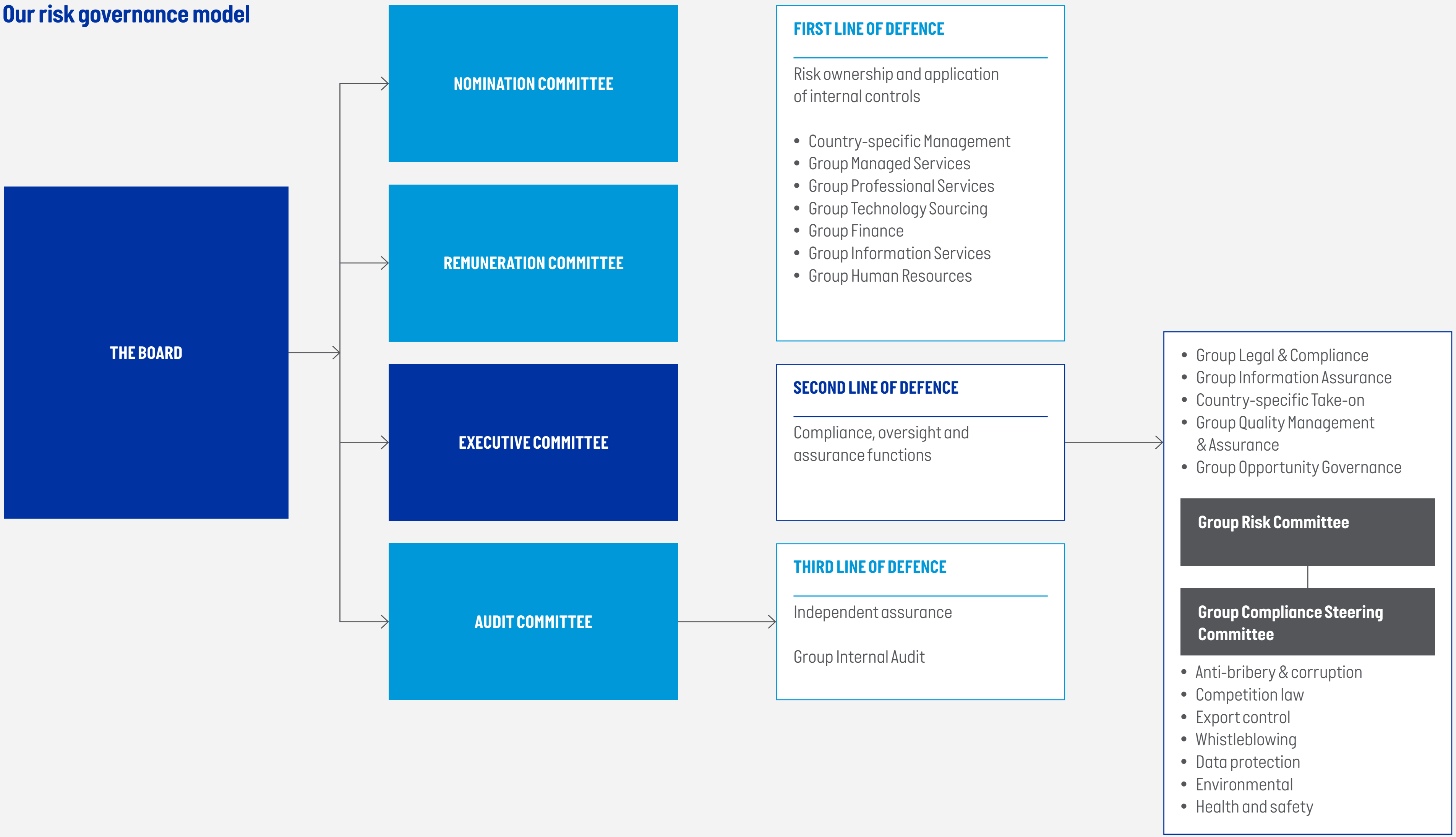
The Group Risk Committee, which reports to the Audit Committee, meets four times per year and reviews our principal risks, which are the main barriers to meeting our strategic goals, on an ongoing basis. This top-down approach includes assessing whether emerging risks are sufficiently significant to warrant inclusion in the Group Principal Risk Log, with potential emerging risks included as an agenda item at each Group Risk Committee meeting. If so, the likelihood of occurrence and potential impact are considered, and the risk is subject to regular review. Regular reporting to the Group Risk Committee by the respective risk owners includes an assessment of the likelihood and cost impact of each risk, a consideration of non-financial impacts, risk appetite, key risk indicators, potential risk triggers and an assessment of mitigating controls. The Group Principal Risk Log is reviewed by both the Audit Committee and the Board. The key risks are considered further in relation to the long-term Viability Statement (see pages 076 to 077).

Other lower-level risks outside the principal risks are identified and analysed in two ways. These are:

1. Through the bottom-up Group Operating Business Risk Assessment process (GOBRA), which is completed by managers across the business. The results of this process are reviewed by the Group Risk Committee. This includes validating these risks against the principal risks, to ensure that all potential threats are considered and any emerging risks are identified. Lower-level risks are often triggers for crystallising principal risks, so their careful management remains an important consideration.
2. Via the Group Compliance Steering Committee (see risk governance model) which assesses reports from the Compliance Management System for the areas under its remit.

Principal risks and uncertainties continued

Our risk governance model



Principal risks and uncertainties continued

Risk management framework

THE BOARD

- Sets strategic KPIs
- Defines risk appetite
- Has overall responsibility for the Group's risk management process and internal control systems
- Monitors risk exposure in pursuit of our strategic KPIs

AUDIT COMMITTEE

- Reviews the effectiveness of our risk identification and risk management process
- Reviews the effectiveness of internal control systems
- Supports the Board in monitoring risk exposure

GROUP RISK COMMITTEE

- Sets the risk management process
- Provides oversight and challenge on the effectiveness of risk mitigation for our principal risks
- Considers emerging risks and also high-impact/low-likelihood risks

INTERNAL AUDIT

- Internal Audit plans are focused on providing assurance on our principal risks to assist the Audit Committee in its review of the effectiveness of the risk management process and of our internal control systems

OPERATIONAL LEVEL

- Group-wide risk identification and assessment
- Ongoing monitoring of mitigations performed across the Group through management, key performance indicators and review by the appropriate Risk Manager
- Internal controls embedded across the Group

TOP DOWN

Identification and assessment of risk by senior Management

BOTTOM UP

Identification, assessment and mitigation of risk for business and functional areas, delivered through our Group Operating Model and GOBRA

Principal risks and uncertainties continued

Risk trends

The overall risk landscape has changed due to specific threats and our response to them as discussed below.

We use the three lines of defence model with regards to the assurance over key risks. This includes a mapping exercise which considers the level of assurance afforded by each of the compliance and oversight functions when considering the overall level of assurance provided over each risk. To aid the appreciation of the risks facing the Group, we have categorised them into five main areas.

Strategic: The strategic-level risk profile is one of long-term risk due to technological change, including Computacenter's ability or otherwise to innovate effectively, and the global nature of our operations exposing us to specific political and economic influences. Our response continues to mature in line with market and customer changes.

The gross risk profile relating to geopolitical threat has increased with conflict in the Middle East, the ongoing war in Ukraine and continuing US-China tensions coupled with upcoming elections in both the UK and US. However, we continue to monitor developments that could impact our customers and supply chain to ensure an appropriate response, keeping the net potential impact unchanged from last year.

Contractual/Operational: Our main focus remains on the effective governance of contracts, both in the pre-deal phase and in delivery. We continue to extend the use of our Service Quality Management framework to improve the underlying quality of sales, bid governance and operations. We also continue to recognise the need for effective acquisition integration, and compliance and reputational risks in relation to data privacy and ESG matters as principal risks. We have recognised the potential breakdown of strategic vendor relationships as a principal risk for the first time this year but we have well-embedded controls in place to combat this and, overall, we believe the main contractual and operational risks have remained at the same level, underlined by our robust governance structures.

Infrastructure: Cyber security remains at the forefront of discussions for the Board and at both the Risk and Audit Committees. Cyber security risks are increasing due to the greater activity of a range of cyber threat actors, including nation states, worldwide. This greater activity has resulted in more sophisticated and more frequent cyber attacks against IT infrastructure. Computacenter, along with other companies of a similar size and profile that operate within our sector, has been the target of cyber attacks in recent years. We have continued to invest significantly in our defensive systems, organisation and people which has ensured, to date, that these attacks have been identified and mitigated without any material impact on our financial or operational performance. As disclosed last year, the need to update some of our core systems in the coming years has increased the gross risk profile, with this being mitigated by ongoing planning.

Financial: We continue to concentrate on the fundamentals for our business, including the effective management of working capital. The current volatile macroeconomic situation, especially in relation to inflation, interest rate increases and potential recession, continues to be a cause for concern although inflation rates have reduced over the year in our main markets. The main impact of inflation on our business is that we may be unable to pass on the cost increases we incur in full. To the extent that we cannot recover cost inflation, there is a risk that we will not meet earnings expectations which could impact our financial reputation with shareholders. The central banks' approach to taming inflation is to increase interest rates with the danger that this could cause a recession and, combined with a profit squeeze due to inflation, could reduce demand for IT projects and implementation.

These economic headwinds are counterbalanced by well-established internal processes such as careful cost and working capital management and effective and transparent forecasting and reporting. The main mitigating control is to minimise fixed-cost growth, which includes actively moving resources to nearshore and offshore locations and increasing the levels of automation. In the Technology Sourcing business, we sell on a cost plus basis in general so there is minimal impact from inflation on the gross margin. In Professional Services (PS), the key inflation impact is our ability to pass on salary and other cost increases to customers. A large portion of our PS billing is based on employee time sheets so cost increases can be passed on in the majority of cases, although there are some PS frameworks where we cannot increase prices immediately. In Managed Services, in the UK, we have cost of living adjustment (COLA) clauses in place in many contracts allowing cost increases to be passed on, although we recognise that these need careful negotiation with customers. More careful negotiation is also required in France, where the position is more mixed, and in Germany, where COLA clauses are less common. Further detail on working capital management can be found in the Chief Financial Officer's review on page 052.

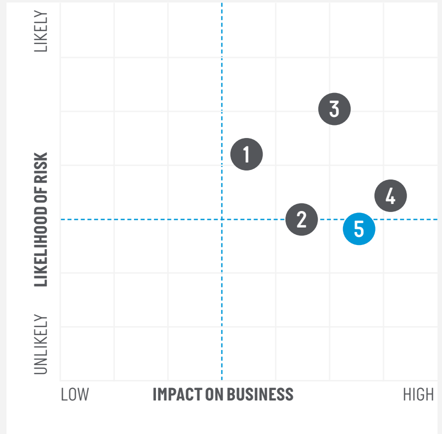
People: Our people remain integral to the continued success of our business. The risks reflect the importance we place on experience, inclusivity, openness and collaboration. We believe our risk profile has reduced following the CFO's succession being successfully completed during the year.

Principal risks and uncertainties continued

The risks presented below are the principal risks that existed during 2023, as reported in the Annual Report and Accounts 2022, and were modified during the year through the risk identification and impact process.

Our three strategic KPIs	Customer relationships Retain and maximise the relationships with our large corporate and public sector customers over the long term	Services growth Lead with and grow our Services	Productivity Increase the adjusted operating profit we retain as a proportion of our gross profit
RISK CATEGORIES:			
Strategic risks			
Market shift in technology usage	●	●	●
Increasing global nature of operations	●	●	●
Contractual and operational risks			
Contracting risk	●	●	●
Vendor relationships/supply chain risk	●		
Acquisition integration	●	●	●
Compliance/reputational risk	●	●	
Infrastructure risks			
Cyber threat	●	●	
Integrity failure of critical systems	●	●	●
Financial risks			
Ineffective working capital management		●	●
Heightened macroeconomic factors	●	●	●
People risks			
Poor employee recruitment and retention	●	●	●
Inadequate succession planning	●	●	●

Group risk heat map 2023 (showing risk net of mitigating actions)



1. Strategic risks	Unchanged risk
2. Contractual and operational risks	Unchanged risk
3. Infrastructure risks	Unchanged risk
4. Financial risks	Unchanged risk
5. People risks	Reduced risk

Principal risks and uncertainties continued

1. Strategic risks

Alert status

Our response continues to mature in line with market and customer changes. Increased geopolitical volatility is offset by well-managed internal responses.

Appetite

Our risk appetite relating to geopolitical risk and our location strategy is balanced. By utilising multiple locations we increase the likelihood of an event or events occurring, but we reduce the impact that an event in any one location would have on the business, coupled with our business continuity strategy.

Risks

- Market shift in technology usage, making what we do less relevant or superfluous and we fail to invest appropriately to defend our competitiveness
- The increasingly global nature of our operations exposes us to additional and specific political and economic influences, such as geopolitical risk relating to our operational base and changes in the competitive landscape for certain business activities which attract large global competitors

Principal impacts

- Reduced margin
- Excess operational employees
- Contracts not renewed
- Missed business opportunities

1. Strategic risks continued

Mitigation

- Well-defined Group strategy, backed by an annual strategy process that considers our offerings against market changes
- New Group Portfolio Board which meets quarterly to align and define our go-to-market strategy by Service and by business line/ solution area
- In the Managed Services Service Line, the Capabilities and Innovation function reviews the Service Line's specific needs and strategy for competitiveness and growth
- Location strategy coupled with well-defined business continuity processes
- Regular location risk monitoring covering political, economic, social, technological, legal and environmental risks
- Group Investments and Strategy Board, which considers strategic initiatives
- Additional measures including CEO-led country, sector and win/loss reviews

Risk owners

- Group Development Director
- Managing Director Managed Services

Principal risks and uncertainties continued

2. Contractual and operational risks

Alert status

The main contractual and operational risks have remained at the same level, underlined by our robust governance structures.

Appetite

We operate in a competitive services marketplace and normally compete for business with other market participants. Our risk appetite is therefore expressed in the price/margin we bid and any specific risk provision/contingency that is identified. Risk appetite is therefore specific to a deal/client and is controlled through governance processes. The risk appetite from a pure compliance perspective is very low, however we focus on ensuring that this risk is managed in a manner that reflects business needs, efficiency and effectiveness, driving compliance.

Risks

- Lack of effective pre-contract processes relating to design, costing and pricing and lack of effective post-contract management and delivery, both leading to loss-making contracts, problems with service delivery and inability to win new contracts
- Failure to comply with applicable laws and regulations, including contractual obligations, or to meet our commitments in relation to the protection of employees and customers' personal data, and in relation to environmental, social and governance matters, leading to potential litigation, fines and/or reputational damage with customers and other stakeholders
- Breakdown of strategic vendor relationships and supply chain shortages leading to excessive working capital investment and potential customer dissatisfaction
- Lack of effective acquisition integration and failure to deliver on acquisition objectives

Principal impacts

- Customer dissatisfaction
- Financial penalties
- Contract cancellations
- Reputational damage
- Reduced margins
- Loss-making contracts
- Reduced service and technical innovation
- Loss of employees

2. Contractual and operational risks continued

Mitigation

- Mandatory governance processes relating to bids and new business take-ons, including risk-based decision-making assessments and new tooling
- Focus on service excellence underpinned by associated processes such as the Deal Lifecycle Framework and Deal Assurance
- Board oversight of significant bids
- Early warning system and assurance provided by the Group Quality Management & Assurance function over key bids and delivery programmes
- Delivery Management Framework to monitor customer relationship status, obligation compliance and service level agreement (SLA) performance
- Regular commercial 'deep dives' into troubled contracts and challenging transformation projects
- Close working relationship with key vendors
- Working closely with customers to stabilise scheduled deliveries
- Data privacy audit programme
- Security controls as described in the Computacenter Technical and Organisational Measures
- Focus on data deletion to minimise storage of personal data
- Appropriate due diligence and acquisition integration plans in place, with ongoing monitoring of key risks to ensure success
- Board-endorsed sustainability strategy
- Climate Change Committee oversees initiatives to reduce environmental impact (see page 095)
- TCFD disclosure (see pages 094 to 101)
- Strong Company culture and values (see pages 007 and 020)
- Oversight by the Compliance Steering Committee including a compliance maturity project
- Strong corporate governance, risk management and ethics, including policies and/or training for anti-bribery and corruption, export compliance, competition law, health and safety environment and human resources, in addition to a whistleblowing hotline

Risk owners

- Managing Director Managed Services
- Group Legal & Compliance Director
- Group Development Director
- Chief Commercial Officer

Principal risks and uncertainties continued

3. Infrastructure risks

Alert status

While cyber security risks are increasing due to the greater activity of a range of cyber threat actors, this is mitigated by significant investment in our defensive systems, organisation and people. The risks involved with the need to update some of our core systems in the coming years is being mitigated by ongoing planning.

Appetite

We have a very low appetite for risk relating to cyber security and availability of our core and customer-facing systems, given the impact such issues would have on our reputation in our core markets.

Risks

- Cyber threat to Computacenter's networks and systems, arising from either internal or external security breaches, leading to system failure, denial of access or data loss. In addition, cyber threats introduced by Computacenter to its customers' networks and systems, for whatever reason
- Major failure(s) leading to unacceptably long outages or regular short outages of our customer-facing systems, leading to customer dissatisfaction, financial penalties or contract cancellations, damaging our reputation and ability to win business
- Failure to plan and execute effectively the replacement of our core internal systems, leading to loss of growth opportunities and business control

Principal impacts

- Inability to deliver business services
- Reputational damage
- Customer dissatisfaction
- Financial penalties
- Contract cancellations

3. Infrastructure risks continued

Mitigation

- Well-communicated Group-wide information security and virus protection policies
- Specific inductions and training for employees working on customer sites and systems
- Specific policies and procedures for employees working behind a customer's firewall
- Ongoing and regular programme of external penetration testing
- Policies ensuring Computacenter does not run customer applications or have access to customer data
- Regular review of cyber security controls and threat analysis by Computacenter's Group Information Assurance team
- Increased Board scrutiny of cyber resilience maturity and plans
- Availability reporting, capacity reporting and operational monitoring in place, including cyber monitoring and management
- Improved patching and vulnerability processes
- Long-standing design principles underpin all core and customer-facing systems, designed to mitigate the risks to system and service availability
- All centrally hosted core systems are built and operated on high-availability data center infrastructure, clustered across two data centers in Hatfield, with disaster recovery capabilities provided in Germany. The two Hatfield data centers run on separate infrastructure and environment systems, and are powered by separate energy sources providing resilience across our data center estate
- Ongoing work on our perimeter defences to help minimise the risk that any attack on our non-core systems poses an additional threat to our central infrastructure

Risk owners

- Chief Information Officer

Principal risks and uncertainties continued

4. Financial risks

Alert status
Economic headwinds are counterbalanced by well-established internal processes, such as careful cost and working capital management and minimising fixed cost growth.

Appetite
In relation to working capital management, given the expectation of shareholders, suppliers and customers, our risk appetite is low and strong operating policies and procedures are in place to monitor and take action to address challenges. In relation to macroeconomic risk, we aim to minimise the impact as far as possible. Although it could benefit our Managed Services business as customers decide to outsource to save cost, should the impact continue for a prolonged period this will not offset the effect on Technology Sourcing and Professional Services demand.

Risks
- Failure to manage working capital effectively
- Heightened macroeconomic factors specifically related to inflation, interest rate increases and potential recession, including energy shortages, leading to reduced demand for our products and services and/or margin erosion

Principal impacts
- Financial impact through bad debts, obsolete inventory and/or other working capital movements, and reduced margins
- To the extent that we cannot recover cost inflation, there is a risk that we will not meet earnings expectations, which could impact our financial reputation with shareholders and reduce the share price
- Inflation and prolonged recession could reduce demand for IT projects and implementation and affect internal utilisation rates of Professional Services employees

4. Financial risks continued

Mitigation
- Implementation of debt management best practice, after centralising Europe-wide collection functions at the Budapest finance Shared Service Center (excluding the most recent North American acquisition)
- Group Credit Assessment function using improved and consistent data
- Group standard contract terms with departure only authorised by senior Finance management
- Setting of cash and working capital targets monthly and detailed monthly monitoring by senior Management, including the review of key risk indicators
- Inventory management controls and monitoring including an approved authorisation matrix for the purchase of inventory, with more rigid controls when the inventory is purchased without a back-to-back customer order
- Increasing use of direct delivery
- Minimisation of fixed-cost growth
- Careful management of contract margins including COLA clauses where applicable
- More active approach to moving resources offshore

Risk owners
- Chief Financial Officer

Principal risks and uncertainties continued

5. People risks

Alert status
Our risk profile has reduced following the CFO succession being successfully completed during the year.

Appetite
This succession risk will crystallise and as such the appetite is driven by the strategy and process adopted to find replacements for the CEO and CFO positions. Our talent acquisition and retention strategy is based on our workforce planning, location strategy, customer demand, business needs and general talent market trends.

Risks
- Failure to recruit, develop and retain the right calibre of people, which includes acting as an inclusive employer, with a focus on positions in sales, services and projects and senior leadership positions
- Inadequate succession planning, management integration and execution and failure to keep the Management team current and fresh

Principal impacts
- Lack of adequate leadership
- Customer dissatisfaction
- Financial loss
- Contract cancellations
- Reputational damage

5. People risks continued

Mitigation
- Succession plan in place for the Board and two levels down in the management structure. CFO succession successfully completed during the year
- Succession plan matrix in place
- Development programme in place for identified successors
- Regular remuneration benchmarking
- Incentive plans to aid retention
- Investment in management development programmes
- Group Talent Acquisition function in core countries with a clear strategy and focus on talent analytics
- Group leadership framework and development structure to strengthen engagement with our leaders and potential leaders
- Regular employee surveys to understand and respond to employee issues
- Specific diversity projects in place relating to accessibility and wellbeing, life balance, LGBT+ and allies, future talent, focus on women and culture
- Consistent performance management processes

Risk owners
- Group Chief People Officer
- Chief Executive Officer

Managing our principal risks and uncertainties

Risk and internal control

Risk management

The Board is responsible for establishing a framework of prudent and effective controls, which enable the Company's risks to be assessed and managed. The Board has carried out a robust assessment of the principal and emerging risks facing the Group, including those that threaten its business model, future performance, solvency or liquidity. Please refer to pages 064 to 073 for further information on the Group's principal risks and uncertainties, what procedures are in place to identify emerging risks, and how these are being managed and mitigated.

Executive and senior Management have primary responsibility for identifying and managing the risks the Group faces. A comprehensive risk management programme has been developed and is monitored by the Group Risk Committee, which was chaired by the Group Legal & Compliance Director during 2023 and whose members include the Group Head of Internal Audit and Risk and senior operational managers from across the Group.

The Board sets the Group's risk appetite and, through the Audit Committee, reviews the operation and effectiveness of the Group's risk management activities. The Board periodically reviews the Group's strategic risks and its key mitigation plans and, through the Audit Committee, receives regular reports from the Group Risk Committee. Effective risk management processes are vital to the Group's continued success. Therefore, the Board continues to apply a robust risk management and governance model to provide assurance over the principal risks that might affect the achievement of the Group's strategic KPIs. These strategic KPIs are focused on our target market customers, scaling our key activities and empowering our people.

The Group's risk management approach recognises this, ensuring that risks are identified and mitigated at the appropriate level, leaving individuals empowered to make their vital contributions. The Group's model uses the well-defined three lines of defence methodology:

- The first line of defence consists of operational management, who own the risks and applies the internal controls necessary for managing risks day-to-day.
- The second line of defence comprises functions such as internal compliance and assurance, who offer guidance, direction, oversight and challenge at the appropriate level.
- The third line of defence, provided by Group Internal Audit, gives an independent view of the effectiveness of the risk management and internal control processes. It reports to the Audit Committee to ensure independence from Management.

The Board reviews the operational effectiveness of the risk management model by directing the reinforcement of the processes that underpin it and by making sure it is embedded across all levels of the organisation. For example:

- The Schedule of Matters Reserved for the Board ensures that the Directors properly address all significant factors affecting Group strategy, structure, financing and contracts.
- The Board and Executive Committee consider the principal risks, which are the barriers to achieving the Board's strategic KPIs.
- The Group Risk Committee challenges the effectiveness of the principal risk mitigations.
- The Group Risk Committee considers each principal risk in-depth at least once a year, by receiving reports from the risk owner.
- The Group Risk Committee's deliberations, along with the current status of each principal risk, are reported to the Audit Committee and the Board.
- The principal risk list is reviewed once a year and leverages a bottom-up annual operational risk review, where operational management identify their everyday risks.
- The Group Compliance Steering Committee assesses observance of laws and regulations, and reports to the Group Risk Committee.
- The bid governance process reviews bids or major changes to existing contracts, and aligns with the Group's risk appetite and risk management process.

The model and process comply fully with the UK Corporate Governance Code and the Financial Reporting Council's Guidance on risk management, internal control and related financial and business reporting. Important elements of our risk framework and processes include:

- Ensuring that risk owners consider risk appetite, non-financial risks and potential risk triggers when reporting to the quarterly meetings of the Group Risk Committee.
- All principal risks are reviewed at least annually by the Group Risk Committee. Higher-level or more immediate risks are considered more frequently, which has included cyber threat, contracting risk and acquisition risks during 2023.
- The Compliance Steering Committee, which reports to the Group Risk Committee, has completed the rollout of a Compliance Management System to assess and manage compliance risk more thoroughly.

The Group has detailed business interruption contingency plans for all key sites which are regularly tested, in accordance with an agreed schedule, while improvements to the Information Services disaster recovery processes are in progress to enhance control in this area.

Internal control

The Board has overall responsibility for maintaining and reviewing the Group's systems of internal control, and ensuring that the controls are robust and enable risks to be appropriately assessed and managed. The Group's systems and controls are designed to manage risks, safeguard the Group's assets and ensure information used in the business and for publication is reliable. This system of control is designed to reduce the risk of failure to achieve business objectives to a level consistent with the Board's risk appetite, rather than eliminate that risk, and can provide reasonable, but not absolute, assurance against material misstatement or loss.

Managing our principal risks and uncertainties continued

Throughout the year, the Board receives reports which enable it to consider the Group's significant risks, how they are identified, evaluated and managed, and the effectiveness of the internal control system in managing those significant risks. The Board also carries out an annual review of the effectiveness of the internal control and risk management systems, covering all material controls, including financial, operational and compliance controls.

This formal process consists of a presentation to the Audit Committee by Management which provides the detailed evidence necessary to support its recommendation to the Board on the effectiveness of the systems of risk management and internal control. The evidence from which the Board draws its conclusions includes reports and other relevant information received, the results of an annual risk and internal controls questionnaire completed by senior Management and how any significant control weaknesses are followed-up and mitigated. In the Board's opinion, the system of risk management and internal control has operated effectively during the year and the Group has also complied with the Code's internal control requirements throughout the year. All systems of internal control are designed to continuously identify, evaluate and manage significant risks faced by the Group.

The key elements of the Group's controls are detailed below.

Responsibilities and authority structure

As discussed above, the Board has overall responsibility for making strategic decisions. There is a written Schedule of Matters Reserved for the Board.

The Group Executive Committee meets formally on a quarterly basis and, more informally, on a fortnightly basis, to discuss day-to-day operational matters. With the Group Operating Model in place across all of the Group's main operating entities, ultimate authority and responsibility for operational governance sits at Group level. The Group operates defined authorisation and approval processes throughout its operations. Access controls continue to improve, where processes have been automated to secure data. The Group has developed management information systems to identify risks and enable the effectiveness of the systems of internal control to be assessed. Linking employee incentives to customer satisfaction and profitability reinforces accountability and encourages further scrutiny of costs and revenues.

Proposals for capital expenditure are reviewed and authorised, based on the Group's procedures and documented authority levels. The cases for all investment projects are reviewed and approved at divisional level. Major investment projects are subject to Board approval, and Board input and approval is required for all merger and acquisition proposals.

Financial planning and reporting processes

Each year, senior Management prepares or updates the three-year strategic plan, which the Board then reviews. The comprehensive annual budgeting process is subject to Board approval. Performance is monitored through a rigorous and detailed financial and management reporting system, through which monthly results are reviewed against budgets, agreed targets and, where appropriate, data for past periods. The results and explanations for variances are regularly reported to the Board and appropriate action is taken where variances arise. Management and specialists within the Finance Department are responsible for ensuring that the Group maintains appropriate financial records and processes. This ensures that financial information is relevant and reliable, meets applicable laws and regulations, and is distributed internally and externally in a timely manner. Management reviews the Consolidated Financial Statements, to ensure that the Group's financial position and results are appropriately reflected. The Audit Committee reviews all financial information that the Group publishes.

Centralised Treasury function

The Board has established and regularly reviews key treasury policies, which cover matters such as counterparty exposure, borrowing arrangements and foreign exchange exposure management. The Group Treasury function manages liquidity and borrowing facilities for customer-specific requirements, ongoing capital expenditure and working capital. The Group Treasury function reports to the Chief Financial Officer, with regular reporting to the Audit Committee.

The Group Treasury Committee enhances Management oversight. It is chaired by the Chief Financial Officer and also comprises the Group Financial Controller, the Group Head of External Reporting and the Group Head of Tax and Treasury. It is responsible for the ongoing review of treasury policy and strategy, and for recommending any policy changes for Board approval. The Committee approves, on an ad hoc basis, any treasury activities which are not covered by existing policies or which are Matters Reserved for the Board, and also monitors hedging activities for effectiveness.

Compliance policies

The Group has a number of compliance policies, including those relating to the General Data Protection Regulation, Business Ethics and Anti-Bribery and Corruption. Any breach of these policies by an employee is a disciplinary matter and is dealt with accordingly. The internal control regime is supported by a whistleblowing function, which is operated by an independent third party.

Audit Committee and the auditor

For further information on the Company's compliance with the Code's provisions relating to the Audit Committee, Group auditor and Internal Audit, please refer to the Audit Committee report on pages 130 to 135.

Going concern and Viability Statement

Going concern

Computacenter's business activities, business model, strategic KPIs and performance are set out within this Strategic Report from the inside front cover to page 106. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out within the Chief Financial Officer's review on pages 052 to 054. In addition, notes 27 and 28 to the Consolidated Financial Statements include Computacenter's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit and liquidity risk. The Directors have, after due consideration, and as set out in note 2 to the Consolidated Financial Statements on page 180 of this Annual Report and Accounts, a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the Consolidated Financial Statements, as set out on pages 176 to 231 of this Annual Report and Accounts. Thus, they continue to adopt the Going concern basis of accounting in preparing the Consolidated Financial Statements.

Viability Statement

In accordance with provision 31 of the UK Corporate Governance Code, the Directors have assessed the Group's prospects over a longer period than the 12 months required by the going concern basis of accounting.

Viability timeframe

The Directors have assessed the Group's viability over a period of three years from 31 December 2023. This period was selected as an appropriate timeframe for the following reasons, based on the Group's business model:

- the Group's rolling strategic review, as considered by the Board, covers a three-year period;
- the period is aligned to the length of the Group's Managed Services contracts, which are typically three to five years long;
- the short lifecycle and constantly evolving nature of the technology industry lends itself to a period not materially longer than three years; and
- Technology Sourcing has seen greater recent growth than the Group's Services business, increasing the revenue mix towards the part of the business that has less medium-term visibility and is therefore more difficult to forecast.

Further, the Directors monitor conditions in the environment external to the Group and have concluded that the following factors continue to support the timeframe selected:

- the continuing macroeconomic, diplomatic and trade environment, following the departure of the UK from the European Union, introduces greater uncertainty into a forecasting period longer than three years; and
- the prolonged macroeconomic impact of a series of recent external shocks including the Russian invasion of Ukraine, and the ongoing conflict in the Middle East, on both supply-side and demand-side dynamics within our industry. These events manifest over the short term, in particular the effect on certain customers from the worsening global economic outlook, and the pace of change of technology adoption as a result.

While the Directors have no reason to believe the Group will not be viable over a longer period than three years, we believe that a three-year period presents shareholders with a reasonable degree of confidence, while providing a longer-term perspective.

With regard to the principal risks set out on pages 064 to 073, the Directors remain assured that the business model will be valid beyond the period of this Viability Statement. There will continue to be demand for both our Professional Services and Managed Services businesses, and Management is responsible for ensuring that the Group remains able to meet that demand at an appropriate cost to our customers. The Group's value-added, product reselling Technology Sourcing business only appears vulnerable to disintermediation at the low end of the product range, as the Group continues to provide a valuable service to customers and technology vendors alike, as described on pages 022 to 023. The Group has seen significant business growth due to the end-to-end Technology Sourcing and Professional Services capability that it can deliver from its Integration Centers, which is a significant differentiating factor in this market.

Going concern and Viability Statement continued

Prospects of the Group assessment process and key assumptions

The assessment of the Group's prospects derives from the annual strategic planning and review process. This begins with an annual away day for the Board, where Management presents the strategic review for discussion against the Group's current and future operating environments.

High-level expectations for the following year are set with the Board's full involvement and are delivered to Management, which prepares the detailed bottom-up financial target for the following year. This financial target is reviewed and agreed by Management before presenting to the Board for approval at the December Board meeting.

On a rolling annual basis, the Board considers a three-year business plan (the Plan) consisting of the detailed bottom-up financial target for the following year (2024) and forecast information for two further years (2025 and 2026), which is driven by top-down assumptions overlaid on the detailed target year (2024). Key assumptions used in formulating the forecast information include organic revenue growth, margin impacts and cost control, continued strategic investments through the Consolidated Income Statement, and forecast Group effective tax rates, with no changes to dividend policy or capital structure beyond what is known at the time of the forecast. The financial target for 2024 was considered and approved by the Board on 7 December 2023, with amendments and enhancements to the target as part of the full Plan considered and approved by the Board on 18 March 2024.

Impact of risks and assessment of viability

The Plan is subject to rigorous downside sensitivity analysis, which involves flexing a number of the main assumptions underlying the forecasts within the Plan. The forecast cash flows from the Plan are aggregated with the current position, to provide a total three-year cash position against which the impact of potential risks and uncertainties can be assessed. In the absence of significant external debt, the analysis considers access to available committed and uncommitted finance facilities, the ability to raise new finance in most foreseeable market conditions and the ability to restrict dividend payments.

The potential impact of the principal risks and uncertainties, as set out on pages 064 to 073, is then applied to the Plan. This assessment includes only those risks and uncertainties that, individually or in plausible combination, would threaten the Group's business model, future performance, solvency or liquidity over the assessment period and which are considered to be severe but reasonable scenarios. It also takes into account an assessment of how the risks are managed and the effectiveness of any mitigating actions.

The combined effect of the potential occurrence of several of the most impactful risks and uncertainties is represented by a large adjustment to the cashflows over the assessment period, which is then compared to the cash position generated by the Plan, throughout the assessment period, to model whether the business will be able to continue in operation. This application of the risk impact adjustment is performed under two sensitivity scenarios.

For the current period, the primary downside sensitivity relates to a modelled, but not predicted, severe downturn in Group revenues, beginning in 2024, simulating a continued impact for some of our customers from a reduction in customer demand due to the current economic crisis, and ongoing impact on the Group's revenues from this macroeconomic instability, with slower than predicted recovery.

The second sensitivity scenario includes a further extreme, but not predicted, downturn in Group revenues and margins leading to a substantial loss-making position over the assessment period. Included within this sensitivity scenario is the modelled lack of access to our committed facility.

Under both scenarios, the business demonstrates modelled solvency and liquidity over the assessment period, where the supporting models were tested with rigorous downside sensitivity analysis, which involved flexing a number of the main assumptions underlying the forecasts.

Conclusion

Based on the period and assessment above, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities, as they fall due, over the three-year period to 31 December 2026.

Sustainability

Winning together for our people and our planet

Our Purpose is helping our customers change the world, and to support this we build long-term trust with our customers, our partners, our people and our communities. Our environmental, social and governance (ESG) approach, 'winning together for our people and our planet' underpins our Purpose and supports our business model. The long-term future of our Company, our people and our planet, relies on an enduring commitment to sustainability, making it a fundamental part of how we work day-to-day.

Sustainability continued

Sustainability strategy framework

We focus on the areas that are most important to our stakeholders and our business, and where we can make the biggest difference. The strategy has three pillars (people, planet and solutions) and is underpinned by communication, governance, standards and frameworks. Each pillar is owned by a member of the Group Executive, which ensures alignment and accountability across the organisation, engaging and empowering our people to achieve our sustainability goals.

Winning together for our people and our planet

People

Creating positive impact for our people, customers and communities

Executive owner: Sarah Long, Chief People Officer

See page 083

Planet

Ensuring sustainable operations, and delivering our Net Zero 2040 plan

Executive owner: Mo Siddiqi, Group Development Director

See page 089

Solutions

Offering sustainable solutions for our customers

Executive owner: Mo Siddiqi, Group Development Director

See page 092

COMMUNICATION

Sharing our strategy with our stakeholders.

Executive owner: Mo Siddiqi, Group Development Director

GOVERNANCE

Underpinning accountability, investment plan, compliance and reporting.

Executive owners: Chris Jehle, Chief Financial Officer, and Mike Norris, Chief Executive Officer

STANDARDS AND FRAMEWORKS

United Nations Global Compact · ecovadis · TCFD Task Force on Climate-Related Financial Disclosures · Science Based Targets · CDP · Sustainable Development Goals

"Considering the long-term is one of the values on which Computacenter was built, it's a part of everything we do, and lies at the heart of our Sustainability strategy."

Mike Norris
Chief Executive Officer

Sustainability continued

Winning together for our people and our planet

The way in which we conduct our business has always been as important as what we do, which is why we have always been shaped by our values and guided by our principles. When it comes to sustainability, our values and principles drive our strategy of winning together for our people and our planet.

Each pillar of our sustainability strategy is owned and led by an Executive team member, reflecting our focus and commitment to achieving our sustainability goals.

People

Our people workstream is led by Sarah Long, Chief People Officer, and houses our social strategy. Our goals in this pillar focus on our people and the people in our communities – both in the places that we operate and up and down our value chain.

We are committed to being a company that offers fair and equal access to everyone and where every person feels engaged, included and able to fulfil their potential. We drive initiatives that foster employee engagement and contribute to diversity and opportunity throughout every stage of the career lifecycle.

Our social strategy also addresses how we engage with the communities around us, including social and charitable initiatives, and the rights of people within our supply chain. See page 083.

Planet

Our planet pillar is led by our Group Development Director, Mo Siddiqi, and addresses our direct and indirect environmental impact. See page 089.

Within this workstream we focus on our Sustainable Operations Strategy – which considers the overall impact of our activities throughout the value chain, recognising the critical importance of topics such as emissions, biodiversity and waste in the preservation and protection of the environment.

Our Net Zero transition plan also forms part of the planet pillar, with initiatives across the value chain to drive down emissions in line with our SBTi-approved 2040 Net Zero goal.

Solutions

Mo Siddiqi, Group Development Director, is also responsible for leading our solutions pillar. Underpinned by our Sustainable Operations Strategy, the solutions pillar focuses on delivering solutions and services that help our customers to achieve their sustainability goals. See page 092

Developing sustainable solutions is reliant on collaboration up and down the value chain – from how a product is manufactured to how it is used and ultimately how it is handled at the end of its usable life. We support our customers at every stage of this process, with a particular focus on leveraging our expanding Circular Services.

Governance

We govern our business with integrity, ensuring we have clear policies, decision-making frameworks and risk management processes. Our commitment to ethics and compliance supports all of our sustainability commitments. See page 107.

Sustainability continued

"We're proud of what we've achieved together, and we are committed to continued investment, innovation and improvement. We are building for the long term to be a company that our people, customers, partners and communities can be proud of."

Mo Siddiqi
Group Development Director

2023 HIGHLIGHTS

Targets approved by SBTi

We were amongst the first in our industry to have our near-term, long-term and Net Zero targets approved by SBTi.

2023
We sustained carbon neutrality for our Scope 1 and Scope 2 GHG emissions

→2032
Target to reduce Scope 3 emissions by 50% from 2021 baseline

→2040
Target to be Net Zero

Group emissions performance over time (metric tonnes)

Total Scope 1 and 2 emissions
-9.4%

2023	4,001
2022	4,416
2021	5,210
2020	13,856
2019	19,808

Per £1m of gross invoiced income
-18.4%

2023	0.40
2022	0.49
2021	0.75
2020	2.55
2019	3.92

Per employee
-16.7%

2023	0.20
2022	0.24
2021	0.30
2020	0.83
2019	1.25

PEOPLE HIGHLIGHTS

3,300
new starters from 100,000+ applicants

88%
inclusion score Employee Survey 2023

24.3%
most senior leaders are women

PLANET HIGHLIGHTS

SBTi
approval for our Net Zero targets

>2.5m kWh
of electricity generated by our own solar farms

>75%
of Group energy usage is from renewable sources

SOLUTIONS HIGHLIGHTS

>2m
items processed through our Circular Services division

117,156
tonnes carbon avoided through reuse of assets (redeployment and remarketing)

748
tonnes of reusable raw materials generated through industrial recycling

Sustainability continued

Standards and frameworks

We align with the standards and frameworks that support our sustainability strategy, are essential for compliance, or are important to our stakeholders. Other standards and initiatives are adopted as appropriate in specific countries.

United Nations Global Compact (UNGC)

Computacenter has been a proud signatory of the UNGC since 2007 and we are committed to supporting its 10 core principles and embedding them within our supply chain.

Task Force on Climate-Related Financial Disclosures (TCFD)

This is a mandatory reporting requirement and is covered in detail on pages 094–101.

Ecovadis

This sustainability framework is frequently selected by our customers and partners, and we have also chosen to use it as one of our benchmarks within selected countries.

Science Based Targets initiative (SBTi)

Computacenter has committed to this standard for carbon reduction plans aligned to the Paris Agreement, committing to limit the global temperature rise to 1.5°C above pre-industrial levels. We are proud to be amongst the first in our industry to obtain SBTi approval for our near-term, long-term and Net Zero targets.

Carbon Disclosure Project (CDP)

This is a global disclosure system for organisations to share their environmental impact. We participate annually as some of our stakeholders use CDP.

Sustainability continued

People

Creating positive impact for our people, customers, and communities

88%
inclusion score
Employee Survey 2023

24.3%
most senior leaders
are women

>1,000
volunteer hours in the UK alone

9 years
average length of service

top EMPLOYER UNITED KINGDOM 2024
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

top EMPLOYER DEUTSCHLAND GERMANY 2024
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

Great Place To Work. Certified NOV 2022-NOV 2023 UK

Great Place To Work. Certified MAY 2023 – MAY 2024 INDIA

INVESTORS IN PEOPLE®
We invest in people Silver

OUR MATERIAL SDGs

3 GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote wellbeing for all at all ages
We support the mental and physical wellbeing of our employees by ensuring that our people have quality working lives and feel safe to be themselves.

4 QUALITY EDUCATION

Ensure inclusive and equitable quality education and development and promote lifelong learning opportunities for all
We work to remove barriers that exist in our local societies, creating employment, training and educational opportunities, particularly in IT careers.

5 GENDER EQUALITY

Achieve gender equality and empower all women and girls
We continue to work towards achieving a better gender mix in a male-dominated industry.

8 DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all
We maintain high standards of employment for our people and work with our supply chain to build resilience and decent work.

10 REDUCED INEQUALITIES

Reduce inequality within and among countries
We continue to foster an environment that enables our people to speak openly and ensure they have the knowledge they need to promote a positive and inclusive environment for all.

Sustainability continued

We are committed to creating a positive impact for our people, our customers and our communities, by building an engaged and inclusive workforce and delivering social value through meaningful action.

Creating positive impact for our people, customers and communities

OUR PEOPLE

Attracting, retaining and developing the best talent in the market to deliver service excellence for our customers

Building a highly engaged, inclusive and ethical workforce

Creating a working environment which our people and our customers are proud of

OUR CUSTOMERS AND COMMUNITIES

Delivering social value through:

- Leveraging technology vendor networks
- Charity partners
- Schools and university outreach

Focus on where we can take meaningful action aligned to five of the UN Sustainable Development Goals (see previous page)

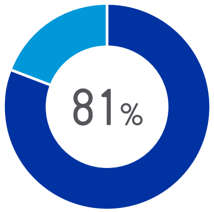
Enabling our people to use their passion to create positive and impactful change within Computacenter, our customers, and our communities

Attracting, developing and retaining the best talent to build a highly engaged, inclusive and ethical workforce.
With over 20,000 employees, and an average length of service of over nine years across the Group, our ambition as an employer is to attract, retain and develop the best talent in the market, to deliver service excellence for our customers.

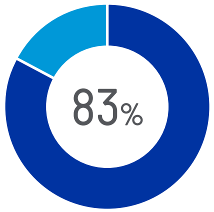
What our people tell us
Our comprehensive Group Employee Survey reviews all aspects of how our people feel about working at Computacenter. The survey is undertaken every two years, most recently at the end of 2023.

We are proud that our sustainable engagement and Inclusion scores place us ahead of industry benchmarks, reflecting our values and principles that help our people feel they can be themselves at work, and are motivated and enabled to deliver their best performance.

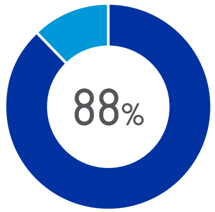
Group participation



Sustainable engagement



Inclusion score



We strive to create a culture where everyone feels that they belong and can be themselves. We are an organisation where people are valued, respected, and supported to reach their full potential.
At Computacenter we define our approach to Diversity and Inclusion (D&I) in the following way:

- **Diversity:** Making sure that all our systems and processes, and our organisational culture, allow us to attract, retain and promote diverse talent.
- **Inclusion:** Creating a working culture where everyone can be themselves, and where they are valued, respected, supported to reach their full potential, and have a sense of belonging.

Sustainability continued

Fundamentally, D&I at Computacenter is about ensuring that everyone feels that they are included and are given equal opportunity in every respect, throughout their whole career. Underpinning our D&I approach, our Equality and Respect at Work policies set out our commitment to zero tolerance of discrimination relating to someone's personal attributes, including race, colour, religion, sex, sexual orientation, gender identity or expression, national origin, age, disability, marital status, pregnancy, citizenship, genetic information, socio-economic status, caste, or any other personal characteristic, trait or status that is protected by law. Any concerns can be raised through our in-country grievance processes or in accordance with the Group Speak Up (whistleblowing) policy.

Equal opportunity at Computacenter extends to all aspects of the employment relationship, including hiring, promotions, working conditions, compensation, and benefits, and is a principle reflected in our people policies and upon which our decisions are made.

We have dedicated D&I managers in the UK and North America who work closely with our HR managers and business partners to embed D&I into our people plans.

We are committed to ensuring that our disabled employees have equal access to opportunities. We have improved our data systems, enabling us to analyse disability related recruitment trends in each location and identify areas for improvement.

- We are a Disability Confident Employer in the UK. Our recruitment process is inclusive and accessible, and we support people with disabilities throughout their career with us.
- In France, we work with the Association de Gestion du Fonds pour l'Insertion Professionnelle des Personnes Handicapées (AGEFIPH), which promotes the employment of people with disabilities in France, to improve our disability policy.
- In Germany, we work with the Federal Employment Agency to ensure that all open vacancies are posted on its job board and are accessible to disabled people. Our internal severely disabled committees (SBV) are informed and involved in the application process for candidates with disabilities.

To play our part in increasing diversity in the technology industry, we are committed to supporting women to reach their goals and role model the possibilities for future generations.

We have developed specialist personal and leadership development programmes for women, including our Growing Together programme for our mid-level women employees that focuses on networking, engagement, and education, and our Leading Together programme, supporting our most senior women (those that operate at either of two levels below the Group Executive). Nearly 50 women from across the Group participated in these programmes during 2023.

We are building a strong pipeline of women talent empowered and equipped to play a significant role in the leadership of our business.

	2023		2022	
	Women	Men	Women	Men
Board	3	6	3	6
Senior Managers	27	66	34	83
Other Employees	5,579	14,341	5,495	14,476
Total	**5,609**	**14,413**	**5,532**	**14,565**

Our D&I actions are guided not just by our policies, but by the things that matter most to our people. Our Employee Impact Groups, Forums and Networks help us to bring our D&I topics to life, with collaboration, learning opportunities and events in areas such as gender, culture, wellbeing, and PRIDE. Some of our 2023 D&I highlights include:

- Continuation of our 'Inclusion Series' webinars where we shared and learned about PRIDE, disability, neurodiversity, and generations.
- Finalisation of our new Group-wide Inclusive Leadership Programme designed to help build and foster an inclusive culture.
- Our first Group-wide information and engagement campaign to mark World Autism Acceptance Week, which helped to raise awareness of neurodiversity and was met with overwhelmingly positive feedback.

Our Equality and Respect at Work, and talent management policies help ensure that we identify and develop the best talent regardless of gender, ethnicity, or social background, or any other personal attributes. As people join us we ask them to provide us with diversity-related data (where permitted), which is used to identify trends in line with our aims and ambitions. An example of an outcome from this is that we track the improved gender mix within our business. We have seen an increase in women in our organisation from 2018, where 24.27% of employees were women, to 2023 where the proportion had grown to 28.09%. The proportion of women in our senior leadership team has increased by over 11.4% since 2020 (as reported in the FTSE Women Leaders public reporting).

Sustainability continued

The gender and ethnicity of our Board and Executive team, as at 31 December 2023 and the date of this report is set out below. The information was collated on a self-reporting basis. The Board and the Group Executive Committee were provided with the table, and asked to complete how they identify. Further information on our approach to diversity, and its outcomes can be found on pages 020 to 021 and 127 to 129.

	Number of Board members	% of the Board	Number of Senior Positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	% of Executive Management
Gender					
Male	6	67%	3	7	78%
Female	3	33%	1	2	22%
Other categories	–	0%	–	–	0%
Not specified/prefer not to say	–	0%	–	–	0%
Ethnicity					
White British or other (including minority-white groups)	8	89%	4	8	89%
Mixed/multiple ethnic groups	–	0%	–	–	0%
Asian/Asian British	–	0%	–	1	11%
Black/African/Caribbean/Black British	1	11%	–	–	0%
Other ethnic group including Arab	–	0%	–	–	0%
Not specified/prefer not to say	–	0%	–	–	0%

Prior to offering a prospective employee a role with Computacenter, we conduct due diligence including previous employment referencing, interviewing and other checks as mandated by role type or location.

Our recruitment policies ensure that we are focused and consistent in our processes to bring people into the organisation, and that the assessment of their talent is objective and merit based. The selection process applied depends on the nature of the role and its seniority. In 2023, we enhanced the way that we assess both internal and external candidates for leadership roles, with a standardised global approach covering both key leadership behaviours and situations.

We have built a Group-wide interviewing skills learning programme that supports our recruitment practices.

We are dedicated to creating a workplace that promotes positive physical, mental, financial and social wellbeing.

Our strategy for wellbeing encompasses immediate support as well as long-term positive and preventative approaches, to help our people at work and at home, and is focused on four key areas: physical, mental, financial and social wellbeing.

We have an Employee Assistance Programme in each country, enabling our people to access specialist wellbeing support, underpinned by the Humanoo 'Be Well' mobile app which offers over 3,000 wellbeing courses.

Our Healthy Leadership training programmes for managers provides expert advice and guidance on how to identify signs of individual and team stress and look after the wellbeing of their team.

Computacenter is also part of the National Forum for Health and Wellbeing, a UK charity that specialises in helping local communities take more responsibility for protecting and managing their own health.

Pay for performance is at the heart of our reward philosophy, and we align remuneration with each employee's contribution while meeting applicable legislative requirements, including national minimum wages and equal pay. Pay reviews are undertaken annually for all Group employees, as detailed in our Pay Policies.

The Remuneration Committee reviews our workforce remuneration and related policies, helping to ensure that we align our incentives and rewards with our culture and strategic imperatives. Some examples of this are:

Investing in our people
- Future talent programmes that provide guided roles and training for the younger generations beginning their careers with Computacenter.
- Bespoke, targeted development programmes.
- Learning and development opportunities, including externally recognised technical accreditations, Computacenter best practices, and soft skills.

Rewarding our people
- Annual pay reviews that align pay with each person's contribution to their job and to the market rate, using competitive market data and functional benchmarks.
- Where applicable, variable pay models that reflect organisational performance and individual contribution.
- Commission schemes aligned to growth.

Sustainability continued

Our global recognition tool 'Bravo!' helps us to foster a high-performance culture through recognising and rewarding one another's great performance. Alongside instant peer-to-peer recognition, employees can nominate colleagues for awards, recognising exceptional performance. The scheme also allows employees to donate the value of their rewards to one of our chosen charities.

From attraction and throughout the whole employee journey, we focus on our people having the best employee experience they can.
In a competitive talent marketplace, we hired over 3,300 new starters during 2023, from more than 100,000 candidate applications.

Our recent external recognition includes:

- Top Employer 2024 in UK and Germany
- Great Place to Work 2023 in UK and India
- Investors in People Silver 2023 in the UK

We know that engagement is key to our success and that highly engaged employees help us deliver better outcomes for our customers. Our forums for engaging with our people include Works Councils covering seven countries across Europe, a UK National Forum, 13 recognised trade unions, and over 200 elected employee representatives. In other countries the employee voice is represented by people panels and employee groups.

Our Employee Impact Groups (EIGs) give employees the opportunity to help shape and drive sustainable change, with country-specific EIGs focusing on in-country priorities such as ethnic diversity, climate change, gender, and wellbeing. Each group has an Executive sponsor aligned with representation from all areas of the business.

Ros Rivaz is our nominated Non-Executive Director aligned to our people and regularly engages with employee groups from across the business, reporting feedback and insight directly to the Board.

Our learning culture means that we ensure our people have access to and engage in continuous, career-long development, starting with developing our next generation through early careers in science, technology, engineering and mathematics (STEM).
Our Future Talent programmes develop the next generation of professionals through an innovative, focused and flexible approach to apprenticeships, industrial placements and graduate programmes. In 2023, a total of 667 new starters joined these important early-career programmes.

Talent management and the learning and development of our people is always an investment focus. We ensure we provide continuous growth opportunities.

Career pathways provide guided learning, built around the skills and competencies required for each role, allowing our people to grow individually as they develop their careers.

Our values underpin our leadership behaviours and guide our leadership recruitment and development. In 2023, a total of 353 of our leaders participated in our flagship leadership programmes which support them in role modelling and growing our business for the long term. This was further supported by the rollout of our new Inclusive Leadership programme and our new global approach to leadership development.

We inspire the next generation to follow a career in STEM through educational outreach.
Our outreach and mentoring programmes with schools, universities and charities help to promote STEM career opportunities for all including; women in technology, attracting talent from ethnic minorities, people with disabilities, and young people from disadvantaged backgrounds.

During 2023, in the UK alone our employees gave 1,072 hours to community outreach programmes.

We enable our people to positively contribute to the communities that we are a part of to help drive forward our sustainability focus areas, including working with our technology vendors and the wider industry to drive change around topics that are important our business, our customers, and our people.
We are proud to work in our local communities, often alongside our customers and partners, to drive change and make a real impact. In 2023, our community activities across our various locations included forest, city, and beach clean ups in our communities, as well as collection drives, crafting and sales and auctioning for local community-based charities. We have donated 700kgs of items in partnership with charities and NGOs in the UK and India, and our volunteer schemes in North America and Germany have seen over 180 people, including customers and partners, supporting local community clean-ups.

Our community work is guided by our sustainability strategy and our ethics-related policies, which set out how we should interact with the communities and environment around us. Local teams are responsible for ensuring community work aligns with our policies and values, and they are supported by representatives from HR and the sustainability team where needed.

We work with charities that align to our wider sustainability focus areas within the communities we are part of and across the Group.
We support initiatives to raise money for charities, including activities proposed and run by our employees. We fundraise through donations, events and Give as You Earn options. Our people help us to choose the charities that we support each year. Nominated charities are reviewed by an HR-led panel in accordance with our guidelines. During 2023, together with our people, we supported over 40 charities.

Sustainability continued

Human rights

We understand our responsibility to respect and support human rights. We have adopted the principles of the leading international standards and conventions on human rights across our business dealings, in particular the UN Global Compact (signatories since 2007), the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Conventions on Rights of the Child, and fundamental conventions of the International Labour Organization (ILO). For Computacenter, our human rights considerations fall within two areas: (i) protecting the rights of our employees and, (ii) ensuring that we are not complicit in human rights abuses within our supply chain.

The human rights of our employees are addressed by our people policies and our understanding of and compliance with local labour laws wherever we do business. This includes our Health and Safety, Respect and Equality at Work policies and our disciplinary and grievances processes. Our Group Ethics Policy sets out our commitment to observing the highest ethical standards in our business conduct, as these relate to the rights and treatment of individuals.

Our Group Speak Up (whistleblowing) policy explains how our people and anyone in our supply chain can report any concerns they may have through the independent provider Safecall. The details of Safecall are publicised internally through an annual, multi-channel communications campaign, and are included in all of our compliance training. Any concerns raised are fully investigated, with oversight from the Director of Group Legal and Compliance and Chief People Officer.

In 2023, there were no issues raised within the Company that related to human rights breaches.

Human rights in the supply chain

We work with a diverse set of suppliers, who play a key part in the success of our business. When selecting suppliers, we ensure that our terms of engagement are clear and that they support both our Group values and our wider sustainability objectives.

Onboarding of suppliers for most countries is managed by the Supplier Advisory and Monitoring team. The team uses a standardised onboarding process, which is underpinned by a supplier management platform to drive greater consistency, automation, visibility, and risk management. Our approach ensures that each supplier self-assesses on several topics, including sustainability issues, and accepts the standards set by key Computacenter policies, such as IT Security, Anti-Bribery and Corruption, through our Supplier Code of Conduct. This code of conduct sets out the 10 principles in the UNGC, which include human rights, modern slavery, anti-bribery and corruption, and environmental matters. Suppliers are asked to adhere to our Supplier Code of Conduct prior to their inclusion within our supply chain. Any issues arising through our onboarding process are reported to Group Compliance.

Those within our supply chain are informed of Safecall and the requirement to report any concerns they may have, via our Supplier Code of Conduct. Our Group Speak Up (whistleblowing) policy is also published on our company website to ensure that it is easily accessible to anyone within our supply chain.

In 2023, there were no issues raised within the Company that related to modern slavery or human trafficking in our supply chain.

We remain committed to our obligations for transparency in our approach to combatting modern slavery and upholding human rights. Our full Modern Slavery Statement as required under Section 54 (Transparency in supply chains) of the Modern Slavery Act 2015 for the period of 1 January 2023 to 31 December 2023 can be found on our website.

Health and safety

We are committed to providing safe and healthy workplaces. Our policy is that, so far as is reasonably practicable, we will create and maintain an environment that is committed to eliminating or reducing health and safety risks to employees, customers, suppliers, contractors, visitors, and members of the public.

Our approach to health and safety is based on identifying and controlling hazards and preventing incidents, particularly those involving personal ill-health, injury and damage to equipment or property. We also investigate near misses, as an essential part of preventing future incidents.

It is vital that everyone concerned is made aware of their responsibilities for implementing our health and safety policy. All line managers are required to ensure that the policy is implemented within their areas of responsibility and employees must take reasonable care of their own health and safety, and that of others who may be affected by what they do. Failing to observe the policy can result in disciplinary action.

The table shows the health and safety performance of our United Kingdom, Germany, and France businesses. The Accident Incident Rate (AIR) is the number of accidents per 1,000 employees and the Accident Frequency Rate (AFR) is the number of accidents per 100,000 working hours. Following the continued return of increased numbers of employees to the offices, there has been a corresponding increase in on-site accidents that resulted in minor injuries.

	AIR		AFR	
	2023	**2022**	**2023**	**2022**
UK	**1.53**	**1.05**	0.19	0.19
Germany	**3.83**	**2.69**	0.31	0.16
France	**2.92**	**2.45**	0.54	0.45

We offer health and safety training, for example covering display screen equipment, manual handling, environmental awareness, and safe driving. The Group has continued to comply with all relevant health and safety legislation in all the countries in which we operate. This is monitored using appropriate tools, controls, and measures, which form part of our overall compliance management system.

Sustainability continued

Planet
Ensuring sustainable operations and delivering our Net Zero 2040 plan

We have a longstanding commitment to sustainable operations and take a responsible approach to reducing our direct and indirect environmental impacts.

Net Zero
goal for 2040

SBTi
approval for our emissions reduction targets

>2.5m kWh
of electricity generated by our own solar farms

>75%
of Group energy usage is from renewable sources

CO_2 neutral
for second year

OUR MATERIAL SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
We act responsibly as a business to make a positive impact within our industry and wider communities.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Ensure sustainable consumption and production patterns
We will work with our technology vendors and customers to promote sustainable technology sourcing, supported by our own Circular Services solutions.

13 CLIMATE ACTION
Take urgent action to combat climate change and its impacts
We continue to take action to reduce our climate impacts, both direct and indirect, aligned to Science Based Targets.

OUR TARGETS

Target	Status
Carbon neutral for Scope 1 and 2 **Timing** 2022	**Complete** Achieved through increases in our own renewable energy generation, continued investment in energy efficient solutions, increasing the use of renewable energy sources and carbon offsetting credits.
50% reduction in Scope 3 emissions from 2021 baseline **Timing** 2032	**On track** Scope 3 emissions include all other indirect emissions, such as our business travel and transportation, as well as those from sources that we do not own or directly control, including our supply chain, which constitutes most of our Scope 3 emissions. See page 094 for TCFD.
Net Zero for Scope 1, 2, and 3 **Timing** 2040	**On track** Computacenter has committed to this standard for carbon reduction plans aligned to the Paris Agreement, committing to limit the global temperature rise to 1.5°C above pre-industrial levels.

Sustainability continued

Emissions performance over time (metric tonnes)

Results	2016	2017	2018	2019	2020	2021	2022	2023
Total Scope 1 and 2 emissions	25,518	22,662	19,741	19,808	13,856	5,210	4,416	**4,001**
Per £1m of gross invoiced income	6.94	5.97	4.54	3.92	2.55	0.75	0.49	**0.40**
Per employee	1.68	1.62	1.31	1.25	0.83	0.30	0.24	**0.20**

Core to our planet pillar is our Responsible Operations Strategy, which sets out our areas of focus in which we will invest and innovate to achieve our environmental goals. The Responsible Operations Strategy has three key topics:

1.

Energy & Natural Resources

Scope

The energy we use at our facilities, and the energy we purchase.

Priority initiatives

- Renewable energy
- Solar farms
- Lower-carbon footprint facilities
- Energy-efficient lighting

2.

Travel & Operations

Scope

Our business travel, commuting, IT operations, capital goods, and downstream transportation.

Priority initiatives

- Carbon travel levy
- IT infrastructure
- Hybrid working
- Company vehicles
- Downstream transportation

3.

VAR Supply Chain

Scope

Our purchased and resold products and services, use and end-of-life treatment of sold products, and upstream transportation.

Priority initiatives

- Technology vendor Net Zero plans and sustainability initiatives
- Customer collaboration
- International capabilities

Our Responsible Operations Strategy underpins our Net Zero transition plan, which aims to achieve our SBTi-approved Net Zero target in 2040.

Net Zero 2040

Our near-term, long-term and Net Zero targets were approved by SBTi in June 2023, making us amongst the first in the industry to publish comprehensive, validated science-based emissions-reduction targets. Our targets are described in detail on page 089.

On our journey to Net Zero, we achieved our first goal of becoming carbon neutral for Scope 1 and 2 emissions in 2022, and we maintained this for 2023. To achieve this, we offset the small amount of residual emissions that could not be removed using accredited Gold Standard (GS) carbon removal schemes. The GS is a voluntary carbon offset programme focused on progressing the United Nation's Sustainable Development Goals and ensuring that projects benefit their neighbouring communities.

Energy usage

In 2023, the Group consumed 9m kWh of Scope 1 energy (United Kingdom operations: 1.96m kWh), and 40.5m kWh of Scope 2 energy (United Kingdom operations: 17.5m kWh). In 2022, the Group consumed 9.7m kWh of Scope 1 energy (United Kingdom operations: 2.8m kWh), and 35.8m kWh of Scope 2 energy (United Kingdom operations: 16.2m kWh). We benefit from electricity generation from our solar panel installations in Hatfield, United Kingdom, Kerpen, Germany, Livermore, California, and, most recently, Moordrecht, Netherlands.

In total we have the capacity to generate over 4m kWh of our own electricity, avoiding up to 1,994 tonnes of annual CO_2e.

In addition to generating our own electricity, we source renewable energy for our operations in multiple countries, including across Europe and the US. In total, we consumed 30.4m kWh of renewable energy in 2023, avoiding 11,958 tonnes of annual CO_2e.

Sustainability continued

Travel

We have a target to reduce emissions from business travel by up to 35% by 2025, compared to the baseline in 2019. While the target remains challenging to achieve given the Group's growth, we continued to develop initiatives, including our carbon travel levy, to support this ambition.

Materials usage and waste

Materials include the packaging we use in our Integration Centers and the packaging our technology vendors use when transporting goods to us. This category also includes items we mail and our use of single-use plastics. Initiatives to drive efficient material use and minimise landfill are part of our Responsible Operations Strategy.

Nearly all plastic bags are now either retained to be reused or separated and collected for dedicated plastics recycling. We send as little waste as possible to landfill and closely monitor recycling performance for materials such as plastics, paper and cardboard.

Greenhouse gas (GHG) emissions

The Group is required to state the annual quantity of emissions from its activities, in tonnes of carbon dioxide equivalent, which can be found below. Further details of our environmental policies and programmes can be found on our Company's website: computacenter.com.

Scope 1 emissions

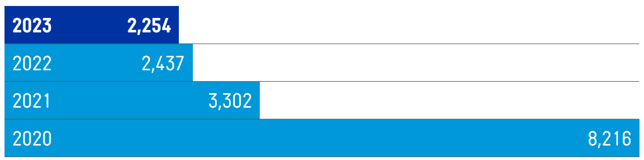
Includes: combustion of fuel and refrigerants loss.

Metric tonnes of CO_2e

Scope 2 emissions

Includes: electricity, heat, steam and cooling purchased for our own use.

Metric tonnes of CO_2e



The Group's UK operations accounted for 21% of the Group's Scope 1 carbon emissions (365 tonnes), and 0% of the Group's Scope 2 carbon emissions in 2023.

The Group's chosen intensity measurements for emissions as reported above are:

- 0.40 metric tonnes per £m of gross invoiced income (2022: 0.49 metric tonnes).
- 0.20 metric tonnes per Group employee (2022: 0.24 metric tonnes).

The slight decrease in our Scope 2 emissions relates to reductions in emissions factors across the majority of our locations.

Methodology

This activity has been conducted as part of our UK EMS ISO 14001:2015 standard (EMS 71255). We have used the main requirements of the GHG Protocol Corporate Accounting and Reporting Standard (revised edition). Emission factors used are from the UK Government's Conversion Factors supplied by Department for Environment, Food & Rural Affairs (DEFRA). We have different factors for each country, as electricity generation and CO_2e efficiency vary by country. External consultants assisted with the implementation of our methodology which we continue to further refine and develop internally, to include the full requirements to collate the additional emissions, such as refrigerants.

We have reported on all the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. Group properties included in this report are all current locations in the United Kingdom, Germany, France, Belgium, Spain, South Africa, United States, Canada, Switzerland, Malaysia, Hungary, Mexico, India, Poland, and the Netherlands.

Limitations to data collection

Less than 5.0% of emissions were estimated or based on an average energy usage per square foot of space occupied.

Environmental policy

The Group has an environmental policy, which we enact through an Environmental Management System (EMS) certified to International Management standard BS EN ISO 14001:2015. The environmental policy requires us to identify our significant environmental impacts and provides the framework for setting targets and objectives.

It is supported by a manual that sets out the roles and responsibilities and actions we undertake with respect to our environmental policy, including our approach to due diligence.

The due diligence process addresses direct and indirect environmental aspects:

- Direct aspects are those that Computacenter can control and can be expected to have an influence.
- Indirect aspects are those where Computacenter is one of many stakeholders and may not have the ability to influence.

For each Computacenter environmental aspect identified, an objective and systematic evaluation of the significance of the aspect is made, assessing it against criteria rated according to their perceived severity of impact – the higher the impact, the greater the rating. A procedure, 'Environmental Aspect Significance', sets out how Computacenter's Environmental Aspects are assessed and determined, and the Site Profiles Procedure describes how each of the sites has been assessed. The results of these due diligence assessments are recorded in the Register of Environmental Impacts.

The environmental management of suppliers and contractors is set out in the Computacenter Management System Vendor Assessment procedure. We check suppliers of waste and recycling services to ensure that only those with permits and licences appropriate to the work required are used. Where necessary, those suppliers who may have a significant impact on our activities may also have an environmental audit from Computacenter.

There have been no recorded breaches of the environmental policy in 2023.

Computacenter UK is registered as a distributor of product via the compliance company Paperpak, ensuring we have fully complied with packaging waste regulation since 2000.

Computacenter complies with Energy Savings Opportunity Scheme (ESOS) by submitting its energy report each year.

Solutions

Offering sustainable solutions for our customers

Sustainability relies on collaboration up and down the value chain. Our customers trust us to be a responsible business, and they rely on our technology and services expertise to help them to achieve their own sustainability goals.

>2m
items processed through the Circular Services division

748 tonnes
of reusable raw materials generated through industrial recycling

117,156 tonnes
carbon avoided through reuse of assets (redeployment and remarketing)

OUR MATERIAL SDGs

8 DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all
We maintain high standards of employment for our people. and work with our supply chain to build resilience and decent work.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns
We will work with our technology vendors and customers to promote sustainable technology sourcing, supported by our own Circular Services solutions.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
We act responsibly as a business to make a positive impact within our industry and wider communities.

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts
We continue to take action to reduce our climate impacts, both direct and indirect, aligned to Science Based Targets.

10 REDUCED INEQUALITIES

Reduce inequality within and among countries
We continue to foster an environment that enables employees to speak openly and ensure they have the knowledge they need to promote a positive and inclusive environment for all.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels
We will continue to be an ethical business while being mindful of the impact we can have on people and communities.

Sustainability continued

We categorise our sustainable solutions into three main areas: Circular Services, Technology Advisory and Technology Lifecycle.

Circular Services
Redeployment | Remarketing | Recycling

Circular Services
In a traditional linear economy, goods are made, used and then disposed of. The circular economy means that we keep resources in use for as long as possible, extract the maximum value from them while they're in use and then recover and regenerate products and materials at the end of each service life.

We have been pleased with the performance of our UK subsidiary RDC which has been offering circular services in the technology industry for over 30 years. We have decided to integrate RDC's Circular Services offering into the core Computacenter portfolio as a separate business division and incorporate elements of Circular Services that we already have in different regions into this division.

Our new offering has three components:

Redeployment – where we collect a customer's device that is no longer needed in its current setting and redeploy it into the same customer, either in a similar setting or to be used for a new purpose. We redeployed 78,000 devices in 2023 through Circular Services.

Remarketing – where a customer has finished using a device, but it still has a use in another market. When we remarket, we make sure the device is data cleansed and has a residual value. Any proceeds from the sale of a device into another market are returned to the customer for reinvestment. We remarketed over 420,000 devices for our customers in 2023.

Recycling – probably the most familiar of these types of activity. We recycle when a device no longer has a useful life or resale value. When we recycle, the device is broken down to extract materials that can be reused, with the unusable materials then being responsibly disposed. We recycled over 277,000 devices in 2023.

When we redeploy, remarket or recycle a device, we are reducing the environmental impact that would have occurred in manufacturing a new one, which enables us to calculate the carbon avoidance and water savings, incorporating these savings into 'carbon avoided' reporting for our customers.

By significantly scaling our Circular Services business we believe we can make a positive impact on the environment faster.

We have agreed a target of recovering a device for every device we resell
'Recovery' means redeployment, remarketing or recycling through Circular Services. 'Devices' include PCs, monitors, printers, switches, routers and servers.

In 2023, we recovered 775,000 devices while we sold 4.7m new devices, a ratio of approximately 16.5%.

To achieve our target, we don't want to reduce the number of new devices we sell but want instead to significantly grow the number of devices we recover.

Technology Advisory
As one of the world's largest VARs, we work closely with our technology vendors to understand their sustainability strategies and help our customers to make informed decisions.

Selection of the most sustainable technology products
We make available the Electronic Product Environmental Assessment Tool (EPEAT) and EnergyStar energy usage ratings for the products we supply to our customers and identify other sustainability metrics that help to contribute to each customer's specific goals. We also work with customers to help quantify the carbon footprint of their existing IT estate, enabling them to understand and address the environmental impact as part of future change initiatives.

Sustainable supply chain options
We are the VAR with what we believe to be the best international capability in the world, and this allows us to help both our customers and technology vendors to leverage our Integration Centers in different regions for local supply rather than export, where possible. We still have work to do with both our customers and technology vendors to further minimise the need for export solutions, and we continue to build the local capabilities to support this objective.

Technology Lifecycle
By combining our Service Lines (Technology Sourcing, Professional Services and Managed Services) with Circular Services, we are in a strong position to help customers throughout the technology lifecycle: inform, procure, deploy, support and recover.

Ways of working for people
Technology creates new ways of working for our customers. We provide workstyle analysis to support the design of optimum solutions, which include the use of our Tech Centers and secure locker collection to minimise travel, logistics and field force deployment. These approaches can all contribute to a sustainable hybrid working strategy and reduce the environmental impact of IT service support.

Sustainable deployment
We offer a range of services to allow customers to deploy technology with the minimum environmental impact. These include our trolley and flight case services, used to deploy at scale in offices but remove packaging from technology (laptops, network devices and servers) at our Integration Centers. These services increase efficiency, reduce local engineering effort, and provide environmentally friendly waste disposal at scale.

Asset management
Using our SmartHub platform, we provide customers with better data about their assets including length of life, configuration and update status. This information enables customers to make more informed choices about redeployment and replacement, helping to extend the usable life of assets.

Task Force on Climate-Related Financial Disclosures

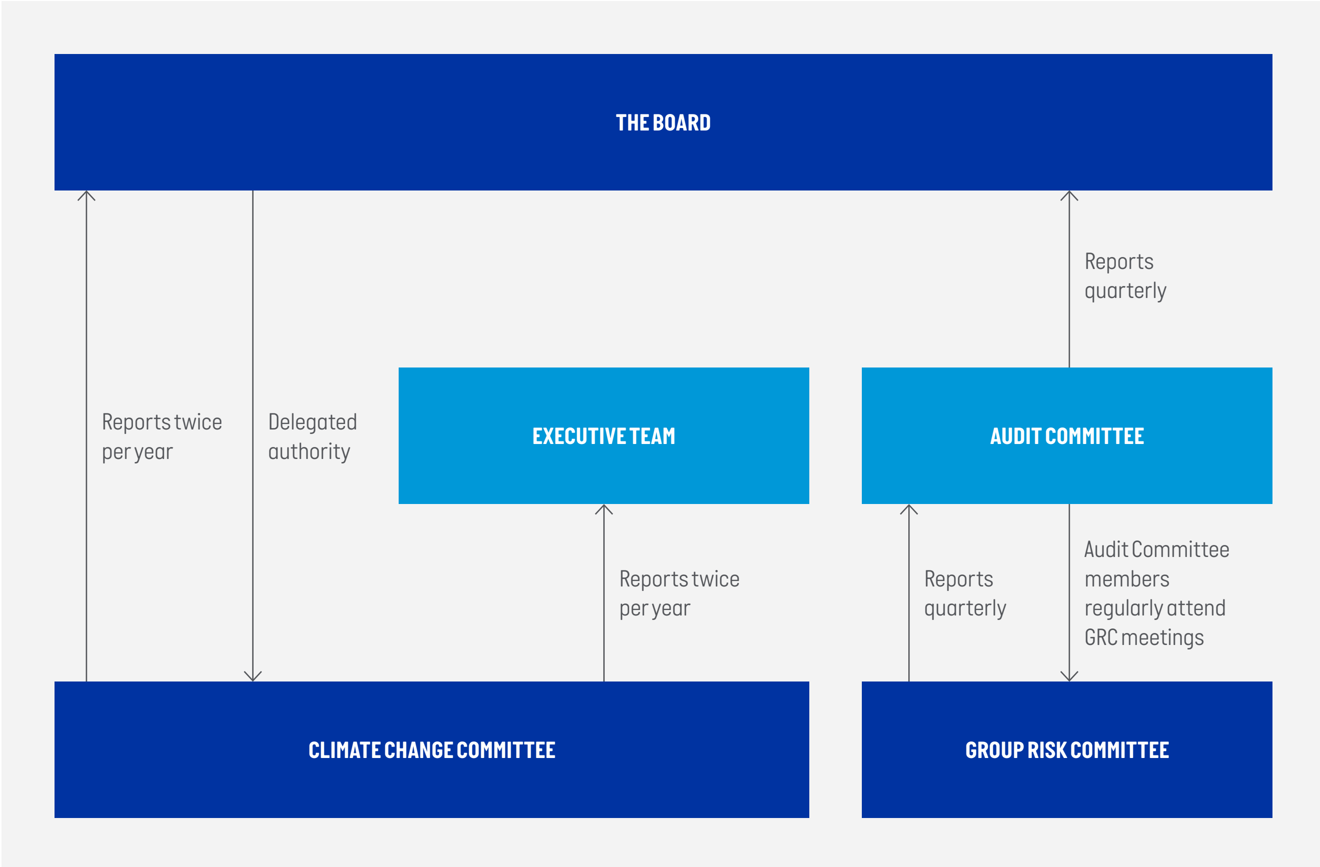
Computacenter supports the aims of the Task Force on Climate-Related Financial Disclosures (TCFD). In this section, we have made climate-related financial disclosures which are consistent with the TCFD recommendations and the TCFD Recommended Disclosures.

The following statement sets out Computacenter's approach to climate change, including the risks and opportunities, the potential impact on our business, and the mitigations and actions we have taken and will take to respond. We have also included further climate-related disclosures in the sustainability pages of this Annual Report and Accounts on pages 078 to 093.

Our roadmap for defining our climate-related plans continues to be developed in line with our SBTi approved targets and will drive ongoing improvement in our alignment to TCFD. This roadmap includes:

- The definition of further KPIs that we will use to monitor progress in respect of our targets. The KPIs currently used are carbon emissions and carbon avoidance. We plan to develop more specific KPIs in line with our Net Zero transition activities.
- Future publication of our Scope 3 emissions. Our 2023 Scope 3 emissions are currently being compiled and validated.
- Further analysis of climate scenarios over the medium- and long term to enable additional consideration in respect of our strategy and financial planning. We have currently used two scenarios: <2°C and >2°C.

A breakdown of our Scope 1 and Scope 2 emissions can be found on page 091.



Task Force on Climate-Related Financial Disclosures continued

Roles and responsibilities

Target	Timing	Status
The Board	• Meets with the Climate Change Committee at least once each year • Discusses climate-related activities at least twice each year	• Overall responsibility for managing risks and responsibilities • Endorses the sustainability strategy • Reviews material climate-related actions and metrics • Approves material climate-related targets, policies, and investments
Executive team	• Meets with the Climate Change Committee at least once each year • Discusses climate-related activities at least twice each year • Reports to the Board on climate-related activities at least twice each year	• Ratifies and approves climate-related targets and investments • Provides data to support climate-related metric measurements • Implements climate-related actions and policies • Discusses material climate-related actions and policies with the Board
Climate Change Committee	• Meets at least three times each year • Reports to the Board and to the Executive team twice per year	• Monitors climate-related regulation and assesses the impact on Computacenter • Reviews climate-related risks and opportunities • Develops risks management strategies to manage, mitigate, accept, or defer climate-related risks, including making recommendations to the Executive team for investment • Establishes and reviews climate-related targets, metrics, actions, and policies • Communicates climate-related initiatives and achievements to the sustainability communications function

Two of our Independent Non-Executive Directors have current and prior experience of chairing and participating in ESG committees, as well as participating in climate-related risk management oversight in a variety of sectoral settings.

Governance and risk management

The overall governance structure for climate-related risks and opportunities is the same as for any of Computacenter's other key risks and opportunities, with the Board having overall responsibility for managing risks and opportunities.

The Board delegates specific climate-related matters to the Climate Change Committee, which oversees the development and execution of climate-related targets, metrics, policies, and actions.

The Climate Change Committee

Chaired by the Group Development Director, the Climate Change Committee comprises representation from Group Business Services and Service Lines members including the Head of Facilities, the Managing Director of our Circular Services business, Head of Insurance, Climate & Property, as well as representatives from Group Service Lines, Human Resources and Sustainability Reporting. Regional representatives attend as required.

The Climate Change Committee was founded in 2020 with the aim of debating and proposing initiatives to continue to reduce our environmental impact, with some material investments to be approved at Group Executive level. The focus of the Climate Change Committee has evolved as our Net Zero transition plan has matured. The Climate Change Committee now considers four key pillars of climate-related activity – targets, metrics, policies, and actions.

Task Force on Climate-Related Financial Disclosures continued

During 2023, the Climate Change Committee considered the following topics:

Targets
- Near-term, long-term and Net Zero Targets, including approval by SBTi in June 2023

Metrics
- Physical exposures of buildings and infrastructure
- Voluntary standards submissions, which include but are not limited to:
  - CDP
  - Regional Ecovadis submissions
  - Self-generated power
- Fleet CO_2 emissions

Policies
- Internal carbon levies for business travel and accommodation
- Carbon-neutral travel initiatives – encouraging rail versus air travel in Germany

Actions
- Carbon offsetting proposals
- Net Zero strategy, transition plan and Sustainable Operations priorities
- Circular Services ambitions and growth plan
- Technology Sourcing initiatives, including approach to sustainable sourcing with our vendors
- Renewable energy purchases
- Planning for forthcoming regulation

In previous years, reporting from the Climate Change Committee to Management and the Board has been undertaken by the Chair, who is a member of Management. From 2024, the Climate Change Committee will start to meet with Management and the Board at least once per year, and report to Management and the Board at least twice per year.

Risk management

Our risk management and control framework enables us to effectively identify, assess and manage climate-related risks. Risk identification is both bottom-up – through the Group Operating Business Risk Assessment process (GOBRA), which is completed by managers across the business – and a function of the Climate Change Committee.

Risk materiality is assessed in both financial and impact terms. A principal risk would exceed a financial risk threshold of £10m. The impact would materially disrupt one or more business functions or capabilities resulting in large-scale failure.

The Board has considered the climate-related risk to the business and does not believe it to be sufficiently material as to be classed as a principal risk.

The Board continues to monitor climate-related risk. It does so through its review of the Group's principal risks in relation to any failure to meet our commitments or comply with applicable laws and regulations in relation to ESG matters.

Day-to-day oversight of climate-related risks and opportunities has been delegated to the Climate Change Committee. Additionally, each large Sales country (Segment) has an appointed sustainability champion to ensure that sustainability is embedded in our customer engagement activities, and that sustainability-related risks and opportunities are reflected in local and regional planning activities.

The Group Risk Committee (GRC) considers emerging risks, such as climate change, when required. The Audit Committee is updated quarterly on discussions and outcomes from the GRC meetings, and the Board is formally updated at least annually on all risk matters through a review of the Group Principal Risk Log and related discussion, including climate-related issues where relevant. The Board has also endorsed the Group's sustainability strategy, of which risk management and reporting form a part.

Strategy

We supply technology products and services to our customers that help them to reduce their own environmental impact by reducing business travel and increasing the flexibility of their workforce. This is supported by our Technology Sourcing infrastructure and through investments in Integration Centers across Europe and North America. These investments enable us to deliver products more locally, and to centralise configuration activities to reduce engineering effort and travel.

Computacenter's exposure to climate-related risks and opportunities can be seen through the lens of our position as one of the world's leading VARs. Our ability to procure technology products through leading technology vendors, add value for our customers through our Services expertise, and then ship or hold that product depends on:

- the resilience of our technology vendors;
- their ability to efficiently manufacture the product on a timely basis; and
- their ability to send it to our customers or to us, in a timely and cost-efficient manner.

Our Services business depends on our people being able to access our service delivery locations and our customers' locations, as well as the uninterrupted functioning of our operational infrastructure, such as our principal offices, Integration Centers, Delivery Centers, and Service Centers.

Any physical or transitional climate-related risk which disturbs the equilibrium of our value chain could impact the execution of our strategy, our levels of customer service and satisfaction, and ultimately our financial performance. We do not recognise climate change as a principal risk to the business, and do not therefore recognise it in our financial planning process due to its financial immateriality in the timescales we use.

Nevertheless, we have assessed and describe those climate-related risks that we think could reasonably result in an impact, although for many of these their frequency and severity is difficult to predict. We have therefore based our analysis on certain assumptions, which we have also explained.

Task Force on Climate-Related Financial Disclosures continued

Physical risk: extreme weather events and long-term changes in climate patterns

Significant changes in weather patterns in the medium to long term, both acute and chronic, could result in interruptions in our technology vendors' ability to manufacture and distribute on a timely basis, and could cause damage to our service delivery locations, including our Service Centers, Integration Centers, and Data Centers, affecting our ability to run an uninterrupted service for our customers.

Most of our technology vendors are substantial international businesses, which have the size, resilience, technological capability, and investment capacity to mitigate the future risk of climate-related damage to their manufacturing and distribution process. We work with multiple technology vendors, which mitigates against one organisation, area or region being impacted by extreme weather.

We carry out a physical assessment of our service delivery locations across the globe as part of our insurance risk assessment process and retain the services of one of the foremost global engineering and risk-based insurers. We have business contingency planning, so we can move our service delivery to alternative locations with minimal impact to service levels. None of our service delivery locations are at material risk of flooding from rivers or sea level rises, from wind or wildfire risk. Like many organisations, we have reduced our reliance on physical offices, a model proven successful during the Covid-19 pandemic.

Transition risk: compliance and reputational risk

As we move towards a low-carbon economy, we face increasing compliance requirements. These requirements emanate from several sources including the UK Government, regulatory authorities, and standard setters, such as additional FCA Listing Rules, the International Sustainability Standards Board (ISSB) disclosure requirements, and the Corporate Sustainability Reporting Directive (CSRD). We also face pressure from business stakeholders and market initiatives related to sustainability reporting, such as the TCFD, and from customers faced with similar pressures.

If we fail to meet these requirements and expectations, or if we fail to set and achieve our climate impact reduction targets, this is likely to harm our reputation and could cause customers to reduce their business with us.

We take our climate-related responsibilities seriously, which helps to mitigate this risk. We have had a Climate Change Committee in place since 2020, and have driven successful initiatives that include:

- The installation of solar panels at facilities in the UK, Europe and the United States, creating the capacity to generate more than 4m kWh of electricity per annum.
- Sourcing renewable energy for our operations in the United Kingdom, Germany, Spain, and the United States.

These and other initiatives have contributed to a reduction in our Scope 1 and 2 emissions of 80% since 2019 (see page 084) and supported our endeavours to be carbon neutral for our Scope 1 and 2 emissions – a target that we achieved on time in 2022 and have maintained in 2023.

We have set near-term, long-term and Net Zero targets for which we obtained SBTi approval in June 2023. We are proud to be amongst the first in our industry to have such comprehensive validation of our goals.

Our SBTi-approved targets are:

- **Near-term targets** – we have committed to reduce absolute Scope 1 and 2 GHG emissions by 82.1% by 2032 from a 2019 base year, and to reduce absolute Scope 3 GHG emissions from purchased goods and services, capital goods, fuel and energy related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting and upstream leased assets by 50.4% by 2032, from a 2021 base year.
- **Long-term targets** – we have committed to reduce absolute Scope 1 and 2 GHG emissions by 90% by 2040 from a 2019 base year, and to reduce absolute Scope 3 GHG emissions by 90% by 2040, from a 2021 base year.
- **Overall Net Zero target** – we have committed to reach Net Zero GHG emissions across the value chain by 2040.

Our initial assessment indicates that transition risks associated with the shift to a low-carbon economy are more likely to have an impact on our business in the short term, while physical risks (both acute and chronic) may become a greater issue in the longer term, if global temperature increases are not held within the 2°C limit envisaged by the Paris Agreement or we see the impacts of global warming of 1.5°C above pre-industrial levels, envisaged in the Intergovernmental Panel on Climate Change 'Special Report'. More detail on the risks and opportunities arising from climate change, and the mitigating actions we are taking to address them, are shown below. The time periods align with the targets approved by the SBTi and reflect our view that transition risks are a more likely impact on our business in the short term, while physical risks may become more consequential in the long term.

The scenarios we have chosen reflect the TCFD requirement for a 2°C or lower scenario and a higher carbon scenario that is more likely to result in higher physical risks to the business. In the near- to medium-term at least, the resilience of our business to transition risks, which are well managed, mean they will not impact our strategy. Physical risks will be unlikely to materially affect our business model until the longer term, but this will be kept under review.

Task Force on Climate-Related Financial Disclosures continued

Climate Scenario <2°C

Our analysis of this scenario indicates transition risks associated with moving to a low-carbon economy, with fewer physical risks.

Risk or opportunity type	Description	Timing	Our strategic mitigation or capitalisation
Transition risk	Reputational risk with shareholders, customers, and employees if we do not adequately address our key climate-related targets and actions.	Near term and medium term	• We have established SBTi-approved emissions reduction targets for the near term and long term, and a Net Zero target of 2040. • We proactively engage our stakeholders in understanding our climate-related action plans, engendering collaboration where possible.
	Compliance risk if we fail to meet regulatory requirements, including emissions reporting obligations.	Near term and medium term	• We monitor sustainability and climate-related regulations to ensure we understand their implications and establish corresponding action plans.
	Increased cost of climate-related levies/increased pricing of greenhouse gas (GHG) emissions.	Near term and medium term	• We monitor climate-related levies and resource pricing which is reviewed through our Climate Change Committee. • We have invested in our own energy generation solutions at key Integration Center locations.
	Changing customer behaviour.	Near term and medium term	• We build long-term, trusted relationships with our customers and closely monitor market trends and themes to maintain adaptability in the services we provide.
	Travel curbs.	Near term and medium term	• Our hybrid-working model is proving successful, facilitating more virtual collaboration. • Our underpinning infrastructure is scalable and designed to facilitate remote working.
Physical risk	Continued isolated extreme weather events causing manageable business disruptions.	Long term	• Continued assessment of climate-related risk in the execution/evolution of our location strategy.
	Higher summer temperatures and rapid changes in temperature and humidity causing challenges for data center cooling.	Long term	• Continued investment in appropriate cloud-based solutions from leading global suppliers will mitigate our reliance on high-risk facilities.
Opportunity	Customers will continue to invest in their IT infrastructure, to enable hybrid working practices which are carbon-reducing, and to reduce the carbon footprint of their IT infrastructure. We will therefore continue to see high demand for modern, lower-carbon footprint technology products, strengthening the resilience of our business model and contributing to our continued growth.	Near term	• We are actively engaging with customer and vendor sustainability programmes, ensuring the technologies and services we provide align with their sustainability ambitions.
	Customers will increasingly require our advice on the selection and deployment of technology products, to help them achieve their carbon reduction strategies.	Near term	• We are working closely with vendors to improve the availability of emissions data for their products through our technology advisory and technology lifecycle services.
	Our Circular Services (redeployment, remarketing, and recycling of technology products) will become increasingly important to our customers and partners.	Near term, medium term and long term	• We are building on our strong foundations to expand our Circular Services offering across key geographies and setting ambitious targets to grow the volume of devices recovered through our Circular Services business.

Task Force on Climate-Related Financial Disclosures continued

Climate Scenario >2°C

Our analysis suggests a slight increase in transition and physical risks in the near term, with increased physical risks over the medium and long term.

Risk or opportunity type	Description	Timing	Our strategic mitigation or capitalisation
Transition risk	Isolated and manageable business disruptions caused by extreme weather events, such as flooding or drought.	Near term and medium term	• We will continue to maintain operational resilience through the geographical dispersion of our Service Centers and versatility of our underpinning infrastructure.
	Ad-hoc supply chain interruptions.	Near term and medium term	• As a vendor-agnostic technology provider, we will seek to balance across multiple vendors and Original Equipment Manufacturers (OEMs) to mitigate material disruption to customer supply.
Physical risk	Increased insurance costs due to natural disasters.	Near term and medium term	• Our location strategy will continue to consider the environmental risks associated with our premises.
	Power, telecoms and internet disruptions.	Near term and medium term	• We will continue to maintain operational resilience through the geographical dispersion of our Service Centers and versatility of our underpinning infrastructure.
	Increasing cost of power.	Near term and medium term	• We will continue to execute our own power generation initiatives building on the solar arrays already implemented across key UK, Europe, and US locations.
	Flooding due to increased sea level (no strategic locations are at material risk).	Near term and medium term	• Continued assessment of climate-related risk in the execution/evolution of our location strategy.
	Pandemics due to new diseases caused by climate and population changes.	Long term	• We have resilience and recovery plans to maintain service continuity during a pandemic event, which were used during the Covid-19 pandemic.
	Population changes – due to things such as controls on population growth, increasing migration, and the need for automation.	Long term	• We will continue to maintain operational resilience through the geographical dispersion of our Service Centers.
Opportunity	Our ability to supply technology products locally in multiple regions (UK, EU, North America and APAC) will help large international customers to reduce shipment costs and the associated carbon footprint. This international coverage will also increase our resilience and help us provide greater supply chain resilience to our customers.	Near term	• Continued investment in our international capability to meet the needs of our target market customers.
	Our existing strength as one of the world's most international and Services-led VARs give us the opportunity to establish a leadership position in helping both customers and technology vendors to achieve their sustainability goals.	Medium term	• Continued investment in capabilities that align with the sustainability needs of our customers.

Task Force on Climate-Related Financial Disclosures continued

Metrics and targets

In line with our current risk assessment and mitigation plan, we continue to largely concentrate on transition risks and our commitment to becoming a Net Zero business, as outlined above.

We have considered the cross-industry metric categories defined in the TCFD's guidance on metrics, targets, and transition plans (October 2021) in monitoring our transition to a low-carbon economy and the risks involved with it.

Metric category	Target
GHG emissions	We have set near-term, long-term and Net Zero targets for which we obtained SBTi approval in June 2023. Our SBTi-approved targets are: • **Near-term targets** – we have committed to reduce absolute Scope 1 and 2 GHG emissions by 82.1% by 2032 from a 2019 base year, and to reduce absolute Scope 3 GHG emissions from purchased goods and services, capital goods, fuel and energy related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting and upstream leased assets by 50.4% by 2032 from a 2021 base year. • **Long-term targets** – we have committed to reduce absolute Scope 1 and 2 GHG emissions by 90% by 2040 from a 2019 base year, and to reduce absolute Scope 3 GHG emissions by 90% by 2040 from a 2021 base year. • **Overall Net Zero target** – we have committed to reach Net Zero GHG emissions across the value chain by 2040. (See page 091 for details of our GHG emissions). To achieve our Scope 1 and Scope 2 reduction target, we will continue to invest in increasing energy efficiency in our facilities, to decrease our energy consumption. Where feasible, we will continue to install on-site renewable electricity systems, such as the photovoltaic systems already in place in the United Kingdom, Germany, Netherlands, and the United States. Where we are unable to generate our own, we will seek to source our electricity from renewable sources. To achieve our Scope 3 targets, we're working closely with customers and vendors to improve transparency and support carbon-aware decision-making. We will continue decreasing the percentage of waste sent to landfill, helping to reduce emissions from the treatment and disposal of waste. We are encouraging employees to, first, limit journeys for business travel purposes, and secondly if journeys are necessary, encouraging lower-emitting forms of transport, such as rail rather than air.
Transition risk	We have considered transition risks to achieving our strategic KPIs across the Group as a whole; they are not considered material at this stage.
Physical risk	We have assessed the Group's locations close to water sources at risk of flooding or at risk of sea level change. No strategic operations are close to water sources. No location has been identified as being at major risk of wind or wildfire. We retain the services of one of the foremost engineering and risk-based insurers in the world, which assists us in our assessments, and we are integrating locations that are not part of our Group Insurance Programme.
Climate-related opportunities	Customers will need us to: • supply and deploy modern, lower-carbon footprint technology products. • provide Circular Services for their technology estate. • provide local supply solutions, to minimise the shipment-related carbon footprint. • advise on selecting and deploying lower-carbon IT infrastructure, to help them meet their sustainability goals.

Task Force on Climate-Related Financial Disclosures continued

Metric category	Target
Capital deployment	We do not have targets in relation to capital deployment, but we continue to make expenditure necessary to meet our commitments in terms of climate change. In recent years we have made significant investments to reduce our carbon footprint. These include the following initiatives: • Installing solar panels at four Integration Centers in the UK, Europe, and the United States, at a total cost of over £2m. Combined, these have resulted in annual power generation capability of approximately 4m kWh and the reduction in Scope 2 emissions of approximately 1,100 tonnes, based on a combination of the United Kingdom and Germany conversion factors. • Purchasing 'green' electricity across our UK and German businesses at an incremental cost of more than £200,000, resulting in emissions reductions of 11,958 tonnes. • Introducing electric vans in some of our logistics business areas and electric cars. In the United Kingdom, we have increased the proportion of non-internal combustion engine (non-ICE) cars (mild hybrid, PHEV and EV) from 64% to 78%, which is a 35.6% increase in non-ICE cars on prior year. In Germany, the percentage of non-ICE fleet has increased from 30% to 33%. • Acquisition of RDC, our Circular Services subsidiary, with plans for further investment to extend our Circular Services reach under the Computacenter brand and service governance model.
Internal Carbon prices	Since October 2021, we have applied an internal levy of £10/€12/$14 per flight or hotel booking for the United Kingdom, France, Germany, Spain, Belgium, and the United States, to purchase carbon credits each year to offset the CO_2 emissions generated from these activities. The total levy generated during the 12-month period to 31 December 2023 is circa £420,000. The levy will be revised in line with our carbon reduction ambitions during 2024, aligning cost more closely with the carbon impact of each journey.
Remuneration	For the year ended 31 December 2023, the discretionary bonuses of the Chief Executive Officer and the Group Development Director were linked to climate-related change management and communication.

Ethics and compliance

Fraser Phillips
Group Legal & Compliance Director

"As a leading independent technology and services provider, our people and our customers trust us to comply with the law and behave consistently in a way that reflects our ethical standards and our values."

Ethics and compliance continue to play a key role in shaping our journey and safeguarding our future.

Our commitment to ethics

Ethics and compliance is a fundamental consideration when executing our strategy and growing a sustainable business that focuses on the long term. Our commitment to conducting business in an ethical and compliant manner not only reinforces our commitment to the long term but strengthens our relationship with our employees, customers, and partners.

Our commitment to trust

Our commitment to ethics and compliance is aligned to our Winning Together Values. We believe that a culture of ethical behaviour and compliance must be embedded at every level within the organisation to support the trust that our people and our customers place in us. In this way, we not only strengthen our existing relationships, but also continue to build new relationships with those who share similar values and commitments.

Our Group Compliance Framework

Our Group Compliance Framework has been intentionally designed to address our legal obligations and to reflect our values and our customer requirements and expectations. The approach is a proportionate, people-led design that allows us to protect the organisation in a way that leverages our values and culture. The Group Compliance Framework empowers our people and enables our business, providing the knowledge to maintain an agile, customer-focused but overall compliant business environment.

Navigating compliance regulations

We have established an adaptable and comprehensive compliance framework against the requirements of an expanding compliance landscape, which ensures that we are conducting ourselves in accordance with the laws and regulations in the jurisdictions in which we operate. The standardised approach within the framework allows us to quickly and effectively adapt to changes within our business and the legal and regulatory environment. This framework not only safeguards our company but empowers our employees with the knowledge to make sound, ethical decisions efficiently and effectively.

Our Group Ethics Policy and Code of Business Conduct

Our Group Ethics Policy and Code of Business Conduct is the cornerstone of our Group Compliance Framework, seamlessly integrating with our Winning Together Values. Together, they set the standard across our business to provide uniformity and clarity and ensure that each of our employees understands both our expectations and how to apply them to their day-to-day role at Computacenter. The Board has endorsed the Group Ethics Policy, and agrees that it aligns with our values, strategy, and purpose.

Knowledge and training

We recognise that a culture of compliance and ethics is cultivated through communication and training. To achieve this, we provide a combination of policies and procedures, comprehensive training, and multi-channel communications campaigns. All our compliance collateral and training content can be found on our internal Group Compliance page, with details of who to contact should our people have any questions. We also track feedback and engagement with this platform, and continuously build on the way in which we engage with the business when delivering key compliance messaging. Our focus remains on delivering engaging content in a way that resonates with our culture, bringing compliance to life in an accessible way.

Ethics and compliance continued

ETHICS AND COMPLIANCE CASE STUDY:
Following a recent anti-bribery and corruption communications campaign, we saw a 15% uptick in employee engagement with the Group Compliance platform. We also recorded a 57% increase in the average time spent engaging with the core anti-bribery and corruption content.

Communications and awareness

Our Group Compliance Framework is supported by an annual communications plan, which emphasises the key messages of our core compliance areas. The plan adopts a diverse, multi-channel approach to cater for different audience groups and risk profiles, to maximise reach and impact.

Led by our Group Legal and Compliance Director, each campaign is a collection of engaging tools, including concise video clips that distil key takeaways and informative news articles prominently featured on our company intranet homepage. Our communications strategy seamlessly integrates each message with our central Group Compliance page. This intentional design fosters a sense of confidence and self-reliance amongst our people, encouraging them to actively seek and navigate this content.

To ensure that our communications efforts resonate effectively, we rigorously evaluate each campaign's success. Engagement metrics are recorded, and comprehensive evaluations are conducted. This approach not only gauges the current impact of our communications, but also serves as a cornerstone for continuous improvement, shaping more effective and resonant strategies for our future plans. This cycle of evaluation and enhancement is fundamental to fostering an environment of proactive engagement and sustainable awareness within our organisation.

Cultural reach

We make our Group Compliance policies accessible by publishing them in all the core languages in which we operate, accompanied by guidance documents and 'golden rules'. The compliance area golden rules act as a concise summary of the key requirements contained within the policies, as we recognise the benefit that straightforward guidance can provide. This also allows for the varying ways in which people prefer to engage with compliance content.

Whilst we communicate this content at a Group level, we consider local culture and communication styles to effectively convey our core messages.

Regular assessment and continuous improvement

We continuously assess and evaluate the success of our framework, monitoring engagement metrics with our compliance collateral both before and after communications campaigns to refine our strategies. Our centralised compliance function also allows us to identify trends and react accordingly, bolstering compliance workshops and collateral where we identify possible areas for improvement. Additionally, e-learning completion rates are monitored and reported, and feedback is actively sought and incorporated into our initiatives.

All compliance collateral is subject to regular review, alongside routine horizon scanning, ensuring we align with best practice and any change in regulations.

Supplier Code of Conduct

Our commitment to compliance extends to our suppliers, whether they are providing goods or services directly to us, or as part of a customer transaction or offering, to ensure the integrity of our supply chain. We require our suppliers in our core countries to adhere to our Supplier Code of Conduct, which mirrors the ethical standards that we uphold and provides clear guidance for our suppliers as to our expectations. The Supplier Code of Conduct is subject to regular review and updates to stay aligned with evolving regulations.

Due diligence

We screen our suppliers in our key geographies, including where appropriate for details of their ultimate beneficial ownership. Our due diligence includes leveraging industry recognised platforms to maintain transparency in our supply chain. Significant preparation has been undertaken in our non-core countries ahead of the planned implementation of the platform in these countries in 2024.

Further detail on our due diligence processes relating to modern slavery, human rights, anti-bribery and corruption and our supply chain can be found on page 088.

Oversight and reporting

The oversight of our ethics and compliance programme is the responsibility of our Group Legal and Compliance Director, and our Compliance Steering Committee. Risks and issues are reported to the Group Risk Committee and to the Audit Committee, and we actively work to mitigate and remediate any concerns.

Whistleblowing hotline

To uphold transparency and provide a secure channel for reporting concerns, we offer a confidential whistleblowing hotline. This service, managed externally by Safecall, is available to our people and everyone in our supply chain, enabling them to report any suspicions of wrongdoing. We actively encourage our people to 'Speak Up' through an annual multi-channel communications campaign. In addition, we support our managers by providing them with tailored guidance, to help them understand their obligations when approached directly with a concern.

Ethics and compliance continued

Anti-bribery and corruption

We are firmly committed to complying with all applicable anti-bribery and corruption laws in all jurisdictions in which we operate, including the UK Bribery Act. We uphold a strict zero-tolerance stance against any form of bribery or corruption. Our Group Anti-Bribery and Corruption Policy prohibits offering, accepting, or soliciting bribes, and we remain vigilant to ensure that such conduct does not infiltrate our practices, regardless of the jurisdiction.

Our policies clearly state that no employee or associate is to engage in any activity that could be construed as a bribe or corrupt practice. The policy addresses not only the exchange of money but also gifts, entertainment, or other benefit or advantage that could improperly influence a decision. To reinforce this principle, any exchange of gifts or hospitality beyond a nominal value requires prior written approval and must be recorded in the official Gifts & Hospitality Register, with these registers checked periodically. Our policies also include clear rules and direction surrounding interactions with government officials, charitable contributions, and political activities.

To ensure full understanding and compliance with these standards, our employees are required to acquaint themselves with our Group Anti-Bribery and Corruption Policy and the accompanying Golden Rules to Anti-Bribery and Corruption and complete regular training. With these measures, we aim to not only abide by the law but also to fortify the trust that our stakeholders place in our ethical business conduct, which reflects our corporate values.

Our due diligence process and accompanying Supplier Code of Conduct extends the ethical standards that we uphold to our supply chain and is designed to set a high level of expectations and a modicum of defence. It ensures that the vendors who act on our behalf within our core geographies are both aware of their obligations to comply with applicable anti-bribery and corruption laws and validates that they do not have a history of non-compliance, untoward behaviour, or criminal sanctions. A planned implementation of the screening platform in all countries in which we operate is scheduled in 2024.

In accordance with our commitment to continuous improvement of our anti-bribery and corruption framework, we are currently implementing audit recommendations, having conducted both our regular internal audit, and an external audit in accordance with our Sapin II obligations in France. Also, in 2023, we launched a campaign to enhance awareness of our whistleblowing hotline, a critical component of our compliance framework, which reported no significant policy breaches throughout the year.

Data privacy

Robust compliance with data privacy laws and regulations is fundamental to all Group operations throughout the jurisdictions that we and our customers operate in. Data protection compliance is a centralised and global function led by the Group Data Protection Officer, reporting into the Group Legal and Compliance Director. The Group Data Protection Officer is supported by a team of experienced and qualified specialists across our key geographies, who work closely with key stakeholders across the business, including the Computacenter information security team.

Data privacy compliance is operated in alignment with good industry practice, with oversight provided by both the Risk and Audit Committees. Priority areas of compliance focus for us include training and awareness and it is required that all employees complete mandatory online training as a baseline. To date, almost 18,000 Computacenter employees have completed this training successfully. In addition to the mandatory training the data protection officers also provide regular data compliance bulletins, deliver additional training specific to individual business areas and recently hosted an internal global data privacy conference. To ensure compliance with the applicable laws and regulations, the data protection officers also conduct data privacy compliance audits.

DATA PRIVACY CASE STUDY: COMPUTACENTER DATA PROTECTION CONFERENCE

During 2023 the Computacenter data protection officers hosted an inaugural internal data compliance conference. Managers and champions for data protection from across all the Computacenter jurisdictions were invited to attend a range of sessions including panel discussions, presentations and talks from external experts. Areas of focus included: hot topics and trends in data protection in 2023 and beyond, the interplay between data protection compliance and security of data, contracting for data protection compliance, the data privacy by design principles and how AI and AI standards and frameworks from across the world impact data privacy compliance. Good feedback was received following the conference, meaning that we will organise further events.

Other non-financial disclosures

Section 172 Statement

When conducting any activity in his or her role as a Computacenter plc Director, our Board members must act in a way that they consider is most likely to promote the success of the Company for the benefit of its members as a whole, having regard to a number of factors set out in section 172 of the Companies Act 2006. These include the interests of our employees, importance of fostering business relationships with our suppliers and customers, impact of our operations on the community and environment, likely consequences of any decision in the long term, desirability of the Company maintaining a reputation for high standards of business conduct and the need to act fairly between the members of the Company. Each Director considers that they have acted in a manner consistent with his or her section 172 duty throughout the year.

The Board understands that without our key stakeholders, the Company would not be able to successfully implement its strategy, and our Purpose would be unachievable. Understanding their interests, views and concerns, and considering these when reviewing and discussing matters put before it for review or approval as part of its annual programme, is critical to enabling the Board to make informed decisions, and for each Director to discharge their duty under section 172. In some cases, stakeholder engagement directly involves the Board or its members, and this is almost exclusively how engagement with our shareholders takes place. Given the size and geographic diversity of our business, the majority of engagement with our customers, technology vendors, people and communities takes place at an operational level across the organisation. Where this was the case, the Board ensured that it had been updated on the nature and outcomes of this engagement during the year.

We have also set out the factors listed under section 172 which the Board considered when reviewing Board-level matters or making decisions during the year. These can be found on pages 109 to 111. The results of the Board's decision-making, and the outcomes produced by each Director discharging their section 172 duty can be found throughout this Annual Report and Accounts. Therefore, the following sections have been incorporated by reference into this section 172 statement and, where necessary, the Strategic Report.

Section 172 factors	Relevant information	Page
The likely consequences of any decision in the long-term	• Chair's statement	004 to 005
	• Our strategy, business model and investments	012 to 017
	• Delivering long-term value	028 to 055
	• Principal risks and uncertainties	064 to 075
	• Board decision-making	109 to 111
The interests of the Company's employees	• Our people and culture	020 to 021
	• Sustainability – people	083 to 088
	• Stakeholder engagement – our people	059
	• Board decision-making	109 to 111
	• Directors' Remuneration report	136 to 158
The need to foster the Company's business relationships with suppliers, customers and others	• Delivering long-term value	028 to 055
	• Stakeholder engagement	057 to 063
	• Board decision-making	109 to 111
The impact of the Company's operations on the community and the environment	• Sustainability Q&A	026 to 027
	• Sustainability – planet and solutions	089 to 093
The desirability of the Company maintaining a reputation for high standards of business conduct	• Ethics and compliance	102 to 104
	• Governance report	107 to 164
The need to act fairly between members of the Company	• Stakeholder engagement – our shareholders	060
	• Board decision-making	109 to 111

Other non-financial disclosures continued

Non-financial and sustainability information statement

Computacenter needs to comply with section 414 of the Companies Act 2006, which includes requirements for non-financial and sustainability reporting. We have therefore set out in our Annual Report certain information on the non-financial and sustainability matters listed below, including related policies, due diligence and outcomes for those matters listed at sections 3-7.

Reporting requirement	Relevant information	Page
1. Business model and non-financial key performance indicators	• Our business model	016
	• Our strategic KPIs	034 to 035
2. Principal risks	• Principal risks and uncertainties	064 to 073
3. Employees	• Our people and culture	020 to 021
	• Stakeholder engagement – our people	059
	• Sustainability – people	083 to 088
4. Social matters and community issues	• Sustainability – people and planet	078 to 088
	• Stakeholder engagement – our communities	062
5. Human rights	• Sustainability – people	083 to 088
6. Anti-bribery and corruption	• Ethics and compliance	102 to 104
7. Environmental matters/Climate-related financial disclosures	• Sustainability Q&A	026 to 027
	• Sustainability – planet and solutions	089 to 093
	• Task Force on Climate-Related Financial Disclosures	094 to 101

This Strategic Report was approved by the Board on 19 March 2024 and was signed on its behalf by:

MJ Norris
Chief Executive Officer

MC Jehle
Chief Financial Officer

Governance report

Contents

Chair's governance overview

Peter Ryan
Non-Executive Chair

"Computacenter's governance approach is aligned with our Winning Together Values, given its principal objective is the long-term sustainable success of the Group."

Dear Shareholder,

On behalf of the Board, I am pleased to introduce Computacenter's Corporate Governance Report for 2023.

Our governance framework

The Board believes that strong and effective corporate governance practices are fundamental to creating and maintaining shareholder value. They allow us to develop the trust and confidence of our stakeholders and provide the organisation with strong leadership and effective oversight. They also give our senior leaders clear instruction on their responsibilities and accountabilities and, importantly, set out how we want our colleagues to represent Computacenter, both internally and externally, in conducting the Group's business.

Our governance approach is aligned with the Group's Winning Together Values, in placing significant focus on its long-term sustainable success. This underpins our approach to strategy, performance, governance, and risk. On pages 109 to 111, we have set out a number of the Board's decisions during the year to illustrate this for you in more detail.

In what continues to be a challenging and volatile macroeconomic and geopolitical environment, our emphasis on the long term acts as a primary constant and guide for all of our workforce. The Group's 19 years of uninterrupted adjusted earnings per share growth has taken place across a wide spectrum of economic conditions, and changes in technology and the competitive landscape. In navigating these challenges, we have found that an approach of substantive continuity mixed with an ability to evolve with our stakeholders has served us well. We aim to retain this approach moving forward.

Stakeholder engagement

It takes time to build deep trust with stakeholders and no time to lose that trust if it is taken for granted. As a Board, we strive to put in place the conditions to ensure that the organisation maintains this trust over the long term. It remains critical that the Board understands the views and interests of our key stakeholders – our customers, employees, technology vendors, shareholders and the communities in which we operate – and that we consider them in our decision-making process.

Further detail on how the Company and the Board engaged with our key stakeholders, why that engagement is important, and how the Board considered their interests and other section 172 factors in its decision-making is set out on pages 057 to 062 and 109 to 111.

Board and Board Committees

The Board's annual agenda is set so as to use the Board's time most effectively. To allow the Board to concentrate on areas of strategic, operational, financial or reputational importance to the Group, it delegates a number of responsibilities to its Committees. The reports of the Board's Committees are set out for you on pages 127 to 158. Our Committee Chairs regularly report back to the Board to ensure consideration of important and significant matters at that level. I would like to thank them for the diligence they have shown in leading the Committees during the year.

UK Corporate Governance Code Compliance

As a premium listed company on the London Stock Exchange, Computacenter reports in accordance with the 2018 UK Corporate Governance Code (the Code). I am pleased to report that, in 2023, we complied fully with the provisions of the Code. You can find further detail on how we have applied the principles of the Code on pages 122 to 123.

Board changes and succession planning

Chris Jehle's appointment as an Executive Director and Chief Financial Officer, with effect from June 2023, was reported on in last year's Annual Report. There were no other Board appointments during the year. The Nomination Committee's focus on succession planning over recent years has ensured that the Board has an appropriate mix of skills, experience, diversity and independence. We continue to review Board membership to ensure that we retain fresh perspective and thought in Board discussions. The report of the Nomination Committee sets out the work that it has done during the year to ensure the orderly and planned evolution of the Board moving forward.

Internal Board evaluation

As we explain on page 121, we have undertaken an internal Board evaluation during the year. Following consideration of its outcomes by the Nomination Committee, I am pleased to report that the review concluded that the Board and its Committees continue to operate effectively.

AGM

This year's AGM will take place at 11.30am (BST) on Tuesday 14 May 2024. Further information can be found in the Company's 2024 Notice of Annual General Meeting. We hope that you feel we have appropriately represented your interests during the year, and look forward to hearing your thoughts and feedback at the meeting.

Peter Ryan
Non-Executive Chair
19 March 2024

Promoting the long-term sustainable success of the Group

KEY DECISIONS OF THE BOARD INCLUDING STAKEHOLDER CONSIDERATIONS

DECISION TAKEN	PRINCIPAL STAKEHOLDER(S)/SECTION 172 FACTORS CONSIDERED	HOW WAS THIS INFORMED BY STAKEHOLDERS FEEDBACK OR INTERESTS?	WHAT ELSE DID THE BOARD CONSIDER IN ITS DECISION-MAKING PROCESS?
Recommendation of 2022 final dividend of 45.8p per share and approval of 2023 interim dividend of 22.6 per share. Re-approval of the Group's Dividend Policy.	S CU TV LT AF	In deciding the quantum of dividends declared and paid, the Board considered shareholders' feedback that they were generally comfortable with the Group's existing dividend policy, and the level of historic dividends paid by the Company, given its performance. The Board also reflected on varying shareholder views of alternative uses of the Group's cash in order to generate returns and drive value. These included opportunities for investment in organic growth, and mergers and acquisitions, and the necessary capital requirements to pursue these.	Alongside the Group's liquidity position and requirements, and its capital allocation priorities, the Board considered interests that compete with income-based returns to shareholders. These included our customers' interest in the Group's investment capacity being sufficient to deliver for them over the long term, and the importance of the Group's creditworthiness to our technology vendors. The Board also considered the interests of each key stakeholder in the strength of the Group's balance sheet, which the Group views as a competitive advantage in some geographies, and as a point of difference for some customers. The Board also reviewed dividend yield and cover against the Group's peers, and the market consensus forecast for the dividend prior to its final decision.
Approval of the Group's three-year strategy plan for 2024-2027. It remains largely unchanged and is focused on maximising our customer relationships over the long term.	CU TV S P CO LT SP	Senior Management presentations to the Board from our three business service line leaders, as well as the Group Development Director, identified the latest technology trends, and the importance of these to our customers and technology vendors. Alongside regular updates from the Executive Directors, these made clear the relevance of areas such as automation, offshoring, Circular Services and artificial intelligence to those stakeholders. Again, the Board considered shareholder views on their degree of appetite for investment, organic growth and further acquisitions, particularly in the US, and its view on the projected return on investment for each of these options.	The Board held a dedicated strategy day, at which it reviewed the Group's customer propositions, competitive positioning and differentiation; assessed Management's recommendations relating to growth potential and opportunities; and future strategic investment requirements. The Board also reviewed the Group's strategic KPIs and associated key performance indicators, resulting in the 2022 KPIs related to Customer Value being retired, and our new Gross Profit Conversion KPI being added for 2023. All three current KPIs are now aligned to our executive remuneration structure.
Extension of the Group's committed bank facility by one year to 2028.	S CU TV P LT SP	All key stakeholders have an aligned interest in the extra financial flexibility and visibility that this extension provides. It maintains the Group's liquidity over a longer period and allows it to strengthen its balance sheet on short notice by drawing down on the facility.	The Board considered the arrangement fee and the overall competitiveness of the arrangement, including its interest rate and other available funding options. The Board agreed that the facility pricing was competitive and that there were no structural reasons why the facility would not be the right debt structure for the Group for the rest of the facility term (inclusive of the extension).
Approval of the 2024 budget and related performance targets.	S P CU LT HS	The Board received feedback from shareholders and analysts on market expectations for 2024, particularly in respect of adjusted profit before tax, and also the Group's cash position. It also considered presentations from our senior Management on our customers' likely future buying behaviour, and their general ongoing appetite for investment in IT infrastructure, including the level of priority that customers assign to this against their other competing investment and spending requirements.	The Board's consideration balanced continued growth in adjusted profit before tax and adjusted earnings per share, with the macroeconomic outlook and the Board's risk appetite, as well as the level of investment needed to pursue opportunities and mitigate risk in 2024, including in cyber security capability and internal and customer-serving IT programme development and updates.
Approval of investment into and development of Circular Services capability and services offering across the Group.	CU S CO P LT ENV SP See key on page 111	The Group Development Director presented to the Board on customer appetite for sustainable solutions, particularly to help reduce Scope 3 emissions as part of their Net Zero targets. Customers' interests include ensuring that no data remains on equipment they no longer need, reusing and redeploying equipment, and maximising the value of any equipment that is remarketed. Communities have a significant interest in the circular economy, which ensures the sustainable use of resources. Many institutional and retail shareholders want to invest in companies who contribute to society through their business operations, whilst Circular Services also demonstrates to our own people that Computacenter is committed to being a responsible business.	Senior Management reviewed with the Board a roadmap for growth, barriers to market entry, Computacenter's ability to scale its business, the competitive landscape, and projected global market growth in this area from 2023-2027.

Other Board activity and decision-making

BOARD ACTIVITY IN 2023

The Board held eight scheduled meetings during 2023 to cover its annual agenda of activities, through which it provides the Group with leadership and promotes its long-term sustainable success. Whilst the list of Board activities and decisions set out from page 109 to 111 is not exhaustive, it provides an understanding of the Board's main areas of focus, the decisions it has made, and the section 172 factors that it considered in its discussions and decision-making. These included the views and interests of our stakeholders, and the Group's appetite for risk, as set by the Board. This section, as well as the Board's Principal Decisions section on page 109, is incorporated by reference into the Board's section 172 statement for 2023, as set out on page 105.

ACTIVITY OR DISCUSSION UNDERTAKEN	OUTCOMES OR DECISIONS	STAKEHOLDERS AND S172 FACTORS CONSIDERED
Strategy		
Conducted seven strategy related deep dives across the year on topics of material importance to achieving progress against the Group's strategic KPIs.	Within the 2023 and 2024 financial budgets, approved continued investment in: the Group's internal and customer-facing IT systems and capabilities; and the Group's cyber security capabilities. Challenged senior Management on the Group's strategic approach where appropriate.	CU P S TV CO LT SP
Held specific discussion and debate as to whether very early-stage acquisition opportunities were aligned with the Group's strategy, including customer target market, geographic location and synergies available post-acquisition.	Approved the pursuit of certain acquisition opportunities. Noted the ongoing Management resource required to fully integrate recent acquisitions in the US and Asia. Balanced differing stakeholder priorities around the Group's use of cash, such as preference for organic growth, existing Group investment requirements and quantum of shareholder returns through dividends or share buyback programmes.	CU P S TV LT
Received regular updates on the status of our environmental, social and governance (ESG) strategy, including increased focus on and investment in the Group's Circular Services capability. Further information on the Group's areas of ESG focus can found on pages 078 to 101.	Approved the Group's updated Social pillar strategy, delivering social value through our people and communities. Reaffirmed the Group's target of being Net Zero for Scope 1, 2 and 3 carbon emissions by 2040, and specifically considered the role of our technology vendors with respect to our Scope 3 emissions. Reviewed Net Zero targets against related financial costs and benefits for stakeholders, including the cost of ESG-related investment. Through the work of the Remuneration Committee, approved bonus objectives in 2024 for the CEO related to the Company's progress towards Net Zero, and the development of the Circular Services business.	CU P S TV CO LT ENV HS SP
Reviewed the Group's financing, cash deposit and cash reserve strategy.	Approved the Group's tax and treasury policies. Decided to retain the Group's existing Treasury Shares for future use.	S LT HS
Our people and culture		
Conducted a deep dive into Computacenter's culture.	Highlighted the work required to maintain the Group's culture as the size of its workforce and its geographic footprint increase. Re-approved our Purpose and the Group's Winning Together Values as set out on pages 001 and 007.	CU P S TV CO LT HS SP
Reviewed Non-Executive Director remuneration, considering the limits set in the Company's Articles of Association, and relevant benchmarking data.	Approved an increase of 3.8% for all Non-Executive Director, Board and Committee roles in 2024 (with no individual being involved in decisions relating to their own remuneration).	P S LT HS
Received regular updates from the Group's designated Non-Executive Director for Workforce Engagement, highlighting matters of concern and importance to employees.	Helped to inform the Board of employee views of its decision-making in areas such as strategy, diversity, culture and ESG, and understanding of cultures within businesses relatively recently acquired by the Group. Commentary on the outcomes of our engagement with our people can be found on page 059. Approved the Workforce Engagement Schedule for 2024.	P LT HS

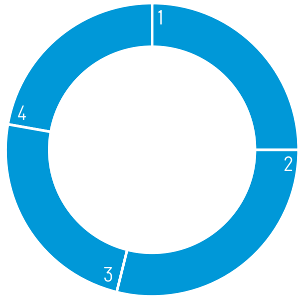
Other Board activity and decision-making continued

ACTIVITY OR DISCUSSION UNDERTAKEN	OUTCOMES OR DECISIONS	STAKEHOLDERS AND S172 FACTORS CONSIDERED
Financial and operational performance		
Received regular reports from the Chief Executive Officer and Chief Financial Officer. Considered performance against Board and market expectations, material issues impacting our key stakeholders, and progress against the Group's strategic KPIs. For further detail on the Group's performance during 2023, please see pages 036 to 047.	Approved the Group's half-year and full-year results announcements, as well as the first- and third-quarter trading updates. Approved the Group's Viability Statement and going concern basis of accounting as set out on pages 076 to 077. Approved the Group's Annual Report and Accounts.	CU P S TV LT HS SP
Assessed the Company's balance sheet to identify any reserves that were not distributable, and which might be converted into distributable reserves to provide flexibility for future returns of value to the Company's shareholders.	Recommended to shareholders that a capital reorganisation be completed. Approved by shareholders at the Company's 2023 AGM and completed by the Company later in the year, creating over £183m of additional distributable reserves.	S LT AF
Reviewed senior Management presentations from each of the in-country and Group function leadership teams, including a Q&A dinner event with the Group's Management team for Europe.	Provided the Board with insight into financial performance, customer trends and behaviour, and the outcomes of in-country stakeholder engagement.	CU P S TV LT HS
Governance, compliance and risk management		
Reviewed and discussed regulatory and compliance matters with the Legal & Compliance Director, the Company Secretary and the Chief People Officer, both at Board and Audit Committee meetings.	Approved and endorsed an updated version of the Group's Code of Ethics and Business Conduct, as well as an updated Group Disclosure Policy and Group Rules on Share Dealing, the Group's Modern Slavery Statement and Gender Pay Gap Reporting.	P S CO HS
On the recommendation of the Nomination Committee, it was agreed that an internally facilitated Board evaluation be conducted for the performance of the Board, its Committees and each Director in 2023.	Reviewed the evaluation findings and outcomes and agreed future areas of focus. The evaluation process and its findings and outcomes can be found on page 121. Concluded that throughout the year, the Board, its Committees and individual Directors continued to operate effectively.	S LT HS
Periodically reviewed corporate governance matters including Directors' conflicts of interest and external appointments, the Board's Matters Reserved and Delegated Authorities documents and the terms of reference for the Board's Committees.	Approved revised delegated authorities document, and Audit Committee Terms of Reference, which can be found at investors.computacenter.com. Reviewed and approved the external appointment of Ros Rivaz as the Chair of Anglian Water.	P S LT HS
Considered the Group's principal and emerging risks and the effectiveness of the risk and internal control system.	Approved the Group's Principal Risks, as set out on pages 064 to 073.	CU P S TV LT ENV HS SP

Key to stakeholders and section 172 factors considered

- CU Customers
- P People
- TV Technology vendors
- CO Community
- S Shareholders
- LT Long-term consequences of decision making
- ENV Considering the environment
- HS Maintaining a reputation for high standards of business conduct
- AF Acting fairly between members of the Company
- SP Suppliers (excluding our technology vendors)

How the Board spent its time



1. **Business performance oversight**

25%


2022: 24%

2. **Strategy and delivery of strategy**

29%


2022: 33%

3. **Financial performance and risk**

24%


2022: 22%

4. **Governance and stakeholder management**

22%


2022: 21%

Governance at a glance

Our Corporate Governance Framework

SHAREHOLDERS
Own the Company and provide capital support. Appoint the Directors and auditors, and consider resolutions put forward by the Company at shareholder meetings.

THE BOARD
Directs the Company's affairs, whilst considering the interests of shareholders and other stakeholders. Oversees engagement with these parties. Further information on the role of the Board can be found on page 112.

BOARD COMMITTEES
The Board's Committees address matters delegated to them by the Board under their terms of reference, which can be found at investors.computacenter.com. The key responsibilities of each Committee are set out below.

NOMINATION COMMITTEE
Keeps the composition of the Board and its Committees under review, and ensures orderly succession planning for both the Board and Senior Management.

Chair: Peter Ryan

Committee report on pages 127 to 129

AUDIT COMMITTEE
Oversees financial reporting and the effectiveness of external and internal audit processes.

Chair: Pauline Campbell

Committee report on pages 130 to 135

REMUNERATION COMMITTEE
Approves the Directors' Remuneration Policy, as well as the remuneration outcomes for the Executive Directors and Group Executive Committee.

Chair: Ros Rivaz

Committee report on pages 136 to 158

CHIEF EXECUTIVE OFFICER*
Responsible for running the Group on a day-to-day basis, and accountable to the Board for the performance of the Group and the delivery of value to key stakeholders.

GROUP EXECUTIVE TEAM
Supports the Chief Executive Officer in his duties, and accountable to him for the performance of the business.

* The Board delegates authority for managing the Group on a day-to-day basis to the Chief Executive Officer.

DIVISION OF RESPONSIBILITIES

Role of the Chair includes:
- Leadership of the Board, ensuring its effectiveness in all aspects of its role and setting its agenda
- Chairing Board, Nomination Committee and general meetings
- Promoting a culture of openness and debate and ensuring the effective engagement of all Board members
- Demonstrating objective judgement
- Ensuring that the performance of the Board, its Committees and individual Directors is evaluated annually
- Ensuring that the Directors receive accurate, timely and clear information
- Facilitating constructive Board relations and the effective contribution of all Non-Executive Directors

Role of the Senior Independent Director includes:
- Providing a sounding board for the Chair and serving as a trusted intermediary for other Directors, when necessary
- Meeting with the Non-Executive Directors at least once a year to appraise the Chair's performance
- Providing support for the Chair in the delivery of his/her objectives
- Ensuring that the Chair pays sufficient attention to succession planning
- Ensuring that the views of the other Directors are conveyed to the Chair
- Being available to shareholders, if they have concerns and the normal channels of Chair, Chief Executive Officer or other Executive Director has failed to resolve issues

Role of the Chief Executive Officer includes:
- Developing the Group's strategy for approval by the Board, and ensuring the execution of that strategy by Management
- Providing leadership to the senior Management team in the day-to-day running of the Group's business
- Ensuring that appropriate internal controls are in place throughout the Group
- Setting the 'tone from the top' by establishing the Group's guiding values, for approval by the Board
- Providing a means for timely and accurate disclosure of information to the Board, including effective escalation of issues where required
- Ensuring effective communication with shareholders

Role of the Non-Executive Directors includes:
- Providing an external perspective, constructively challenging the Executive Directors and senior management
- Monitoring and scrutinising the Group's performance against agreed goals and objectives, and holding Management to account
- Being appointed as members of the Board's Committees
- Offering strategic guidance and specialist advice
- Playing a prime role in appointing and removing the Executive Directors

Governance at a glance continued

BOARD MEETING ATTENDANCE

97%
Attendance

Board member and title	Attendance record
Peter Ryan Non-Executive Chair and Chair of the Nomination Committee	8/8
Mike Norris Chief Executive Officer	8/8
Philip Hulme Founder Non-Executive Director	8/8
Tony Conophy Former Chief Financial Officer	4/4*
Chris Jehle Chief Financial Officer	4/4*
Peter Ogden Founder Non-Executive Director	6/8
Pauline Campbell Independent Non-Executive Director and Chair of the Audit Committee	8/8
Ros Rivaz Senior Independent Non-Executive Director, Chair of the Remuneration Committee and Workforce Engagement Director	8/8
Ljiljana Mitic Independent Non-Executive Director	8/8
René Carayol Independent Non-Executive Director	8/8

* Chris Jehle joined the Board with effect from 1 June 2023. Tony Conophy retired from the Board with effect from 1 June 2023.

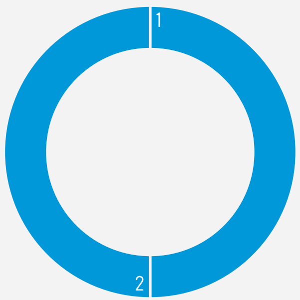
BOARD INDUSTRY SKILLS AND EXPERTISE

Our Board offers a wide range of skills, experience and diversity of thought.

	Peter Ryan	Mike Norris	Philip Hulme	Chris Jehle	Peter Ogden	Pauline Campbell	Ros Rivaz	Ljiljana Mitic	René Carayol
Accounting/Finance				●		●			
Business Operations	●	●	●	●	●	●	●	●	●
CEO/CFO Experience		●	●	●					●
ESG	●			●		●	●	●	●
Executive Remuneration	●					●	●	●	●
Governance	●	●		●		●	●	●	
International	●	●	●	●	●	●	●	●	●
IT Sector	●	●	●	●	●	●		●	●
Legal/Regulatory				●		●	●		
M&A/Corporate Finance	●	●		●	●				
Risk	●	●		●		●	●	●	
Strategy	●	●	●	●	●	●	●	●	●
Technology/Digital	●	●		●	●	●	●	●	●

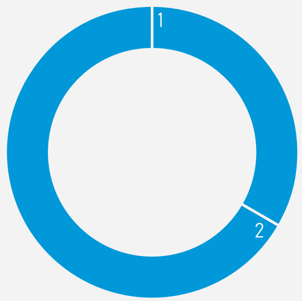
BOARD COMPOSITION

Board independence*



1 Non-Independent Directors **50%**
2 Independent Directors **50%**

Women representation on Board



1 Women **33%**
2 Men **67%**

* Excludes the Chair who was independent on appointment.

Division of Responsibilities

Leadership positions on our Board of Directors are held by different individuals. These include the roles of Chair, Senior Independent Director, Chief Executive Officer and the Chairs of the Board's Audit, Remuneration and Nomination Committees.

Our Board has an appropriate combination of Executive and Non-Executive Directors, such that no individual or group dominates its decision-making, and there is a clear division of responsibilities between the leadership of the Board and the executive leadership of the Group's business.

Chair's role in leading the Board

The Chair, Peter Ryan, met the Code's independence criteria on appointment in 2019. The Company has implemented processes that support him in leading the Board effectively. In 2023, these included holding regular one-to-one sessions with the Executive Directors, and the wider Group Executive Committee, to ensure that issues of importance to Management and the business are incorporated in the Board's annual agenda. They also provide an avenue, alongside the Chief Executive Officer, through which issues which are financially, operationally or reputationally material to the Group and its interests, are escalated to Board level.

Peter also held regular discussions with each Director as to their ongoing contributions to Board discussions, interactions with other Directors outside of meetings, as well as their development and training needs, identifying potential areas for Board training (including on cyber security and Artificial Intelligence) and Board site visits (including to the Group's UK Circular Services facility). He also had regular discussions concerning the Group's governance arrangements during the year with the Company Secretary, including the Group's view on proposals put forward in relation to the revised Corporate Governance Code, as well as providing feedback from Board members on the quality and consistency of papers provided by Management for Board review.

Peter led the process by which items for Board discussion were allocated, ensuring an appropriate balance of review for strategic, performance and governance related items, through regular calls with the CEO, CFO and Company Secretary. He completed a preliminary review of the internal evaluation of the Board prior to wider Board discussion, and completed a review of the performance of individual directors. He also held a number of meetings with the Group's largest shareholders to take their feedback on the Group's performance, and to discuss any questions they had or points that they wanted to raise.

The Senior Independent Director completed a review of the Chair's performance in 2023, which included input and feedback from members of the Board. It specifically confirmed that he had demonstrated objective judgement during the year and promoted a culture of openness and debate, where each Director was given an equal opportunity to participate in Board discussion. He also facilitated constructive Board relations and the effective contribution of all Non-Executive Directors.

Board composition and independence

The membership of the Board as at 31 December 2023 is set out on pages 116 and 117. On that date, the Board included seven Non-Executive Directors and two Executive Directors. The diversity and experience of the Board enables it to discharge its functions effectively. The Board is comfortable that each Director makes a valuable contribution in their role. There was one change to the Board during the year, with Chris Jehle joining as CFO on 1 June 2023.

The Board has considered the independence of each Director, taking into account the guidance provided by the Code. The Board considered that each of Pauline Campbell, Ros Rivaz, Ljiljana Mitic and René Carayol are independent in their character and judgement. Philip Hulme and Peter Ogden, the founder Non-Executive Directors, are not considered to be independent, having started the Company in 1981 and having remained on the Board in either an Executive or Non-Executive capacity since that time. As a result, half of the Board, excluding the Chair, are Non-Executive Directors whom the Board considers to be independent.

Our Corporate Governance Framework, including the Matters Reserved for the Board, and Committee Terms of Reference (the matters contained in which are only considered by the Chair and independent directors), and the balance of our Board's Executive, Non-Executive and independent Non-Executive Directors ensures that there is no dominant individual or group on the Board influencing its decision-making. Only independent Non-Executive Directors and the Chair are members of the Board's Committees.

Division of Responsibilities continued

Non-Executive Directors

The Non-Executive Directors met several times during the year without the Executive Directors being present, often prior to or after meetings of the Board's Committees, and then additionally at a Non-Executive Director dinner. As members of the Board and each of its Committees, the independent Non-Executive Directors and the Chair are able to scrutinise Management's performance across a wide range of areas, including strategy, financial performance, risk and internal control and governance, and to hold them accountable, including through setting remuneration objectives, and assessing performance against them when determining variable remuneration outcomes for the Executive Directors and Group Executive Committee members. In addition to their attendance at Board and Committee meetings, the Non-Executive Directors hold separate meetings with the Executive Directors and senior Management team, often where they have particular experience or expertise which can be passed on, or as part of fulfilling their oversight responsibilities following discussions at Board or Committee level.

External appointments and time commitment

The Non-Executive Directors' letters of appointment set out the expected time commitment required to execute their duties. Although the nature of the roles makes it difficult to be specific about the maximum time required, a commitment of up to two days per month is expected, including attendance at and preparation for regular Board meetings.

In certain circumstances, for instance when the Company is engaged in acquisitions, restructuring or other corporate transactions, there may be additional Board meetings, and Non-Executive Directors are expected to attend these where possible. Each Director's external commitments are monitored on an ongoing basis to ensure that they have sufficient time to devote to their role at Computacenter.

Following the internal Board evaluation completed for 2023, the Board is satisfied that each Director is able to allocate sufficient time to the Company to discharge his or her responsibilities effectively, and that no external appointments of our Board Directors have any impact on their independence or responsibilities to the Company.

The Board specifically approved the appointment of Ros Rivaz as Chair of Anglian Water during the year, considering her Board responsibilities to Computacenter and her time commitment to other existing Board roles.

Provided the time commitment does not conflict with the Directors' duties to the Company, the Board may authorise the Executive Directors to take non-executive positions in other companies and organisations, as this helps to broaden their experience. The Board would not agree to a full-time Executive Director taking on more than one non-executive directorship of a FTSE 100 company or becoming the Chair of such a company. No such positions have been taken by the Executive Directors.

Information and support

The Chair, with assistance from the Company Secretary and through discussion with the Executive Directors, approves the agenda for each Board meeting, as well as the time allocated for each agenda item. Attention is given to ensuring that adequate time is available to accommodate Board discussion, commensurate with the importance and materiality of the item being discussed. This ensures that the areas of focus for the Board, and the balance of time related to reviewing strategy, performance and governance, enable it to operate effectively and efficiently.

To enable the Directors to discharge their duties, they receive accurate, timely and clear information at least a week in advance of each scheduled Board and Committee meeting, including detailed briefings on all matters. At meetings, it is assumed that all papers have been read by Directors, allowing more time for interactive discussion with members of Management on specific points or areas of importance.

There are policies and processes to support the work of the Board, including those relating to meeting preparation and attendance. The Company Secretary advises the Board on all corporate governance matters and advises the Chair to ensure that all Board procedures are correctly followed. All Directors have access to the advice and services of the Company Secretary.

Directors can obtain independent professional advice, at the Company's expense, where they believe it is necessary to discharge their responsibilities. The Company Secretary ensures that the Board's Committees are provided with sufficient resources to undertake their duties. Where Directors have concerns which cannot be resolved, whether about the running of the Company or a proposed action, their concerns will be recorded in the Board's minutes. On resignation, a Non-Executive Director would be required to provide a written statement to the Chair, for circulation to the Board, if they had any such concerns.

Board induction

Upon joining the Board, all Directors receive a comprehensive induction programme organised by the Company Secretary, tailored to their specific background and requirements. New Directors receive an induction pack which contains information on the Group's business, its structure and operations, Board procedures, corporate governance matters and details of Directors' duties and responsibilities. All new Directors are introduced to the Group's Executive Management team and given the opportunity to meet with major shareholders.

In 2023, René Carayol continued his induction process, which included a meeting with the Remuneration Committee Chair and the Group's Remuneration consultants, Deloitte, to further his understanding of market practice and expectations for Executive Remuneration structures and outcomes in listed companies.

Chris Jehle, who joined the Group as CFO in June 2023, completed a detailed and thorough induction which involved meeting with all senior members of Management, and each of the Group's principal advisers, including the Group's brokers, lawyers, remuneration consultants and auditors. Chris also received a presentation from the Group's corporate lawyers, Linklaters, on his obligations under the Market Abuse Regulations and Listing Rules, both in his capacity as a Director and also given his responsibilities relating to the Group's external disclosures as CFO.

Board of Directors

"The Board has an excellent mix of members with varying backgrounds and experience, all of whom bring different perspectives to decision-making."

Peter Ryan
Non-Executive Chair

Peter Ryan
Non-Executive Chair and Chair of the Nomination Committee

Committee membership
N R

Experience
Peter has had a successful international career in technology since 1980, encompassing all dimensions of the industry, including software, SaaS, services, systems integration, outsourcing and infrastructure. Peter has held roles such as Chief Sales Officer with Hewlett Packard Enterprise, Chief Client Officer at Logica plc and Executive Vice President, Global Sales and Services with Sun Microsystems Inc. Peter is also Chairman of privately held Ocean Technology Group.

Mike Norris
Chief Executive Officer

Experience
Mike graduated with a degree in Computer Science and Mathematics from East Anglia University in 1983. He joined Computacenter in 1984 as a salesman in the City office. Following appointments in senior roles, he became Chief Executive in December 1994, with responsibility for all day-to-day activities and reporting channels across Computacenter. Mike also led the Company through flotation on the London Stock Exchange in 1998. Mike was awarded an honorary Doctorate of Science from the University of Hertfordshire in 2010.

Chris Jehle
Chief Financial Officer

Experience
Chris joined Computacenter on 1 June 2023.

He graduated with a degree from Augsburg University and holds a dual MBA from Mannheim Business School in Germany and ESSEC in France. He was previously at Experian where he was the CFO for the UK&I region and the Global Software Business. Chris has more than 25 years in the IT and software industry in Europe, Japan, Singapore, US and the UK and has held various senior finance and consulting positions in Fujitsu-Siemens, Accenture and SAP.

Philip Hulme
Founder Non-Executive Director

Experience
Philip founded Computacenter with Peter Ogden in 1981 and worked for the Company on a full-time basis until stepping down as Executive Chairman in 2001. He was previously a Vice President and Director of the Boston Consulting Group.

Committee membership
Only the Chair and Independent Non-Executive Directors are members of the Board's Committees.

Key:
- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- ● Denotes Chair of Committee

Board of Directors continued

Peter Ogden
Founder, Non-Executive Director

Experience

Peter founded Computacenter with Philip Hulme in 1981 and was Chairman of the Company until 1998, when he became a Non-Executive Director. Prior to founding Computacenter, he was a Managing Director of Morgan Stanley and Co.

Pauline Campbell
Independent Non-Executive Director and Chair of the Audit Committee

Committee membership

A N R

Experience

Pauline is a former PricewaterhouseCoopers (PwC) Audit Partner who brings over 30 years of experience in the profession. She has worked internationally across a broad range of sectors including IT services and support services. Pauline also served on the Governance Board of the UK firm including the Public Interest Body and the equivalent body at PwC's Global Network, so brings a wealth of governance experience. Pauline was a Non-Executive Director of Micro Focus International plc until its sale on 31 January 2023.

Ros Rivaz
Senior Independent Director, Workforce Engagement Director and Chair of the Remuneration Committee

Committee membership

A N R

Experience

Ros is the Senior Independent Director at Victrex plc, Lead Independent Director at Aperam SA and Chair of Anglian Water. She is a Board Committee Chair or member at each of her current portfolio companies, including membership of two ESG Committees. Ros's prior roles include Chair of the Nuclear Decommissioning Authority, Non-Executive Director of the Ministry of Defence – Defence Equipment and Support Board, ConvaTec plc, RPC Group plc, CEVA Logistics AG and Rexam plc, and Deputy Chair of the University of Southampton. Ros was previously Chief Operating Officer of Smith & Nephew plc and held senior management positions in global companies including Exxon, Diageo, ICI and Tate & Lyle Group.

Ljiljana Mitic
Independent Non-Executive Director

Committee membership

A N R

Experience

Ljiljana has more than 25 years' experience in the IT industry. She was Global Head of financial services and a member of the executive committee at Atos SE, following its takeover of Siemens IT Solutions and Services GmbH, where she headed the worldwide banking and insurance sales business. Ljiljana has also held senior roles at Hewlett-Packard and WestLB AG. Since 2016, she has focused on technology start-ups as a Senior Partner of Impact51 AG. Ljiljana is a Non-Executive Director of Grenke AG, a global financing partner for small- and medium-sized companies. She is also Non-Executive Chair of Grenke Bank AG.

René Carayol
Independent Non-Executive Director

Committee membership

A N R

Experience

After leaving university, René joined Marks & Spencer where he worked for 10 years, including as a Senior IT Manager, before moving to join PepsiCo as IT Systems Director. He subsequently moved to IPC Magazines as CIO, staying with the business until it was sold to AOL Time Warner. René is now an experienced Executive Leadership Coach and broadcaster, with much of his recent work focusing particularly on areas such as diversity and inclusion, inclusive leadership and cultural transformation across large organisations.

Executive team

The Group Executive Team supports the Chief Executive Officer in the day-to-day management of the business, and provides high-level leadership for our operations across Computacenter.

Mike Norris
Chief Executive Officer

Experience
Mike Norris has been Computacenter's Chief Executive since 1994. For further details on Mike's skills and experience please see page 116.

Chris Jehle
Chief Financial Officer

Experience
Responsible for all Group financial activities, Chris Jehle joined Computacenter on 1 June 2023. For further details on Chris's skills and experience, please see page 116.

Reiner Louis
Managing Director, Professional Services

Experience
Since 2023, Reiner Louis has led the global Professional Services organisation at Computacenter. In this role, he is responsible for the expansion of the Group-wide Professional Services business. From 2013 Reiner was responsible for the entire business in Germany as Country Head Germany and Spokesman of the Management Board. Reiner joined Computacenter in 1994 as Head of Customer Services and held various management positions in subsequent years.

Julie O'Hara
Managing Director, Managed Services

Experience
Julie is responsible for the delivery of Services to Computacenter's customers worldwide. Rejoining Computacenter in 2014, Julie was responsible for all services delivered to UK customers, extending her scope globally in 2017. Julie spent two years at Colt as VP for Services and Solutions, where she ran Service Management, Contract Management, Consultants and Architects across Europe. Prior to this, she worked at Computacenter and IBM in a number of technical service and sales-related positions and has been in the IT industry for almost 30 years.

Lieven Bergmans
Chief Commercial Officer

Experience
Lieven is responsible for the Group's Technology Sourcing. He joined Computacenter in 2000 as Head of the Consulting Division of the Belgian subsidiary. In 2008, he was appointed Managing Director of Computacenter Benelux. He was responsible for aligning the local business with the Company's portfolio of services and Group solutions and increasing market share. From 2015 to 2018, he brought stability and growth to the French entity, before taking on broader responsibilities.

Executive team continued

John Beard
Managing Director, Europe

Experience
John leads Computacenter's business across Europe and is accountable for all customer engagement in the region. He joined Computacenter's inaugural graduate scheme in 1995 and held various Sales and Sales leadership roles in the UK business (as well as a year as Chief Commercial Officer) before moving into his current role of Managing Director for Europe. John graduated from Loughborough University with a degree in Mathematics.

Neil Hall
President, North America

Experience
Neil leads Computacenter's North American business. Neil joined Computacenter in 2001 with the acquisition of GE-CITS UK, and has held leadership positions in the UK and Germany for more than 15 years. From 2013 to 2016, Neil led the Group's strategic development in contractual services, including architecture, commercial offerings and customer engagements. Between 2016 and 2022, he successfully led our UK & Ireland business as Managing Director.

Fraser Phillips
Group Legal & Compliance Director

Experience
As Computacenter's Group Legal & Compliance Director, Fraser advises on large Services engagements, particularly those involving multiple partners. He took on his current role in 2013 after a six-year tenure as Head of Legal in the UK. Fraser qualified as a barrister in 1997 and has extensive experience in structuring, negotiating and drafting commercial agreements.

Mo Siddiqi
Group Development Director

Experience
Mo is responsible for Computacenter's strategy, marketing, corporate development initiatives and sustainability strategy. Since originally joining Computacenter in 1997, Mo has held a number of senior sales and operational roles, notably leading the Company's international development through a mixture of organic growth, customer wins, business start-ups and acquisitions.

John Gibbs
Chief Information Officer

Experience
Responsible for all of Computacenter's systems and infrastructure, John joined Computacenter in July 2023. He has over 30 years' experience in Information Technology, most recently as the Group CIO of Rolls-Royce and International Airline Group. In addition to his IT experience, he has also previously been a customer of Computacenter and an advisor to the Company.

Sarah Long
Chief People Officer

Experience
Sarah has over 25 years' experience in the technology industry. She originally joined Computacenter in 1996 and spent 12 years in various Sales and Service Leadership roles. Between 2008 and 2018 she consulted to a number of technology organisations across Europe, advising on strategic growth and organisational change. Sarah rejoined Computacenter in March 2019 to lead the Group People Strategy and in-country Human Resources functions. Sarah graduated from Manchester University with a degree in Technology and Design.

Ensuring Board effectiveness

Our Corporate Governance Framework is designed to ensure that our Board remains effective at all times. It ensures that the Board understands its role and responsibilities clearly, has the right skills, capabilities, and leadership to address its annual agenda constructively, uses its time productively in focusing on those matters of particular significance or importance to the Group, and listens to feedback from the Group's stakeholders, factoring this into its discussions and decision-making.

COLLECTIVE DIVERSITY AND EXPERIENCE

Board composition and skills

Through its programme of meetings in 2023, the Nomination Committee assessed that the Board had an appropriate combination of skills, experience and knowledge, given the Company's size, profile and sector in which it operates. The factors it considered included the Board's independence, its diversity of gender, ethnicity and thought, length of tenure and the Board's collective industry skills and experience. Its ongoing and frequent assessment, including its comprehensive succession planning discussions, are reflected in the consistent and progressive evolution of the Board to ensure balance in these areas. In four of the previous five years, with the exception of 2020 when Covid-19 placed particular importance on Board continuity, there has been at least one planned change to the Board to ensure an ongoing balance between knowledge of the Group and a freshness of perspective and approach.

The diversity of our Board, its entrepreneurial leadership, as well as its breadth of collective experience and areas of expertise can be seen within the 'governance at a glance' section on page 113, and the 'Members of our Board' section on pages 116 and 117.

Board training also helps to ensure that members develop their knowledge in areas which are of particular importance to the Group, or to their specific role. The Board has received recent training sessions on the latest trends and developments across both cyber security and artificial intelligence from the Group's Chief Information Officer, which involved detailed Q&A discussion.

FOCUSING ON THE RIGHT THINGS

Matters Reserved for the Board and Delegation of Authority

Our Corporate Governance Framework ensures that the Board gives sufficient consideration to those matters which are financially, reputationally, or operationally material to the Group. Our Matters Reserved document, which was reviewed and approved by the Board during the year and can be found at www.computacenter.com, contains a list of matters that can only be approved by the Board. Matters not included in this list can be delegated to the Board's Committees, or to the CEO and Senior Management team, as set out on page 112.

Through the appropriate delegation of authority, the Board's principal Committees are enabled to help support the successful execution of our strategy.

The responsibilities of the Nomination Committee include ensuring that the Board and its Committees, the Chief Executive Officer and the senior Management team have the right skills and strength in depth to set an effective strategy and successfully deliver it. The Remuneration Committee's work ensures that key individuals are appropriately incentivised to achieve the Board's strategic objectives, whilst ensuring that decisions taken are aligned with the Board's risk appetite. The Audit Committee independently assures the processes and information which underpin and measure the delivery of strategy.

GETTING AN EXTERNAL PERSPECTIVE

Listening to our stakeholders

To provide effective leadership for the Group, and oversight of the Group's management, the Board needs to hear the views and feedback of Computacenter's key stakeholders. This helps it to develop a view on how the organisation can evolve and do things better, understand the external impact of its decision-making, identify future risks and opportunities that may impact the Group, and fulfil any regulatory or legal stakeholder responsibilities that the Group may have.

A full explanation of how the Board heard and considered the view of the Group's key stakeholders, and how these were applied in its decisions during the year, is set out on pages 057 to 063 and pages 109 to 111.

CONSIDERING THE LONG-TERM IN DECISION-MAKING

Promoting the Group's long-term sustainable success

The Board places significant emphasis on the long term in its decision-making, prioritising continuity and consistency wherever possible. In assessing its performance, the Board considers whether it has, over time, created the right conditions to allow the Group to grow sustainably. Detail on our track record for delivering sustainable value, including 19 years of uninterrupted adjusted EPS growth, as well as our significant investment into our IT systems and capabilities in 2023, which will underpin our future growth and competitiveness, can be found on pages 028 to 055.

Measuring Board effectiveness

INTERNAL EVALUATION OF THE BOARD

Following the external third-party review completed by Board Excellence in 2022, this year's evaluation was run internally, facilitated by the Company Secretary, and ensured that assessment and feedback provided by individual Board members was given on an anonymised basis. Areas covered by the evaluation included: strategy and risk management; leadership and accountability; succession planning oversight; Board composition, dynamics, culture and diversity; and the ability of members to work together to achieve objectives.

The evaluation also covered wider Board processes including: the quality of information provided to members; how well its annual agenda covers key issues; the way in which the Board makes decisions through effective and constructive discussion and debate; and how the Non-Executive Directors constructively challenge and scrutinise the performance of the Executive Directors, amongst others.

The review took the form of a series of tailored online questionnaires, covering the Board and each of its Committees. The Chairs of the Board and the Committees were able to review and shape the questionnaires, to make best use of the process. The questionnaire responses were collated and analysed before inclusion in a report to the Board. In March 2024, the Chair presented the results of the evaluations and led a discussion of the key findings and the implications for the Board's development. In addition, the Chair's performance was considered by the Senior Independent Director, following discussions with Board directors. Her report was shared with the Company Secretary, and the feedback provided to the Chair for consideration. The Chair considered the performance of each Director, and the contribution that they made to Board activities, including its discussions and decision-making during the year. The evaluation concluded that:

- the Board, its Committees and individual Directors were performing effectively, within a meeting environment that enabled and encouraged constructive debate and challenge between members;
- a sound and constructive relationship existed between the Non-Executive Directors and senior Management team, based on good levels of access and communication between individuals within those two groups;
- succession planning work has been dealt with thoroughly, having been a key focus given the length of tenure of the Chair and Senior Independent Director, and the departure of the former CFO during the year;
- the Board's composition, including good levels of diversity, and an appropriate mix of industry and functional skills, allowed it to discharge its duties effectively;
- members work together well to achieve objectives, made easier by the collective breadth of skills and differences of background of members, resulting in complimentary skills and areas of expertise; and
- the quality of interaction between Management and Directors at Board meetings has become increasingly effective, with discussion being almost wholly focused around interactive Q&A and related discussion of key points.

The Board identified a small number of areas for development and continued progression in 2024, which included that:

- whilst Board papers had reduced in length, senior Management paper producers should provide greater clarity on the purpose of their papers and recommended outcomes, as well as providing succinct and focused analysis supporting their recommendations; and
- there remains scope to increase the frequency of deep dive reviews of the Company's principal risks within the Board's annual agenda.

In response to suggested actions arising from the Board's 2022 evaluation, as part of its 2023 annual agenda the Board undertook a thorough review of the Group's ESG related objectives, reaffirming these and satisfying itself that these were aligned with and supported the Group's purpose. It also conducted deep dive reviews on the planet and people pillars with the Group Development Director and the Chief People Officer.

Nomination Committee review and discussion

November 2023
The Committee took the lead in assessing whether an external evaluation of the Board was required. It recommended to the Board that an internal evaluation was appropriate, following the independent review by Board Excellence in 2022.

Board and Committee approval of process

December 2023
An overview of the proposed process was given to the Board by the Chair and the Company Secretary, with feedback and suggestions from members incorporated. The process was approved by the Board and each Committee.

Completion of questionnaires

December/January 2024
Detailed evaluation questionnaires were circulated to the Board and Committees by the Company Secretary. These were completed and returned on an anonymised basis by each Board member.

Preliminary review of results

February 2024
Results of evaluation questionnaire were reviewed by the Company Secretary and the Chair, as well as the Committee Chairs in respect of information on the Committees that they lead.

Final results report reviewed by Board

March 2024
Final results report was drafted by the Chair, with support from the Company Secretary, and submitted to the Board, which reviewed and discussed it at its March 2024 meeting.

Post-evaluation actions agreed

March 2024
Action plan for implementation was approved by the Board, which instructed the Company Secretary to oversee implementation during 2024.

Compliance with the Code

"The Board is pleased to confirm that the Company has complied with the provisions of the Corporate Governance Code throughout 2023."

Peter Ryan
Non-Executive Chair

Our approach to compliance

As a company with a premium listing on the London Stock Exchange, Computacenter plc (the Company) is required to report on how it has applied the principles of the UK Corporate Governance Code (the Code), published by the UK Financial Reporting Council. A description of how it has done so is set out on pages 107 to 164, which includes the reports of the Board's Committees and the Directors' Report. A copy of the Code can be found at www.frc.org.uk.

The pages that follow aim to provide our stakeholders with an understanding of how our Corporate Governance Framework operated during the year, and the outcomes that it produced during that time.

This framework is in place to ensure that our organisation is appropriately led, directed, and controlled. It gives our people clarity on their responsibilities and accountabilities, and our decision-making authorities, restrictions and processes, helping to ensure that decisions are properly made and then implemented throughout the Group.

Statement of Compliance

The Company has complied with the provisions of the Code throughout the year ended 31 December 2023.

Compliance with the Code continued

Statements and confirmations

The Directors are required to include the following statements or confirmations within the Annual Report and Accounts:

• An explanation of the sustainability of the Group's business model, the strategy for delivering the Group's objectives, and how opportunities and risks to the future of the business have been considered and addressed	004 to 106 109 to 111 126
• Group Viability Statement	076 to 077
• Statement on risk and internal control including confirmation that the Directors have carried out a robust assessment of the principal and emerging risks facing the Group	074 to 075
• Description of the Group's principal risks, what procedures are in place to identify emerging risks, and an explanation of how these are being managed or mitigated	064 to 075
• Status of the Group as a going concern	076
• Explanation of how the Board monitored and assessed the Group's culture	125
• The Group's approach to investing in and rewarding its workforce	059 083 to 088 136 to 158
• Board statement on the Annual Report being fair, balanced and understandable and providing the information necessary for shareholders to assess the Group's position and performance, business model and strategy	005 133 164
• Explanation of how governance contributes towards the delivery of the Group's strategy	120 126
• Section 172 statement	105
• Description of the Board's principal decisions during the year and how the interests of Computacenter's key stakeholders and the matters set out in section 172 of the Companies Act 2006 were considered in Board discussions and decision making	058 to 062 109 to 111

Corporate governance overview

The schedule below provides an overview of where the application of Principles (A-R) and associated provisions of the Code have been reported in the annual report.

Board Leadership and Company Purpose	
A Promoting the long-term sustainable success of the Company:	
• Ensuring and measuring Board effectiveness	120 to 121
• Board leadership	126
• Board activities	109 to 111
• Section 172 statement	105
• Stakeholder engagement	058 to 062
B Purpose, values, strategy and culture:	
• Creating long-term value	006 to 027
• Our purpose, strategy, values and culture	124 to 125
C Resources, performance oversight and controls:	
• Risk management and internal control	074 to 075
• Board leadership	126
D Engagement with stakeholders:	
• Stakeholder engagement	058 to 062
• Section 172 statement	105
E Oversight of employment policies and practices:	
• Our people and culture	020 to 021
• Sustainability – people	083 to 088
• Board leadership	126
• Audit Committee Report	130 to 135

Division of Responsibilities	
F Role of Chair	
• Division of responsibilities section	112 to 114
G Division of responsibilities	
• Division of responsibilities section	112 to 115
H External commitments and conflicts of interest	
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I Role of Company Secretary	
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Composition, succession and evaluation	
J Appointments to the Board and succession planning	
• Nomination Committee Report	127 to 129
K Board composition and length of tenure	
• Governance at a glance	113
• Ensuring Board effectiveness	120
• Nomination Committee Report	127 to 129
L Board evaluation	
• Measuring Board effectiveness	121

Audit, risk and internal control	
M Financial reporting – independence of auditors and integrity of financial narrative statements	
• Risk management and internal control	074 to 075
• Audit Committee Report	130 to 135
N Fair, balanced and understandable assessment	
• Audit Committee Report	133
• Directors' responsibility statement	164
O Risk management and internal controls framework	
• Risk management and internal control	074 to 075

Remuneration	
P Reward structure alignment with strategy and values	
• Remuneration Committee Chair's Statement	136 to 138
• Director's Remuneration Report	139 to 158
Q Remuneration Policy	
• Directors' Remuneration Policy Summary	141 to 144
R Independent judgement and alignment	
• Remuneration Committee Chair's Statement	136 to 138
• Annual Report on Remuneration	145 to 158

Our purpose, strategy, values, and culture

Our purpose, strategy, values and culture put our customers at the heart of everything we do at Computacenter.

Following changes to our purpose and values in 2022, which were reported in last year's annual report, the Board was able to confirm in 2023 that each of these four elements were aligned, and that they supported and reinforced each other.

During the year, the Board also approved and endorsed a revised Group Ethics Policy which, for the first time, made specific reference to how each of its requirements were linked to the Group's values and culture, communicating this to all levels of the organisation.

For further information on:

- **Our Purpose – see page 001**
- **Our strategic KPIs – see pages 034 to 035**
- **Our culture – see page 020**
- **Our values – see page 007**

OUR STRATEGY AND STRATEGIC KPIS:
Our strategic KPIs reflect the relationships that we want to have with our customers, both in respect of retaining and maximising their value (Customer Relationships KPI), and our view that this is most effectively done when we deliver a significant Services element to the customer (Services Growth KPI).

OUR CULTURE:
Our culture is aimed at delivering great results for our customers, within an environment that prioritises long-term decision-making and the development of our people. It empowers us to react decisively and responsibly to the needs of our customers on a day-to-day basis.

OUR PURPOSE:
Our customers are some of the world's greatest organisations. Our Purpose is to help them change the world. We work relentlessly to build their long-term trust, so they can rely on us in a complex and ever-changing world.

OUR WINNING TOGETHER VALUES:
Require us to work hard to get to know our customers, understand their needs and put them at the heart of everything we do.

Our purpose, strategy, values, and culture continued

Our culture

Through its own work, and that of its Committees, the Board has assessed and monitored the Group's culture throughout the year. It received a number of presentations from senior Management members, which included employee-related key performance indicators, such as employee engagement scores, training completion statistics, perceptions of leadership and management, attrition rates and length of tenure.

In response to a presentation from the Chief People Officer, the Board completed a deep dive on the Group's culture, with a particular emphasis on how this would be impacted by the changes in Group Executive Committee membership in 2023, which included a new externally recruited CFO and CIO, and changes to the organisational structure at an Executive level. The Board's discussions recognised the ongoing work required to embed and then maintain the Group's culture as it continues to grow its workforce, customer base and geographic footprint.

The Board also recognised the importance of a Group culture in delivering a consistent approach which best supports the execution of our strategy, regardless of where we are operating or who we are doing business with. It also understands that, across geographies and functions, there will be cultural practices that differ.

The Board considered the results of the biennial Group Employee Survey, which confirmed a positive trend in the Group's sustainable engagement score, covering how employees feel about their connection with the Company. It also reviewed and discussed metrics related to culture, trust, management support and innovation. Given the relatively recent integration of the North American business into the Group, the Board was particularly pleased to note the progress made following Management focus on driving the Group's culture and strengthening engagement there.

The Board also received frequent updates from the designated Non-Executive Director for Workforce Engagement, Ros Rivaz, utilising her expertise in employee-related areas such as remuneration, and her experience and knowledge of the Company, having joined the Board in 2016.

The focus of her engagement programme in 2023 was on representative groups of those parts of the business that were relatively new to Computacenter, including the Computacenter US People Panel and the Computacenter Romania People Forum. Through this she was able to provide the Board with insight into the view of the Computacenter culture from these newly assimilated parts of the business, as well as their concerns and priorities.

The activities of the Board's Committees helped it assess whether the culture and values set by the Board for the organisation were embedded across the Group and reflected in the way it conducts business on a day-to-day basis.

Reports from the Audit Committee on potential breaches of the Group's Code of Ethics and Business Conduct and associated compliance policies illustrated behaviours inconsistent with our culture and values, and provided information around training requirement completion, and monitoring and communications programmes. They also aided the Board's assessment of how effectively related policies and processes had been embedded within the organisation, including by geography and business function.

The Audit Committee also reviewed the speed at which the organisation responds to external and internal audit findings, which provided insight to the Board on Management's attitude to risk and governance. The Head of Internal Audit and Assurance regularly presents the results of internal audits across our business areas to the Audit Committee.

Board Leadership and Company Purpose

The Board provides the Group with leadership and oversight across all areas of business performance and conduct. It has responsibility for promoting the Group's long-term sustainable success.

Leading by example

The high standards of behaviour that we expect from our people who represent us in the day-to-day conduct of our business also apply to the Board of Directors, who are subject to the Group's Ethics Policy. The terms of their appointment letters, as well as the legal duties that they owe to the Company, require that they act with integrity. Each of the Directors has confirmed to the Company that they have understood and complied with the terms of those Group policies which apply to them specifically as a result of being a member of the Board. These include the Group's Related Party Policy, Share Dealing Policy, and Disclosure Policy, as well as confirming information relating to their Company shareholding, external appointments, and potential conflicts of interest, which were reviewed twice by the Board during the year.

Reflecting and promoting the Group's culture

As well as through their own individual behaviour, the Directors were also able to promote the Group's desired culture through their 2023 Board activities and decision-making which, as set out on pages 109 to 111, saw a focus on the long term; placed our customers at the centre of Board discussion, including the approval of the strategy and related long-term investments; ensured that the Board was aware of and understood the views of its people; and furthered the Group's commitment to acting responsibly through the approval of increased investment in its Circular Services capability and through its oversight of Group systems of risk management, governance and internal control.

Through its approval and endorsement of a revised Group's Code of Ethics and Business Conduct in 2023, the Board also made clear its instruction that the Group continue to be open, honest and straightforward in all of its dealings.

Workforce policies and practices

On behalf of the Board, the Remuneration Committee reviewed the Group's workforce policies and practices, to ensure that these were aligned to and consistent with the Group's values and supported its long-term success. In 2023, the Committee received a presentation from the Chief People Officer and reviewed metrics, initiatives and policies relating to pay, wellbeing, and diversity and inclusion. The Committee was satisfied that the Group's philosophy of pay for performance, as well as the Group's workforce policies and practices, were consistent with and supported the Group's Winning Together Values.

The Board and Remuneration Committee also considered items related to the Group's Modern Slavery Act reporting, Gender Pay Gap reporting and the CEO pay ratio as part of its oversight in this area.

Our workforce can raise any matters of concern through an independent, third-party, anonymous reporting helpline, run by Safecall. Through updates from the Audit Committee, the Board reviews this and the reports arising from its operation. There are also Management structures in place throughout Computacenter to ensure that individuals can report any concerns to their line manager should they wish to do so.

Risks, opportunities and resources

The Strategic Report, from the inside front cover to page 106, explains how the Group generates and preserves value over the long term, describes how opportunities and risks to the future success of the business have been considered and addressed, and sets out our sustainable business model. The Executive Directors, and the wider Group Executive Committee, have responsibility for developing the Group's strategic proposals, which are put forward to the Board for review and approval. Through its annual agenda, the Board's principal consideration of opportunities for business growth, and associated investment, takes place at its dedicated strategy day and through its review of matters related to the achievement of our strategic KPIs at every scheduled Board meeting. Through its review of these opportunities, and its approval of the business plans and budgets submitted by the Executive Directors, including the assumptions underlying them, the Board ensures that adequate resources are available to meet related objectives.

The Board reviews the performance of the Executive Directors and the Group Executive Committee against targets related to agreed objectives, including a monthly review of the financial performance of each of the Group's segments.

Stakeholder engagement

Details of the Group's engagement with its key stakeholders, including our customers, employees, technology vendors, communities and shareholders, and how its outcomes were considered by the Board in its discussions and decision-making, are set out on pages 057 to 063, and pages 109 to 111.

Risk management

The Board is responsible for establishing a framework of prudent and effective controls which enable the Company's risks to be assessed and managed. Please refer to pages 064 to 073 for further information on the Group's principal risks, the procedures in place to identify emerging risks, and how these are being managed or mitigated. This also includes a description of the Group's risk and internal control framework, and how this operated throughout the year. As required by the Corporate Governance Code, pages 074 to 075 are incorporated into this Corporate Governance Report by reference.

Nomination Committee report

“The Committee continued to prioritise succession planning for both the Board and Group Executive Committee, and overseeing the development of a diverse pipeline for succession to both.”

Peter Ryan
Chair of the Nomination Committee

Committee highlights

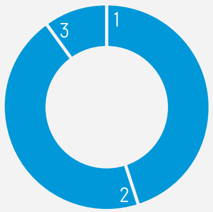
- Reviewing succession planning for each of the Board and Group Executive Committee
- Leading the Board evaluation process, and discussing its results

Board and Executive succession planning – see page 128

Board Evaluation Process – See pages 121 and 129

Current members	Role	Attendance record
Peter Ryan (Chair)	Non-Executive Chair of the Board	3/3
Pauline Campbell	Non-Executive Director	3/3
René Carayol	Non-Executive Director	3/3
Ljiljana Mitic	Non-Executive Director	2/3
Ros Rivaz	Non-Executive Director	3/3

How the Nomination Committee spent its time



1. **Board composition**
Reviewing the existing composition of the Board, to identify current or future skills gaps on the Board or its Committees.
2. **Succession planning**
Ensuring that there are appropriate processes in place to develop our leaders of the future.
3. **Board effectiveness**
Reviewing the results of the internally facilitated Board evaluation process. Concluding to the Board that it continued to function effectively, as did each of its Committees.

Membership and attendance

The members of the Committee are the independent Non-Executive Directors and the Chair of the Board.

The Company Secretary is the secretary to the Committee. The Chief Executive Officer and Chief People Officer attend meetings by invitation.

Responsibilities of the Nomination Committee

The Committee’s key responsibilities are to:

- lead the process for Board appointments;
- ensure that the Board and its Committees have a combination of skills, experience, diversity, knowledge and independence appropriate for leading the Group, given its size and the markets in which it operates;
- review the structure and size of the Board and its Committees to ensure they can function effectively; and
- review succession planning for the Board and senior Executives, including ensuring the development of a diverse pipeline for succession.

The Committee’s full terms of reference are available at investors.computacenter.com. No changes have been made to its terms of reference since the Committee’s last report to shareholders.

Composition and Succession

The Committee's main activities in 2023

The Nomination Committee met three times during 2023, and its work included:

Succession planning and Board changes

The Committee spent much of its time considering succession planning for the Board and Group Executive Committee and overseeing the development of a diverse pipeline for succession to both.

To inform its discussions of Board succession, members reviewed its existing composition and that of its Committees, and the skills, diversity and knowledge that each Director brings. This included considering the Board skills matrix set out on page 113, which was updated to show experience in ESG matters, following shareholder engagement in the first half of the year. The Committee considered how the Group's leadership needs may change over time, influenced by factors including its strategy, Services Lines and the operating geographies which are integral to future growth, as well as likely future corporate governance requirements.

In 2023, the Committee's discussions on Board succession planning centred on the Chair and Senior Independent Director (SID) having now both served for more than six years, meaning they are into what is expected to be their final three-year term in office. These are key leadership roles, with the incumbents also chairing the Nomination and Remuneration Committees, and the SID acting as the Workforce Engagement Director.

We continue to plan to ensure that any Board changes are controlled and orderly, especially for leadership positions, so the Board retains an appropriate balance of company knowledge, independence, skills, experience and different elements of diversity, through any period of transition.

The Board's progressive evolution continued during the year, with Chris Jehle joining the Group as an Executive Director and Chief Financial Officer. The Committee described the search process that led to Chris's appointment in its 2022 report to shareholders. Chris's appointment continued to diversify the Board's collective background and experience, and we were delighted to add Executive Director representation from Germany, given the key contribution and ongoing importance of our business there. We welcome Chris to the Board and the freshness of thought and perspective that he is bringing to Board discussions.

The CEO has confirmed to the Board and the Committee that he intends to remain in his role, health and personal circumstances permitting, over a longer time horizon. Nevertheless, it is important that the Committee, in consultation with the Board, continues to closely oversee succession for the CEO. This is a significant priority for our shareholders, given his deep knowledge of the Group and its business, and his almost 30 years in the role. The Committee is particularly focused on emergency or unplanned succession, given Tony Conophy's departure in 2023 after 25 years as CFO, incorporating all of Computacenter's journey as a public company.

The Committee also recognises the importance of effective Non-Executive Director succession planning, given that the Board includes our two founder Non-Executive Directors, Sir Philip Hulme and Sir Peter Ogden. They continue to contribute significantly to Board discussions, particularly on strategy and performance. However, the Board does not consider them to be independent for the purposes of the UK Corporate Governance Code. It is therefore important that the Committee is prepared for unexpected or emergency Non-Executive Director succession, so the Company remains compliant with provision 11 of the Code, which requires at least half of the Directors, excluding the Chair, to be considered independent by the Board. Succession planning for the independent Non-Executive Directors has been consistently successful, with the Board appointing a new Non-Executive Director in four of the previous five years.

Building strength in depth across our leadership team, and developing our leaders of the future, has also remained a focus of our activity. Following a presentation from the Chief People Officer, the Committee reviewed Management's processes for managing, developing and nurturing talent at all levels of the organisation and particularly at the intermediate levels, which could produce Group Executive Committee succession candidates over the medium term. These processes included how the organisation identifies and develops exceptional talent at the earliest possible stage, and ensures this talent is developed to its fullest potential, regardless of gender, ethnicity or social background.

After feedback from the Committee, the Board also reviewed Group Executive Committee succession planning, following a presentation from the Chief Executive Officer and the Chief People Officer. This considered the criticality of each role to the Group's long-term sustainable success, and the relative availability of internal and external candidates for the roles over various time horizons.

Board appointment process

There is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board led by the Committee and triggered by the identification of a skills gap on the Board and its Committees. This is usually, but not always, the result of a Board resignation, changes in the Company's activities or strategic focus, or updated corporate governance requirements concerning Board or Committee composition. The appointment process for a Board role generally starts with the Committee appointing an independent search firm, and the creation of a role specification which the Committee then approves. Following further Committee discussion, it then provides input on a shortlist of candidates, and is involved in the interview process for all appointments. Generally, candidates are subsequently interviewed by the remaining members of the Board. After taking feedback from these, the Committee recommends the appointment of a candidate to the Board, for discussion and approval. The process can vary slightly for Executive Director roles, given that the Committee will consider internal candidates. Only external candidates will be considered for independent Non-Executive Director roles.

Nomination Committee report continued

Diversity

The Board recognises the benefits that diverse skills, experience and thought can bring to an organisation. The Committee always considers these benefits when reviewing Board succession planning and during the appointment process. This includes requiring diverse lists of potential candidates to be presented to the Committee for review.

The Board also believes that appointments to it and to the Group Executive Committee must be made primarily on skills and experience. As such, the Committee does not view it as necessary to have a formal diversity policy specifically for those bodies. However, the Board and its Committees endorse Computacenter's wider approach to diversity, including its five pillars of diversity as follows, which apply to them and their members:

- Gender: Improving the gender split in a male dominated industry
- Disability & Accessibility: Ensuring that everyone has the support and environment they need to fully participate
- PRIDE: Embracing the diversity of our workforce's sexual orientation and gender identity
- Generations: Embracing the experiences, insights and perspectives of a multigenerational workforce
- Cultures: Respecting the diverse culture, ethnicity, religion and beliefs that make up our international workforce

They also endorse Computacenter's policies which cover various aspects of diversity and inclusion, including its Equality and Respect at Work Policy, which applies throughout the organisation, including to the Board, its Committees, and the Group Executive Committee. This is in place to ensure that everybody who represents Computacenter promotes equality, diversity and inclusion in the way they behave and communicates and reinforces our zero tolerance towards differential treatment or discrimination.

In our leadership teams, female representation increased from 29.3% to 31.9%. Our leadership teams are comprised of members of the Group Executive Committee and the senior leaders who are their direct reports. We remain clear that a failure to recruit and retain the right calibre of talent is a risk to the successful execution of our strategy, and our key mitigation actions include implementing specific diversity projects and initiatives relating to gender and ethnicity, amongst other areas. Further detail on these can be found on pages 020 and 021.

Over the last 18 months, the Committee has considered at some length the new Listing Rule requirements relating to diversity, which apply on a comply or explain basis. The position of SID is held by a woman, Ros Rivaz, and the Board has a member from an ethnic minority background, René Carayol. It therefore complies with these aspects of the Listing Rule. As at 31 December 2023 (and as at the date of this report), female representation on the Board was at 33%, which is below the 40% requirement. The Board notes that of its nine members, the two founder members and the CEO have been Directors since 1998. This continuity reflects both the long-term support of the Group from Sir Philip Hulme and Sir Peter Ogden as major shareholders (with associated Board appointments), and the Group's sustained success under Mike Norris as CEO.

The opportunity for planned succession has therefore mainly been limited to our independent Non-Executive Directors. 75% of the Board's independent Non-Executive Directors (excluding the Chair who was independent on appointment) are female, and the remaining male is from an ethnic minority background. Our female Non-Executive Directors hold most Board leadership positions, including chairing the Remuneration and Audit Committees, as well as the roles of SID and Workforce Engagement Director. Notwithstanding this, the Committee confirms that its aspiration to comply with this requirement will be at the forefront of future Board succession planning, while ensuring that the Board maintains its balance across other areas of diversity, as well as skills and experience.

Board evaluation

The Committee led on approving the process for the 2023 performance evaluation for the Board, its Committees and Directors. It noted that the 2022 evaluation had been externally facilitated and, following discussion, it concluded that there were no reasons to complete an external evaluation for 2023.

Committee performance

The Committee's performance was reviewed as part of the internally facilitated evaluation of the Board, which took place in the first quarter of 2024. Having reviewed the evaluation's findings and discussed them with the other members of the Board, I am satisfied that the Committee continued to function effectively during the year.

Re-appointment of Directors

All Directors put forward for election or re-election at the Company's AGM are nominated on the Committee's recommendation. In deciding whether to recommend the nomination of a Director, the Committee considered the outcome of the 2023 evaluation exercise. Following the Committee's assessment, all Directors in office as at 31 December 2023 will be put forward for election or re-election at the AGM in May 2024.

Peter Ryan
Chair of the Nomination Committee
19 March 2024

Audit Committee report

"The Committee continues to focus on the appropriate controls and reporting for our growing business."

Pauline Campbell
Chair of the Audit Committee

Committee areas of focus or highlights

- Selection of, and engagement with, Grant Thornton as the Group's auditors.

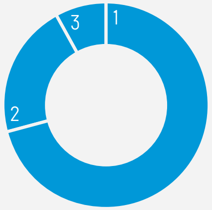
See page 134

- Improvements in internal and external reporting.

See page 133

Current members	Role	Attendance record
Pauline Campbell (Chair)	Non-Executive Director	5/5
René Carayol	Non-Executive Director	5/5
Ljiljana Mitic	Non-Executive Director	5/5
Ros Rivaz	Non-Executive Director	5/5

How the Audit Committee spent its time



1. **Financial statements and reporting**
   Reviewing the Interim and Annual Report and Accounts, considering the key accounting judgements and estimates that affect the application of the policies and reporting values and approving the Group's going concern basis of accounting and Viability Statement.
2. **Risk management and internal controls**
   Reviewing the Group's principal risks.
3. **Committee evaluation**
   Considering the summary of the output and proposed actions from the internal effectiveness review.

Dear Shareholder,

I am pleased to deliver our Audit Committee report for the year ended 31 December 2023. In the report below we explain how the Committee has discharged its responsibilities during the year, including the onboarding of a new auditor and CFO, considering the significant matters relating to external financial reporting and ensuring that the relationship with internal and external auditors remains appropriate.

Composition of the Committee

As at 31 December 2023, the Audit Committee comprised the four independent Non-Executive Directors. All members are considered to be appropriately qualified and experienced to fulfil their role and allow the Committee to perform its duties effectively. For the purposes of Code Provision 24, one member of the Committee, Pauline Campbell, is considered to have recent and relevant financial experience. The Committee notes the requirements of the Code and confirms that, having considered the requirements against feedback provided through the Board and Committee effectiveness review, the Committee, as a whole, has competence relevant to the sector in which the Company operates. Further details of specific relevant experience can be found in the Directors' biographies on pages 116 to 117.

Meetings of the Committee

The Committee met five times during 2023. Meetings are attended routinely by the Chair of the Board, Chief Financial Officer, Group Head of External Reporting, Group Head of Internal Audit & Risk Management and the external auditor. The Company Secretary acts as secretary to the Committee. The meetings cover a standing list of agenda items, which is based on the Committee's Terms of Reference, and consider additional matters when the Committee deems it necessary.

In addition to the Committee meetings, the Chair also meets privately on occasion with members of Management during the year, to discuss the risks and challenges faced by the business as well as accounting and reporting matters and, importantly, how these are being addressed. On two occasions during the year, the Committee met separately with the external auditor and the Group Head of Internal Audit & Risk Management, without Management present, in addition to regular dialogue with the external auditor.

Audit Committee report continued

The Chair remains satisfied that the flow of information to the Committee is appropriate and provided in good time, to allow members to review matters due for consideration at each Committee meeting. The Committee is also satisfied that meetings were scheduled to allow adequate time to enable full and informed debate.

Principal responsibilities of the Committee

The Committee's main responsibilities during the year, as set out in the Code, were to:

- monitor the integrity of the Company's Financial Statements and any formal announcements relating to the Company's financial performance, and to review significant financial reporting estimates and judgements contained therein;
- provide advice on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- review the Company's internal financial controls and internal control and risk management systems;
- monitor and review the effectiveness of the Company's Internal Audit function, including approving the internal audit plan;
- make recommendations to the Board about the appointment, re-appointment and removal of the external auditor, and, where necessary, conduct the tender process;
- approve the external auditor's remuneration and terms of engagement; review and monitor the external auditor's independence and objectivity;
- review the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements;
- develop and implement a policy on engaging the external auditor to supply non-audit services, ensure there is prior approval of non-audit services, consider the impact this may have on independence, take into account the relevant regulations and ethical guidance in this regard, and report to the Board on any improvement or action required; and
- report to the Board on how it has discharged its responsibilities.

Immediately following each Committee meeting, the Chair reports to the Board on the Committee's activities and how it is discharging its wider responsibilities as set out in its Terms of Reference, which can be found on the Company's website at investors.computacenter.com.

Activities of the Committee

The Committee's activities during the year, which are based on its Terms of Reference, are set out below:

Key estimates, judgements and current financial reporting standards

The Committee reviewed the integrity of the Group's Consolidated Financial Statements and, in doing so, considered the following key estimates and judgements. In reviewing these matters, the Committee also took account of the views of the external auditor, Grant Thornton UK LLP (Grant Thornton).

Revenue recognition

The nature of the business leads to a significant amount of sales orders around year end with high volumes of 'bill and hold' transactions. Judgement is required to determine if the appropriate criteria have been met to recognise a 'bill and hold' sale. There remains some risk that revenue is recognised in the incorrect accounting period if the judgements are not made correctly.

Management has an established set of criteria to allow recognition of revenue, which are applied throughout the business and designed to ensure compliance with International Financial Reporting Standards.

The Audit Committee supported the auditor's focus on testing Technology Sourcing revenue cut-off, particularly in regard to 'bill and hold' arrangements where customers purchase inventory that remains in our Integration Centers following revenue recognition.

In addition, there are a number of Professional Services contracts where revenue is recognised based on fulfilling the customers' requirements in accordance with their contract terms. Management highlights to the Committee any contracts that may be of interest, including the process by which such contracts are identified. During the year there were material, complex contracts that required detailed accounting consideration of revenue, leasing and working capital. Management prepared a detailed assessment of all aspects that was considered by the Committee.

The Committee noted that no errors with a material impact on reported profitability were found as a result of the auditor's work in the area of revenue recognition.

Exceptional and other adjusting items

The Committee considered the nature and quantum of items disclosed as exceptional or as other adjusting items outside of adjusted profit before tax in the Group's 2023 Annual Report and Accounts.

Management continued to exclude the amortisation of acquired intangible assets, and the tax effect thereon, from adjusted profit after tax in the Group's 2023 Annual Report and Accounts. Management highlighted that this charge had materially increased with the acquisitions within North America. Management's view is that amortisation of intangible assets is non-cash and is significantly affected by the timing and size of acquisitions, which affects the understanding of the Group and Segmental operating results.

Management considered the presentation of adjusted profit in the first half of the Annual Report and Accounts, after taking account of the European Securities and Markets Authority Guidelines on Alternative Performance Measures, which promote the usefulness and transparency of such measures. Management remains satisfied with the reconciliation between statutory and adjusted measures that the Group has presented since the 2015 Interim Report, and the level of disclosure which explains both the differences between these measures and the reasons for the differences.

The Committee considered the nature and quantum of items disclosed as exceptional or as other adjusting items that are excluded from the Group's adjusted profit before tax, and other alternative performance measures, in the Group's 2023 Annual Report and Accounts. The Committee concluded that the presentation of adjusted profit was adequately explained, was intended to provide clarity on performance and has sufficient equal prominence with statutory profit.

Going concern basis for the Consolidated Financial Statements

Management prepared a paper that provided input to the Board's assessment of whether it is appropriate for the Group to adopt the going concern basis in preparing Consolidated Financial Statements, at both the half year and full year. To do so, Management reviewed the Group's financial plans and its liquidity, including its cash position and committed bank facilities.

Audit Committee report continued

It also considered the Group's financing requirements in the context of available committed facilities and reviewed forecasts concerning trading performance, which had been discussed and approved at the 7 December 2023 Board meeting. These forecasts were subsequently further refined, updated and re-approved at the 18 March 2023 Board meeting.

In making its assessment Management considered factors which could affect the modelling of the Group's financial plans and its impact on the going concern assessment.

These included:

- Key financial performance forecasts for the next 18 months and the predicted impact on cash generation.
- Consideration of where the potential impact of the principal risks and uncertainties are applied to the forecasts.
- Risks and uncertainties that, individually or in plausible combination, would threaten the Group's business model, future performance, solvency or liquidity over the assessment period and which are considered to be severe but reasonable scenarios are considered. It also takes into account an assessment of how the risks are managed and the effectiveness of any mitigating actions.

The Committee considered the assessment described on page 076 of the Strategic Report, together with the extended going concern disclosures included within the 'basis of preparation' note to the Financial Statements in the Annual Report and Accounts and advised the Board on its view. The Committee considered whether the going concern basis of preparation continued to be appropriate and provided recommendations around its adoption to the Board, with which the Board concurred. The statement and explanation from the Directors can be found within the Strategic Report on page 076 and the Basis of Preparation within the Notes to the Consolidated Financial Statements on pages 180 to 181.

Viability Statement

Following review of the Viability Statement, and associated considerations and models, by the Group Risk Committee, as set out on pages 076 to 077 within the Strategic Report, Management presented its conclusions to the Audit Committee on the Viability Statement. These included a recommendation of the appropriate period for the assessment of viability that is based on the nature of the Group's business model and its strategic time horizon, coupled with short-term macroeconomic environmental impacts. Management produces financial forecasts for the three-year period including an assessment, reviewed by the Group Risk Committee, of how these forecasts would be affected by a realistic concurrence of the Group's principal risks and the estimated impact of such a concurrence.

Management considered additional contingencies within the forecast, utilising downside sensitivity scenarios as described within the going concern analysis above. These downside scenarios continue the assessment of the risks for going concern throughout the assessment period with compounding impacts to cash flow as a result.

The financial forecasts build on the assumptions used for the going concern assessment and extend this over the three-year period. Management includes longer-term sensitivity analyses that range the modelled downturn in the market across a number of factors, including working capital usage, profitability, dividend payments and share repurchases. The analyses also include an assessment of actions that Management could take to support the balance sheet of the Company in the event of the worst-case scenarios.

Following consideration of Management's assessments and conclusions, the Committee advised the Board that it could continue to set the period of assessment for the Viability Statement at three years and that it could make the statement required for the assessment period without qualification. The statement and explanation from the Board can be found within the Strategic Report on pages 076 to 077.

Parent Company investment in subsidiaries carrying value and distributable reserves

Investments in subsidiaries are the primary asset on the Parent Company Balance Sheet. The Committee considers Management's assessment of the carrying value of these investments annually or when an indicator of impairment, or impairment reversal, is identified. Any impairment of these investments would reduce the Company's distributable reserves. Management prepared an analysis to support the carrying value of the investments in subsidiaries held by the Parent Company, including assessing the cash flow forecasts and future trading assumptions of each subsidiary. No impairment of carrying value in the investment in subsidiaries was identified during the year. The Committee considered Management's assessments and remains satisfied that the carrying value of each subsidiary remains appropriate.

During the year there was a merger of our wholly owned subsidiaries, Computacenter France SAS and Computacenter NS (hereinafter 'Computacenter France SAS'). Following this, and against the backdrop of continually improving forecasts for Computacenter France SAS and Computacenter NV/SA (another wholly owned subsidiary), Management concluded that there has been a favourable change in estimates previously used to determine the recoverable amounts when the last impairment loss was recognised on the investments. An amount of previous impairment was reversed based on the comparison of the net carrying value to the recoverable amounts of these investments, determined by a value-in-use calculation. The Company also assessed that the favourable change had an impact in the prior year.

The Committee considered Management's findings and agreed that the impairment reversal, partially reflected in the prior year, was supportable. Management assessed that information had been available at the end of the previous year indicating an impairment reversal should have been made at that point. As required, an adjustment has been made to the prior year. The Committee also considered whether there was the possibility of further adjustments needed to the prior year and agreed with Management that none were required.

Management assessed the Company's distributable reserves, prior to the declaration of both the interim and final dividends in respect of the reporting period, to ensure that sufficient reserves were legally available for distribution. Further, Management modelled the medium-term forecasts for distributable reserves, ensuring that the Board's dividend policy could remain supported by the generation of distributable reserves within the Parent Company. The Committee received a presentation of Management's conclusions and reported to the Board on the appropriateness of the dividend payment with regards to the available distributable reserves.

Taxation

Management prepared papers documenting the Tax Strategy and the Tax Policy of the Company. These papers document the policies, processes and controls relating to the Group's tax functions and the Company's Tax Strategy, which can be found on the Company's website at investors.computacenter.com.

Audit Committee report continued

Management presented to the Committee on all aspects of business taxation in all territories in which the Group is currently operating. The Group Tax Strategy and Policy was approved by the Board annually following its consideration by, and advice from, the Committee.

Management prepared the calculation of the tax liability of the Group, including uncertain tax positions, and assessed the recognition criteria for potential deferred tax assets relating to jurisdictions with significant carried forward tax losses. Future forecasts, changes to revenue accounting standards, local taxation rates, and potential changes to local tax structures, were taken into account in determining the Group's tax rate assessment. Management made recommendations for the consideration of the Committee for the identification of tax liabilities, assets and the tax rate being disclosed in the accounts. The Committee was satisfied that tax accounting is appropriate.

Improvements to general financial reporting
Management continues to review its accounting policies and reporting in light of changes, general trends to improve financial reporting and observations from the auditor.

During the period the Committee received recommendations for consideration from Management on a range of topics focused on improving the quality of the Group's financial reporting. These included:

- Ongoing implementation of a Group-wide Accounting Policy Handbook, to ensure consistency in the application of the Group's primary accounting policies.
- Accounting treatment for certain one-off commercial contracts with particularly unusual or non-recurring terms.
- Management's response to findings and recommendations resulting from the 2022 external audit.
- The implementation of recommendations contained within advisory publications from the FRC relating to, amongst others, best practice disclosures for revenue and impairment.
- Improvements in the year-end revenue cut off procedures and pre-audit review analysis.

The Committee approves of Management's effort to continually improve and is satisfied with changes made or proposed relating to the items listed.

Regulatory and legal compliance
Having been requested to do so by the Board in accordance with Code Provision 27, the Committee also advises the Board on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The Committee sought assurance as to the review procedures performed by Management, to support the Board in making this statement. These include clear guidance issued to all contributors to provide a consistent approach and a formal review process, to ensure that the Annual Report and Accounts are factually correct and reflective of material matters that have been discussed by the Board throughout the year. Following a review, the Committee advised the Board that appropriate procedures had been applied.

The effectiveness of internal controls and of the risk management framework
On behalf of the Board, the Committee is responsible for overseeing the effectiveness of the Group's systems of internal control and the risk management framework. The Group Risk Committee (GRC) meets each quarter to review the key risks facing the business. These are identified, and their likelihood and impact are assessed, within the Group's 'Risk Heat Map'. They are then reviewed in conjunction with accompanying risk mitigation plans. The GRC meeting agendas are circulated to the Committee for review, with any matters of note highlighted and explained to the Committee by the GRC Chair. This includes how the Group's risks may have moved during the previous three months and the mitigations introduced or developed. The GRC's assessment of the effectiveness of the process is also provided. To assist the Board, the Committee monitors the risk management processes and reports from Internal Audit.

Internal control oversight
Periodically the Committee received reports on the operation of internal controls from various Group functions. These included:

- A report from the Group Information Assurance (GIA) function on its role, which continues to be a key part of the control framework for data security and cyber defence, and how it fits into the overall control structures of the Company within the wider risk management framework. GIA reported on the programme of enhancements for the Cyber Defence Center and cyber security.

  Where cyber incidents, attacks and breaches are detected by the GIA, it reports to the Committee on the mitigations and outcomes of any investigation, including plans for remediation and improvements.
- Corporate Governance Code compliance reviews.
- Review of distributable reserves within the Parent Company.
- Treasury reporting, policy and controls including the Group Treasury Strategy and Policy, Transactional FX Strategy and Policy and activities of the Treasury Committee, which retains operational oversight.
- Trade receivables control environment, to assess the heightened risk of customer defaults due to the current macroeconomic environment and the associated collection risk.
- Trade payables and other creditors control environment, to review procedures and payment timeliness analysis.
- Review of the operation, performance and planning of the Company's Finance Shared Service Center.
- Management's review of the value of goodwill and acquired intangibles including the assessment of factors which could affect the recoverability of these assets and whether they could give rise to an impairment.
- Results of the annual survey of the Group Executive and other key senior Management's controls self certification and control environment grading.
- The effectiveness of controls over bid management and contract reporting.
- Reports from the Compliance Steering Committee.
- Updates on litigation matters.
- Revised policy on related parties.
- Introduction of a code of Ethics for Senior Financial Officers.
- Updates on Audit Reform Governance changes as a result of the BEIS recommendations.
- Updates on the Failure to Prevent Fraud initiatives.
- Finance organisation change and talent review.

Whistleblowing

The Committee confirms that it is satisfied that, as at the date of this report, arrangements are in place to ensure that employees are able, in confidence, to raise any matters of concern, as detailed within the Strategic Report on page 103. The Committee is also satisfied Management will conduct proportionate and independent investigation of such concerns, including an assessment of the financial impact and any appropriate follow-up action, will be taken. During the year, the Committee was satisfied that investigations and follow-up actions were appropriate. As at the date of this report, all of the Group's operating entities had access to the same whistleblowing platform.

The effectiveness of the Internal Audit function

The Group has an Internal Audit function which reports to the Chair of the Committee, and also has direct access to the CEO. Its key objectives are to provide the Board, the Committee and senior Management with independent and objective assurance on risks and the related mitigating controls, and to assist the Board in meeting its corporate governance and regulatory responsibilities. A formal audit charter guides the function's work and procedures and was updated during the year.

The Board, through the Committee, has directed the Internal Audit department's work towards areas of the business that are considered to be the highest risk. The Committee approves a rolling audit programme, ensuring that all significant areas of the business are independently reviewed over, approximately, a four-year period. The programme and the audit findings are assessed continually, to ensure they take account of the latest information and, in particular, the results of the annual review of the effectiveness of internal control and any shifts in the focus areas of the various businesses.

Each year, the Committee reviews the effectiveness of the Internal Audit department and the Group's risk management programme. The formal review typically consists of an evaluation of Internal Audit's activities by managers across the business who have been subject to audit during the year. The assessment normally covers areas such as departmental organisation, business understanding, skills and experience, communication and performance.

The Committee received an update from the Group Head of Internal Audit & Risk Management at each meeting during the year. The updates covered current audit activities and the results of completed audits. The Chair met the Group Head of Internal Audit & Risk Management on a number of occasions during the year, to be updated on the function's activities. The Committee kept Internal Audit's staffing levels under review throughout 2023.

The Committee has challenged and approved the Internal Audit plan and the mapping of that plan to the Group's principal risks and related mitigating controls, as set out on pages 064 to 073. The plan is kept under review to reflect the changing needs of the business and to ensure that new and emerging business risks are appropriately considered within it.

Internal audit independence

In all material respects, Computacenter follows the 'Internal Audit Code of Practice: Guidance on effective internal audit in the private and third sectors' published by the Chartered Institute of Internal Auditors in January 2020. In particular the Head of Internal Audit is ultimately responsible to the Chair of the Audit Committee, with a secondary reporting line to the Chief Financial Officer for administrative purposes only.

To guarantee its independence and objectivity Internal Audit does not:

- Set the Company's risk appetite.
- Impose risk management processes.
- Take decisions on risk mitigation or implement risk mitigation actions on behalf of business management.
- Perform operational duties, including the operation of policies and procedures.
- Initiate or approve accounting transactions.

In addition, the Audit Committee:

- Is responsible for the appointment and removal of the Head of Internal Audit.
- Approves the annual Internal Audit plan and budget.
- Receives regular updates from the Head of Internal Audit.

Performance of the Committee

Following last year's external assessment, an internal survey was performed to assess the current effectiveness of the Committee.

The review indicated that the Committee continues to perform effectively. No significant issues in the way the Committee functions were highlighted as being in need of remediation. The Committee agreed that it would continue to support and oversee the work of the internal and external auditors. In addition, there would be a focus on longer-term capital planning and investment analysis as well as planning for compliance with UK regulatory reform. Refer to pages 120 to 121 for further details on the internally facilitated evaluation carried out.

The integrity of the Group's relationship with the auditor and the effectiveness of the external audit process

External audit

The Committee oversees the Group's relationship with its auditor and makes recommendations to the Board concerning the appointment, reappointment and remuneration of the auditor.

Reappointment of the auditor

Following a review of the external auditor's effectiveness and further Committee discussions, the Committee has recommended to the Board that it propose the reappointment of Grant Thornton as the Group's auditor, for approval by the Company's shareholders at its 2024 AGM. Grant Thornton was first appointed as the Group's auditor with effect from May 2023, following a competitive tender process. The Committee will continue to review the performance of Grant Thornton, as set out below, on an annual basis.

Rotation of lead audit engagement partner

The lead audit engagement partner for the year ended 31 December 2023 was Ms Rebecca Eagle, who completed her first year in this role.

During the reporting period, the Company complied with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Committee Responsibilities) Order 2014.

Audit Committee report continued

Effectiveness of the external audit process
The Committee places great importance on ensuring a high-quality and effective external audit process. When conducting the annual review, the Committee considers the performance of the auditor as well as its independence, compliance with relevant statutory, regulatory and ethical standards, and objectivity.

The Committee has been extremely satisfied with the engagement and performance of Grant Thornton in its first year of appointment. Notable improvements include the presence of the audit team in the business, adoption of earlier audit procedures and more effective resolution of matters raised. The formal review of effectiveness will be reported to the Committee after the finalisation of the 2023 Annual Report and Accounts.

During the year the Committee reviewed the effectiveness and quality of the external audit process by:

- reviewing the audit plan, including identified significant risks and monitoring changes in response to new issues or changing circumstances, including supporting the performance of additional advanced procedures;
- reviewing the planned audit hours of each component;
- reviewing the audit scope with the lead audit engagement partner, to ensure adequate coverage of full-scope audit components over the Group's operations;
- understanding the materiality thresholds adopted by Grant Thornton at each reporting period, for both the audit of the Group and its key audit components;
- attending Grant Thornton's annual audit planning workshop, which was attended by senior members of the worldwide audit team and senior finance managers from across the Group;
- receiving reports on the results of the audit work performed; and
- considering the report of the FRC's Audit Quality Review team (AQRT) on Grant Thornton.

The Committee reviewed the Grant Thornton year-end report and discussed it with the lead audit engagement partner. The Committee further reviewed the effectiveness of the external audit process by means of a questionnaire, which was completed by key stakeholders and relevant Group Management. The matters covered by the questionnaire included the understanding of the business and its audit risks, and the degree of scepticism, challenge and competency of the Grant Thornton employees that comprise the audit team. The results were discussed as a specific agenda item at the Committee meeting immediately following the completion of the questionnaire process, and actions requested by the Committee to enhance effectiveness were followed up with a series of face-to-face meetings and continue to be monitored as appropriate.

The Committee also discussed the report published by the AQRT into the findings of its inspections of audits carried out by Grant Thornton. The Committee is satisfied that the audit team was aware of the findings and was provided assurance that the ability of the team to provide a quality audit was not impaired.

Auditor independence
The Committee places considerable importance on ensuring the continuing independence of the Group's auditor. This topic is reviewed at least annually with the auditor, which confirms its independence to the Committee twice a year. In addition to the above, the Company paid £0.3m during 2022 to Ernst & Young LLP to perform audit procedures to meet the requirements as a component auditor on the 2022 Group audit, reporting to the former Group auditor, KPMG LLP.

Non-audit services
To help maintain the auditor's independence, the Committee has a policy regarding the scope and extent of non-audit services provided by the Group's auditor, which is summarised below.

The auditor is appointed primarily to report on the annual and interim Consolidated Financial Statements. The Committee places a high priority on ensuring that the auditor's independence and objectivity is not compromised either in appearance or in fact. Equally, the Group should not be deprived of expertise where it is needed and there may be occasions where the external auditor is best placed to undertake other accounting, advisory and consultancy work, in view of its knowledge of the business, as well as confidentiality and cost considerations.

Under the Committee's non-audit services policy, the Group auditor should not be engaged to undertake work which constitutes a prohibited non-audit service, as defined under provision 5.167 of the FRC's Ethical Standard. Any other non-audit service (a Permitted Service) must, to the extent that it is not viewed as trivial, be approved in advance by the Committee.

In each case where the Group auditor is authorised to perform a Permitted Service, the Committee will assess threats to the auditor's independence and the proposed safeguards to be applied when such services are carried out. It will also document what action was taken by the Group auditor, including appropriate safeguards where necessary, to ensure that its independence was not compromised as a result of performing the Permitted Service. The Committee will consider alternative suppliers and competitive tenders and then discuss and document why it viewed the Group auditor as the most appropriate party to perform the Permitted Service.

The Committee monitors compliance with this policy by monitoring the level of non-audit work provided by the external auditor, resulting in non-audit fees being 6.3% of Grant Thornton's overall audit fee during 2023 (2022: 4.0% for the former Group auditor, KPMG LLP), as set out on page 196 of the Notes to the Consolidated Financial Statements. The Group auditor will, in no circumstances, undertake non-audit services for the Group to the extent that the total fee payable by the Group to its auditor exceeds 70% of the average annual statutory fee payable by the Group over the last three consecutive years. The Group ceased using the Group's auditor for all taxation services within the EU during 2017.

During the year, the only Permitted Service performed by Grant Thornton was the performance of the Interim Review. No other Permitted Services or trivial non-audit services were provided to the Group during the year.

Any other trivial non-audit services provided would be subject to Grant Thornton's review of the impact on its own independence against the Group's non-audit services policy and to ensure that they are not a prohibited non-audit service.

The Committee was satisfied that the independence of Grant Thornton, as Group auditor, was not affected.

Pauline Campbell
Chair of the Audit Committee
19 March 2024

Directors' Remuneration report

"The Committee continues to focus on ensuring that remuneration outcomes reflect executive performance and the value delivered by the Company to its shareholders."

Ros Rivaz
Chair of the Remuneration Committee

Areas of focus during 2023

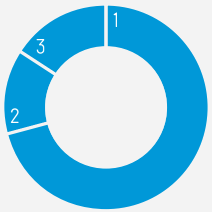
- Reviewed Annual Bonus and PSP measures and targets to ensure that they remain aligned with performance and strategy
- Ongoing consideration of sustainability measures in incentive plans
- Assessment of variable remuneration outcomes for the Executive Directors and the former CFO

Current members	Role	Attendance record
Ros Rivaz (Chair)	Senior Independent Director	5/5
Pauline Campbell	Independent Non-Executive Director	5/5
René Carayol	Independent Non-Executive Director	5/5
Ljiljana Mitic	Independent Non-Executive Director	4/5
Peter Ryan	Non-Executive Chair	5/5

Areas of focus during 2024

- Remuneration benchmarking for the Chair, Executive Directors, and Group Executive Committee roles
- Continued consideration of sustainability measures in incentive plans
- Review of performance measures and targets to ensure that they remain aligned with our strategy
- Interim review of the Remuneration Policy to ensure that it remains fit for purpose

How the Remuneration Committee spent its time



1. **Review of variable remuneration measures and targets**
   To ensure annual bonus measures and targets support the long-term success of the Group.
2. **Approval of remuneration outcomes**
   Including base salary reviews for 2024, and bonus and PSP vesting levels for performance periods ending 31 December 2023.
3. **Governance updates**
   Including on current market practice for remuneration hot topics, and related shareholder and investor proxy guidelines and expectations.

Annual statement from the Chair of the Remuneration Committee

Dear Shareholder,

On behalf of the Board, I am pleased to present the Directors' Remuneration report for the year ended 31 December 2023.

The report that follows is split into three sections:

- this Annual Statement;
- a summary of the existing Directors' Remuneration Policy (the Policy) on pages 141 to 144, which was approved by shareholders at the Company's 2023 AGM; and
- the Annual Report on Remuneration on pages 145 to 158, which includes information concerning the amount paid to the Executive and Non-Executive Directors in respect of 2023, and details of how the Policy will be implemented in 2024. It will be subject to an advisory vote by shareholders at the Company's 2024 AGM.

Our approach to remuneration

I would like to start by taking the opportunity to thank our shareholders for their ongoing support of the Committee in its work, as evidenced by the strong shareholder approval of both the Policy and Annual Report on Remuneration at the 2023 AGM, which both received over 99% of votes in favour.

Reflecting the Group's values and culture, we continue to prioritise a consistent approach to executive remuneration which is centred on the principle that the amount paid to the Executive Directors, and other members of the Group Executive Committee who also fall under the Committee's remit, should be clearly linked to performance and the value delivered to shareholders. Broader strategic factors, including diversity metrics, are included as part of the overall assessment of performance.

The executive remuneration structure at Computacenter is heavily weighted towards variable pay, which rewards stretching financial and strategic targets delivered over the short and long term. In being simple, straightforward and transparent, the Committee believes that the executive remuneration structure also reflects Computacenter's Winning Together Values and prioritises the long-term interests of the Group.

The Committee considers that the current remuneration arrangements promote and support the Group's long-term sustainable success, within a suitable risk framework which encourages alignment between Management's day-to-day decision-making and the Board's risk appetite. The Committee is of the view that our remuneration framework is clearly understood by the Group's stakeholders and Executive Directors and is comfortable that the Policy has operated as intended for outcomes related to the 2023 performance.

The Committee considers share ownership by the Executive Directors to be a key principle to support shareholder alignment. The CEO holds a significant interest in the Company's shares, with a holding far in excess of the minimum required by the Group's Minimum Shareholding Policy which is reviewed and approved by the Committee on an annual basis. Arrangements are in place that will require our new CFO, Chris Jehle, to build up his shareholding to the required value, and that also require our former CFO Tony Conophy, who retired from his role and the Company during the year, to hold Computacenter shares in line with our post-cessation of employment shareholding policy for a period of two years from 1 June 2023.

Business context – the year under review

A very strong finish to the year saw the Group achieve and exceed both its own internal profit-based targets, and external market consensus for adjusted profit before tax, both as set at the beginning of the year. Given the current macroeconomic environment and the significant investment the Group made during the year in its strategic initiatives to ensure that it remains competitive over the long term, the Board viewed this as a creditable performance.

The overall performance reflects the strength of our integrated Technology Sourcing and Services model, as well as our geographic diversity. The Technology Sourcing business saw strong revenue growth across the Group. Our Services revenue performance was solid, and the business was able to manage its margin position effectively within an ongoing inflationary environment. The relative strength of performance in the German and US businesses, and performance behind the Board's expectations in the UK, have also been reflected in remuneration outcomes for those members of the wider senior Management team who are overseen by the Committee.

Group adjusted profit before tax for the year increased by 5.4%, to £278.0m. Adjusted diluted EPS, our primary EPS measure, increased by 3.0% to 174.8p per share (2022: 169.7p per share) and our proposed 2023 full-year dividend has increased by 3.1%, to 70.0p per share (2022: 67.9p per share). Further detail on the Group's performance is set out earlier in the Annual Report on pages 036 to 047.

Remuneration outcomes

The Committee reviewed performance against the conditions set for the annual bonus for 2023.

The strong profit performance during the year, as summarised above, is reflected in the levels of pay-out for the Executive Directors, and the former CFO who, whilst employed with the Company, made a material contribution to the 2023 full-year result. The Group's cash position finished the year in excess of the Board's expectations, and leaves it well placed when considering the Company's strategic options to deliver value in 2024, whether through returning surplus capital to shareholders, further acquisitions, or investment in our strategy.

As a result, the CEO received 76.56% of the award at £782,269, and the CFO received 75.56% at £297,509, with 50% deferred into Computacenter shares. Details for the former CFO are set out later in this report.

The Performance Share Plan (PSP) awards granted in March 2021 had performance measures based on the Company's adjusted diluted EPS and Group Services revenue performance over the three financial years ended 31 December 2023. Over this period, the Company has seen significant growth, with an increase in adjusted diluted EPS of 11.41% per annum. The EPS and Group Services revenue targets were substantially met, and therefore 90.86% of the awards will vest and be subject to the two-year holding period.

The Committee considered the bonus and PSP formulaic outturns in the context of the external environment, the performance of the business, wider Company and individual performance, the shareholder experience, the customer experience, and the treatment of employees throughout the rest of the Group. Taking all of the above into account, the Committee considered the bonus and PSP outcomes to be a fair reflection of performance, and no discretion was exercised to vary the amount.

Chief Financial Officer transition

Following his period of outstanding service with the Company, Tony Conophy retired from his position as CFO and an Executive Director of Computacenter plc during the year. He stepped down from the Board on 1 June 2023 and remained employed by the Company until 31 July 2023 to ensure a comprehensive transition. Tony's remuneration was treated in accordance with the Company's approved Remuneration Policy and his service contract. Further detail is set out on pages 148 and 154.

Chris Jehle joined Computacenter as CFO on 1 June 2023. Details of Chris' remuneration arrangements on joining Computacenter were disclosed in last year's Directors' Remuneration Report. Further detail is set out on page 151.

Wider workforce considerations

In line with the Committee's broader responsibilities, it has reviewed information on broader workforce policies and practices, as well as the Company's gender pay gap and CEO pay ratio reporting. This information provided important context for the Committee's decisions taken during the year.

For 2024, the UK annual pay review budget was 4% with an average increase in salaries in the UK of circa 3.8%. In the context of a lower inflationary environment than that seen in 2022, the Committee and Board considered that this represents an appropriate balance between the 2023 performance of the Company, our ongoing aspiration to motivate and retain the best talent, cost pressures being felt by many of our employees, and ensuring a sustainable cost base for the business moving forward.

We continue to ensure that employees have an opportunity to share in our success through our Sharesave plan, which we have operated for many years. Following feedback provided by senior Management concerning the impact of higher interest rates across a number of our participating countries, and the options available to employees to utilise their disposable income to generate increased returns, either through personal savings or the paying down of debt, the Board decided to improve the terms on which participants are able to subscribe for shares in the Company. Following the launch of the most recent plan in 2023, the employee participation rate in these plans, where an employee is in at least one active savings plan, is 55% of all employees in the UK (2022: 55%) and 24.8% in Germany (2022: 23.9%). This is the fifth year of operation in the US business, with an overall participation rate of 18% of the US employees (2022: 21.6%).

2024 remuneration

The salaries for Mike Norris and Chris Jehle will be increased by approximately 3.8%, in line with the average wider UK workforce increase. The increases for the Executive Directors are considered appropriate in the context of both Company and individual performance. The 2024 bonus opportunity and PSP award level for the CEO will remain unchanged, at 150% and 200% of salary respectively. There will also be no change in the level of awards granted to the CFO, who will receive a bonus opportunity of 150% and PSP award equal to 175% of his salary.

During the year, the Committee undertook a comprehensive review of the targets and measures which apply for our remuneration plans. As a result of this review the following changes are being made. For the PSP awards to be made in 2024, we are introducing a new measure relating to EBIT growth in North America. This will be weighted at 15%, and will operate alongside the existing measures of compound annual EPS growth (unchanged at 70% weighting) and compound annual Services revenue growth (reduced to 15% weighting). This reflects and aligns with the Board's view that the market opportunity in the US is significant. We expect that our previous US acquisitions will have been substantively integrated into the Group at a point early in the three-year performance period for the 2024 PSP grant, allowing Management to push on and deliver the next phase of growth in our business there.

The Committee reviewed the existing EPS performance targets for the PSP, and considering the Group's internal financial targets, external market consensus and existing headwinds to performance determined that the existing EPS growth targets should be updated to better reflect our objective of appropriate levels of pay for performance whilst remaining sufficiently stretching with consideration to the Board's risk appetite. For the awards to be made in March 2024 to the Executive Directors, the EPS target range will be from 5% to 10% compound annual earnings per share growth over the three-year performance period. This change impacts all participants in the same PSP plan as the Executive Directors. Full details of the targets for the 2024 PSP awards are set out on page 158.

ESG continues to be included in the Executive Directors' annual bonus personal objectives. For the CEO they include an objective based on the progress made on the Group's Net Zero journey, diversity and inclusion, and also the development of Circular Services as a tool through which Computacenter can contribute to a sustainable environment, as well as assisting our customers on their own sustainability journeys. The Committee will continue to keep this area under review as our sustainability strategy continues to mature.

Committee performance

During the year, a review of the Committee and its activities was internally facilitated. The results of this evaluation have been reviewed and indicate that the Committee continues to be effective in its role. The latest review highlights that there is open and thorough debate prior to the Committee's decisions being made in a balanced and considered manner.

The results of the internal evaluation of the Board and its Committees are set out in more detail on page 121. The previous review at the end of 2022 highlighted that the Committee should continue to consider the way in which ESG factors were taken into account for remuneration purposes. This has been discussed by the Committee in the year, with an objective related to the growth and development of the Group's Circular Services business added to the annual bonus measures for the CEO alongside an additional environmental measure related to progress made on the Group's Net Zero plan. The Committee also held significant discussion on whether an ESG-related measure should be included within the PSP performance measures. Whilst the Committee concluded that an ESG measure would not be included in the PSP at this time, it will continue to keep this under review in 2024.

The Committee's role is to ensure that the remuneration paid to the Executive Directors reflects the Group's performance. I hope that, having read this report, shareholders will be satisfied that the Committee has discharged its duties appropriately and in line with your interests. The Committee and I would welcome any comments that you have on its content.

Ros Rivaz
Chair of the Remuneration Committee
19 March 2024

At a glance: implementation of the new Remuneration Policy for 2024 and key decisions in 2023

The table below summarises how key elements of the Remuneration Policy will be implemented in 2024 and key decisions taken by the Committee for the year ended 31 December 2023.

Element	Chief Executive Officer Mike Norris	Chief Financial Officer Chris Jehle
Base salary (from 1 January 2024)	£707,000 (Circa 3.8% increase for the CEO and CFO, in line with the wider UK workforce increase)	£467,000
Pension	5% (in line with UK employees)	5% (in line with UK employees)
Annual bonus opportunity	Maximum: 150% of salary	Maximum: 150% of salary
Annual bonus measures	• The majority of the bonus will be based on financial measures and the remainder will be based on non-financial measures. • For 2024, the financial measures are Group adjusted profit before tax (50%), Services contribution growth (10%), cash balance (10%), and cost efficiency (10%). • The remainder of the annual bonus (20%) will be based on stretching personal objectives for the year. • Performance measures will be disclosed in full retrospectively.	
Annual bonus deferral	• 50% of the annual bonus will be deferred into shares, with half the shares payable after one year and the remaining half after two years.	
Performance Share Plan (PSP) opportunity	Maximum: 200% of salary	Maximum: 175% of salary
PSP measures	• 2024 PSP awards will be based on the Group's adjusted diluted earnings per share (70%), Services revenue growth (15%) and North American business EBIT growth (15%). • Performance will be measured over a three-year period. • Targets are disclosed prospectively later in this report.	
PSP holding requirement	• PSP awards are subject to a two-year, post-vesting holding period.	
Shareholding guideline	• 200% of salary in-employment shareholding guideline. • Post-cessation shareholding requirements apply at the same level as the in-employment guideline (or actual shareholding, if lower) for two years after stepping down from the Board.	
Malus and clawback	• Malus and/or clawback provisions apply to annual bonus awards, including deferred awards for a period of two years, and to PSP awards up to the fifth anniversary of grant. • The malus and clawback provisions are set out in the Remuneration Policy later on in this report.	

CEO year-end outcomes:

2023 Bonus outcome	• 76.56% of maximum pay-out.
2021-23 PSP outcome	• 90.86% of maximum vesting.

Alignment of our policy with the UK Corporate Governance Code

The Committee considers that the current Remuneration Policy and its implementation appropriately address the following principles, as set out in the UK Corporate Governance Code.

Principle	How the Committee has addressed this
Clarity	• The Committee is committed to providing open and transparent disclosures with regard to executive remuneration arrangements. • As part of our ongoing review of remuneration arrangements, we engage with our major shareholders, and consult with them on material issues in order to allow their feedback to be considered by the Committee.
Simplicity	• In determining the remuneration framework, the Committee was mindful of avoiding complexity and ensuring that arrangements are easy to understand. Feedback we have received from our shareholders indicates that our executive remuneration framework is well understood outside our organisation. • Our remuneration arrangements are simple in nature, comprising three main elements – fixed pay (comprising of base salary, pension and benefits), variable short-term incentives (annual bonus), and variable long-term incentives (PSP awards). This framework is well understood by both participants and shareholders.
Risk	• The Committee believes that the structure of remuneration arrangements does not encourage excessive risk taking. • The remuneration framework has a number of features which align remuneration outcomes with risk, including a two-year, post-vesting holding period applied to any PSP awards, a deferred annual bonus plan and personal shareholding guidelines applying both in-employment and post-employment. • In addition, malus and clawback provisions apply to both the annual bonus and PSP awards.
Predictability	• The Remuneration Policy outlines the threshold, target and maximum levels of pay that Executive Directors can earn in any given year over the three-year life of the approved Remuneration Policy. Actual incentive outcomes vary depending upon the level of performance against various measures, with performance against targets normally disclosed in the Annual Report on Remuneration each year. Areas over which the Committee can exercise discretion are clearly outlined in the summary of the Directors' Remuneration Policy as set out from pages 141 to 144.
Proportionality	• The Committee is satisfied that the Remuneration Policy does not reward poor performance. Payment of the annual bonus and PSP is subject to the achievement of stretching performance targets, which are clearly linked to the Group's strategy. • Both the Committee and Executive Directors are cognisant of the pay and conditions for the wider workforce, and this is taken into account when considering executive remuneration. Feedback and related questions from our workforce are provided to the Workforce Engagement Director during her annual engagement process. • Additionally, the Committee retains the discretion to adjust formulaic outcomes under the annual bonus and/or PSP should it consider that the outcome is not aligned to the underlying performance of the Company or individual.
Alignment to culture	• The performance measures that are used for the annual bonus and PSP are clearly linked to delivery of the Group's strategic KPIs. In addition, 20% of the annual bonus is based on achievement against non-financial strategic targets, which ensures both financial and non-financial strategic goals are considered. As set out in the Chair's letter on page 136, the Committee believes that the remuneration structure is simple, straightforward and transparent, reflecting Computacenter's Winning Together Values (especially 'Considering the long term' and 'Understanding people matter').

Computacenter's Remuneration Policy

The table below sets out the main components of Computacenter's Directors' Remuneration Policy, which was approved by way of a binding vote at the Company's general meeting on 17 May 2023. The full policy can be found on the Company's website at investors.computacenter.com.

Policy table

Base salary	
Purpose and link to strategy	Supports the recruitment and retention of executives of the calibre required to deliver the Group's strategy.
Operation	Base salaries are paid in cash and reflect an individual's responsibilities, performance, skills and experience. Normally reviewed annually with any changes typically effective on 1 January, taking into account the factors above and the level of pay settlements across Computacenter Group, the performance of the business and general market conditions. Salary levels at other organisations of a similar size, complexity and business orientation will be reviewed for guidance. A review may not necessarily result in an increase in base salary. An exceptional review may take place to reflect a change in the scale or scope of a Director's role, for example (but not limited to) a major acquisition. Salaries in respect of the year under review (and for the following year) are disclosed in the Annual Report on Remuneration.
Maximum opportunity	There is no prescribed maximum base salary or maximum annual increase. Ordinarily any salary increase will not exceed our standard approach to increases for other employees in the Group. Higher increases may be considered in certain circumstances as required, for example, to reflect: • an increase in scope of role or responsibility; • performance in role; or • an Executive Director being moved to appropriate market positioning over time.
Performance measures	Individual and business performance are taken into consideration when deciding salary levels.

Annual bonus	
Purpose and link to strategy	To incentivise the delivery of annual, short-term, stretching financial and normally also non-financial objectives. To align pay costs to affordability and the value delivered to shareholders.
Operation	Performance measures and targets are set at the beginning of each financial year. Performance is normally assessed over one financial year. Normally, 50% will be paid in cash and 50% will be deferred into Computacenter shares, with half the shares payable after one year and the remaining half after two years, unless the Committee determines otherwise. Deferred awards will normally be granted under the Deferred Bonus Plan. Deferred awards will usually include the right to receive dividend equivalents in respect of dividends paid, calculated on such basis as the Committee determines. Malus and clawback provisions will apply, as set out in the notes to this table. The Committee has discretion to vary bonus payments downwards or upwards in appropriate circumstances, including if it considers the outcome would not be a fair and complete reflection of performance. To the extent that this discretion is exercised, this will be disclosed in the relevant Directors' Remuneration report.
Maximum opportunity	The maximum annual bonus opportunity in respect of any financial year is 150% of base salary. Bonus opportunities in respect of the year under review (and for the following year) are disclosed in the Annual Report on Remuneration.
Performance measures	Normally, the majority of the bonus will be based on financial measures and the remainder on non-financial measures. Financial measures may include profitability, cost management, cash management and other appropriate measures. Non-financial targets will be targets set by the Committee, including the delivery of our strategy and/or the Executive Directors' personal objectives for the year. Targets are usually reviewed and approved annually by the Committee, to ensure that they are stretching and adequately reflect the strategic aims of the Group. The Committee determines the threshold and target payout levels each year, taking into account the level of stretch in the targets set. The level of overall bonus award which is payable for threshold performance will not normally exceed 30% of the maximum opportunity.

Directors' Remuneration report continued

Performance Share Plan (PSP)	
Purpose and link to strategy	To align the interests of Executive Directors and shareholders. To incentivise the achievement of longer-term profitability and returns to shareholders, and growth of earnings in a stable and sustainable manner.
Operation	Awards of nil-cost options (or equivalent) which are granted on a discretionary basis and will normally vest subject to performance and continued employment at the end of a performance period, which is usually at least three years. PSP awards will normally be subject to a two-year holding period following vesting. The shares held during the holding period will include the right to receive dividend equivalents on the vested shares in respect of dividends paid over the period from the end of the performance period to the date on which the Executive Director is first able to acquire shares pursuant to the award, calculated on such basis as the Committee determines. The Committee normally reviews the performance criteria, targets and weightings prior to each grant in line with business priorities, to ensure they are challenging and fair. The Committee has discretion to vary the percentage of awards vesting downwards or upwards in appropriate circumstances, including if it considers that the outcome would otherwise not be a fair and complete reflection of performance over the performance period. Awards are subject to malus and clawback provisions, as set out in the notes to this table.
Maximum opportunity	The maximum opportunity under the PSP in respect of any financial year is 200% of annual base salary or 400% of annual base salary in exceptional circumstances, in line with the current PSP Plan Rules as approved by shareholders. The face value of awards in respect of the year under review (and for the following year) are disclosed in the Annual Report on Remuneration. For achievement of a threshold performance level (which is the minimum level of performance that results in any part of an award vesting), no more than 25% of the award will vest.
Performance measures	Earnings per share is currently the primary measure for our Performance Share Plan, but the Committee may exercise its discretion to introduce additional or alternative measures which are aligned to the delivery of the business strategy. Details of the performance conditions applied to awards granted in the year under review and to be granted in the forthcoming year are set out in the Annual Remuneration Report for the relevant year.

Retirement benefits	
Purpose and link to strategy	To provide an income for retirement.
Operation	No special arrangements are made for Executive Directors, who are entitled to become members of the Group's defined contribution pension scheme, which is open to all UK employees, or the pension plan relevant to the country where they are employed if different. If the Executive Director so chooses, he/she may take some or all of the pension contribution as a cash alternative, which will be the same percentage of salary as the pension contribution foregone.
Maximum opportunity	The maximum pension contribution or allowance for Executive Directors will be in line with that available to UK employees or to participants in the pension plan in the relevant country. For UK employees, this is currently 5% of salary.
Performance measures	n/a

Other benefits	
Purpose and link to strategy	To provide a competitive level of employment benefits.
Operation	No special arrangements are generally made for Executive Directors. Benefits currently include (but are not limited to): • a car benefit appropriate for the role performed; • participation in the Company's private health and long-term sickness schemes; • life insurance and income continuance schemes; and • participation in all-employee share plans, on the same basis as other eligible employees. If new benefits are introduced for a wider employee group, the Executive Directors shall be entitled to participate on the same basis as other eligible employees. If, in the opinion of the Committee, a Director must relocate to undertake and properly fulfil his/her executive duties, relocation benefits may be provided, which may include a cash payment to cover reasonable expenses. Reimbursed expenses may include a gross-up to reflect any tax due in respect of the reimbursement.
Maximum opportunity	There is no maximum level of benefits provided to an individual Executive Director, as the cost of benefits is dependent upon costs in the relevant market. Benefits will be set at levels which are competitive, but not excessive. Participation by Executive Directors in any all-employee share plan operated by the Company is limited to the maximum award levels permitted by the plan rules from time-to-time and, in the case of any UK tax qualifying plan, the limits prescribed by the relevant tax legislation.
Performance measures	n/a

Directors' Remuneration report continued

Chair and Non-Executive Director fees

Purpose and link to strategy	To ensure that the Group is able to attract and retain experienced and skilled Non-Executive Directors.
Operation	Fee levels are determined with reference to the scope of responsibilities and the amount of time that is expected to be devoted during the year and taking into account the fee levels paid by other companies of similar size and complexity. No individual is involved in the process of setting his/her own remuneration. Fee levels may be reviewed annually. They may also be increased on an ongoing or temporary or ad hoc basis, to take into account changes in the working of the Board and/or changes in responsibilities. The Chair of the Board receives a fixed fee. Other Non-Executive Directors receive a basic fee and additional fees are payable for Chairing the Board's Committees and for the additional responsibility of being the Senior Independent Director and may also be paid to other Non-Executive Directors to reflect additional time commitments and responsibilities. Fees are normally paid in cash. Travel expenses, hotel costs and other benefits related to the performance of the role, including any tax due, are also paid where necessary. Fees in respect of the year under review (and for the following year) are disclosed in the Annual Report on Remuneration. Non-Executive Directors do not participate in any of the Group's incentive arrangements or share schemes and are not eligible for pension or other benefits.
Maximum opportunity	Maximum in line with the Company's Articles of Association.
Performance measures	n/a

Share ownership guidelines for Executive Directors

Purpose and link to strategy	To strengthen alignment between Executives and shareholders.
Operation	Levels are set in relation to annual base salary, and are normally required to be built over a five-year period. The Committee retains discretion to vary this period on an individual basis, if it believes that it is fair and reasonable to do so. Options which have vested unconditionally, but are as yet unexercised, and shares subject to deferred bonus awards and PSP awards which are in the holding period but which are no longer subject to performance conditions, will be included on a net of tax basis, for the purposes of calculating shareholdings, as will shares held by an Executive's spouse or dependents. Post-cessation of employment, Executive Directors are also expected to remain aligned with the interests of shareholders for an extended period after leaving the Company, other than in exceptional circumstances. Details of the application of this policy are set out in the Annual Report on Remuneration. The Committee will regularly review the shareholding guidelines. It has discretion to disapply or reduce the share ownership guidelines in extenuating circumstances, for example in compassionate circumstances.
Maximum opportunity	There is no maximum, but minimum levels have been set at 200% of base salary for both the current CEO and CFO. Non-Executive Directors are not required to hold shares in the Company. Executive Directors who have not yet met their shareholding requirement will normally be expected to retain at least 50% of any deferred bonus awards and PSP awards which vest (net of tax) until such time as this level of holding is met.
Performance measures	n/a

Directors' Remuneration report continued

Malus and clawback

Malus and clawback provisions apply to the annual bonus and Performance Share Plan. For awards paid or granted in respect of 2020 onwards, the provisions are set out below.

Malus and/or clawback may apply to annual bonus awards, including deferred awards for a period of two years and to Performance Share Plan awards in the period up to the fifth anniversary of grant, in the event of:

- a material misstatement of results;
- gross or serious misconduct;
- an error or misstatement which has resulted in a material overpayment to the participants;
- a significant failure of risk management within the Company or any Group Member;
- significant reputational damage to the Company or any Group Member;
- the participant leaving in circumstances which, had all the facts been known, would have resulted in the award lapsing; or
- any other circumstances that the Committee, in its discretion, considers to be similar in nature or effect to those above.

The malus and clawback provisions that apply to awards prior to the dates set out above are in line with the relevant policy in force at the time the awards were made.

Explanation of performance measures

The performance measures in respect of variable remuneration included in the Policy are based on a combination of financial and strategic measures, with an emphasis on the financial performance of the Group, and therefore to the value that the business delivers to its shareholders. The Company is committed to long-term earnings per share growth through increased profitability and prudent use of cash generation, with a Services-led strategy. This commitment is reflected in the current measures used to motivate and incentivise our management team through the annual bonus and PSP. The Committee may make changes to the performance measures in future years to align them with the business strategy at that time.

The Committee usually reviews on an annual basis the potential performance criteria and targets for the annual bonus and PSP, with further detail set out in the Annual Report on Remuneration.

Performance conditions applying to any award may be amended or substituted by the Committee if an event occurs which causes the Committee to determine an amended or substituted performance condition would be more appropriate and not materially less difficult to satisfy.

Remuneration arrangements across the Group

Whilst the Company does not feel it appropriate to consult directly with employees when drawing up the Directors' Remuneration Policy, the Committee has considered any feedback received via employee engagement surveys and from the regular meetings the CEO and Chief People Officer conduct with employee representative bodies in each of our major geographies.

The Remuneration Committee Chair, Ros Rivaz, was appointed in 2017 as the designated Non-Executive Director to facilitate engagement with the wider workforce, to assist the Board in understanding the views of Computacenter's employees. This involves attending Works Council meetings and other employee events and feeding back the views raised by employees to the Board. These events have provided a valuable opportunity for employees to share their views freely on a range of topics. Ros welcomed questions on a broad range of topics including executive remuneration, and how this aligned with Group pay policy, noting that base salary increases for the Executive Directors in 2023 were below those for the wider UK workforce. Further information on the role and the activities of the Workforce Engagement Director is on page 059.

Annual Report on Remuneration

Responsibilities of the Remuneration Committee

The key responsibilities of the Remuneration Committee are to determine on behalf of the Board:

- the Company's general policy on executive remuneration; and
- the specific remuneration packages of the Executive Directors, the Chair of the Board and senior Executives of the Group including, but not limited to, base salary, pension, annual performance-related bonuses and PSP awards.

The fees of the Non-Executive Directors are determined by the Chair and the Executive Directors. All Directors are subject to the overriding principle that no person shall be involved in the process of determining his or her own remuneration.

The full responsibilities of the Committee are contained within its Terms of Reference, which are available on the Company's website at investors.computacenter.com.

Membership and attendance

The Remuneration Committee is made up of independent Non-Executive Directors and the Chair of the Board, who was considered to be independent on appointment. Details of the membership of the Committee and attendance of the members at Committee meetings during the year, are provided on page 136.

The CEO attends meetings by invitation, as does the Chief People Officer. The Company Secretary is the secretary to the Committee.

The principal advisor to the Committee is Deloitte LLP (Deloitte), which was selected by the Committee in September 2016 by way of a tender process.

The total fees paid to Deloitte in relation to advice to the Committee in 2023 were £57,000. The Committee considers the advice that it receives from Deloitte LLP to be independent. During the year, Deloitte also provided consulting, tax and share plan advice to the Company. Deloitte is a founding member of the Remuneration Consultants Group and, as such, voluntarily adheres to its Code of Conduct.

Directors' information

The following pages illustrate how we have applied our Remuneration Policy during 2023, and describes all elements of remuneration received by our Directors.

Audited information

The audited tables and related notes are identified within this report, using **A** key.

A

Single figure of total remuneration

The total amount paid by the Company to each of the Directors, in respect of the financial years ended 31 December 2023 and 2022, is set out in the tables that follow.

Year ended 31 December 2023

	Salary or fees £'000	Benefits £'000	Pension £'000	Total fixed pay £'000	Annual bonus £'000	PSP awards £'000	Replacement Awards £'000	Total variable pay £'000	Total £'000
Executive									
Mike Norris	681.2	16.3[1]	29.9	727.4	782.3	1,245.2[2]	–	2,027.5	2,754.9
Chris Jehle[3]	262.5	7.0[1]	11.5	281.0	297.5	–	533.4[4]	830.9	1,111.9
Tony Conophy[5]	233.0	9.5	10.2	252.7	222.5	705.7[2]	–	928.2	1,180.9
Non-Executive									
Peter Ryan	230.6	–	–	230.6	–	–	–	–	230.6
Pauline Campbell	80.2	–	–	80.2	–	–	–	–	80.2
René Carayol	60.4	–	–	60.4	–	–	–	–	60.4
Philip Hulme	54.9	–	–	54.9	–	–	–	–	54.9
Ljiljana Mitic	60.4	–	–	60.4	–	–	–	–	60.4
Peter Ogden	54.9	–	–	54.9	–	–	–	–	54.9
Ros Rivaz	80.2	–	–	80.2	–	–	–	–	80.2
Total (£'000)	1,798.3	32.8	51.6	1,882.7	1,302.3	1,950.9	533.4	3,786.6	5,669.3

Directors' Remuneration report continued

Year ended 31 December 2022

	Salary or fees £'000	Benefits £'000	Pension £'000	Total fixed pay £'000	Annual bonus £'000	PSP awards £'000	Total variable pay £'000	Total £'000
Executive								
Mike Norris	650.0	16.5[1]	28.4	694.9	271.5	2,372.7[6]	2,644.2	3,339.1
Tony Conophy	381.2	17.0[1]	16.6	414.8	123.2	1,345.1[6]	1,468.3	1,883.1
Non-Executive								
Peter Ryan	220.0	–	–	220.0	–	–	–	220.0
Pauline Campbell	76.4	–	–	76.4	–	–	–	76.4
René Carayol[7]	9.6	–	–	9.6	–	–	–	9.6
Rene Haas[8]	52.8	–	–	52.8	–	–	–	52.8
Philip Hulme	52.4	–	–	52.4	–	–	–	52.4
Ljiljana Mitic	57.6	–	–	57.6	–	–	–	57.6
Peter Ogden	52.4	–	–	52.4	–	–	–	52.4
Ros Rivaz	76.4	–	–	76.4	–	–	–	76.4
Total (£'000)	1,628.8	33.5	45.0	1,707.3	394.7	3,717.8	4,112.5	5,819.8

1 The benefits figure represents the taxable benefit arising from cash allowances paid in lieu of the provision of company car and other travel-related benefits for the CEO and the provision of a company car for the CFO.
2. This relates to the 2021 PSP awards that vested in March 2024 and which had a performance period of 1 January 2021 to 31 December 2023. The relevant performance criteria were partially achieved and therefore 90.86% of the award vested for the CEO. This calculation is based upon the average value of a Computacenter plc share over the last quarter of 2023 being £26.52. The PSP value attributable to share price growth since the awards were granted is £223,975 and £126,930 for the CEO and Tony Conophy (former CFO) respectively. The Committee did not exercise its discretion to change the value of awards vesting based on the share price appreciation or depreciation during the period.
3. Chris Jehle was appointed to the Board on 1 June 2023.
4. Chris Jehle was granted a number of Replacement Awards to compensate him for those awards forfeited as a result of leaving his previous employer, Experian plc. Further detail on the amount and structure of these awards is set out on page 151. The value in the table above relates to his replacement bonus (£262,500) and replacement restricted stock units (RSUs) delivered in cash (£135,464) and as nil-cost options over Computacenter shares (£135,484). The replacement RSU options will vest on 1 July 2025.
5. Tony Conophy stepped down from the Board on 1 June 2023 and the figures in the table above cover the period until his retirement date of 31 July 2023. Further details of his leaving arrangements are set out on page 154.
6. The value of the 2020 PSP awards has been updated to reflect the actual share price at vesting on 31 March 2023 of £21.38.
7. René Carayol was appointed to the Board on 1 November 2022.
8. Rene Haas stepped down from the Board on 1 December 2022.

Remuneration paid in 2023: Executive Directors

2023 base salary

The Company provides competitive salaries to reflect individual responsibilities, performance, skills and experience which supports the recruitment and retention of executives of the calibre required to deliver the Group's strategy. As disclosed in last year's Annual Report on Remuneration, the annual salaries of the CEO and the former CFO were increased by 4.8% to £681,200 and £399,500 respectively, effective 1 January 2023. This increase was below the average wider workforce increase for the year. The new CFO, Chris Jehle, joined as the Group's CFO with a salary of £450,000 with effect from 1 June 2023.

2023 annual bonus

The annual bonus incentivises the delivery of annual, short-term, stretching financial and non-financial objectives. The maximum bonus opportunity in 2023 was 150% of base salary for the CEO and 150% of base salary for the CFO (pro-rated to reflect his appointment date of 1 June 2023). Half of the bonus will be deferred into Computacenter shares, with half payable after one year and half payable after two years.

The 2023 annual bonus opportunity was driven by the financial performance of the business and individual targets for each Director. For the year ended 31 December 2023, 80% of this award was conditional on the achievement of criteria linked to the financial performance of the Group. These targets were set by the Committee with reference to the Group's strategic and financial plans, as approved by the Board. The non-financial personal objectives set for the Executive Directors were based principally on delivery against the Group's strategic KPIs, integration of acquisitions, the Group's environmental commitments and certain people-related objectives, including organisational design and progress on diversity and inclusion. The Committee is comfortable with the level of pay-out under the personal objectives given the strong individual and strategic performance during the year, further detail of which is set out in the following table, and the fact that the profit threshold was significantly exceeded in the year.

The table below sets out the targets and achievement thereof for the awards made to the CEO and CFO.

Supporting context for the 2023 annual bonus outcomes is provided in the Remuneration Committee Chair's letter on page 136.

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The table below sets out details of the annual bonus criteria which applied for the Executive Directors for 2023 and the performance delivered:

	As a percentage of maximum bonus opportunity	Performance required				Actual % achieved		Payout £'000	
		Threshold	Target	Stretch	Maximum				
Measure						CEO	CFO	CEO	CFO
Financial criteria									
Profit before tax (£m)	50%	263.7	268.5	273.3	287.0	275.5[1]		381.4	147.0
Percentage payout		10%	20%	35%	50%	37.32%			
Services contribution growth (£m)	10%	307.9	325.1	342.2	342.2	323.2		73.9	28.4
Percentage payout		5%	7.5%	10%	10%	7.24%			
Cash balance (£m)	10%	140.8	164.3	187.8	187.8	298.3		102.2	39.4
Percentage payout		5%	7.5%	10%	10%	10.0%			
Costs 2023 (%)	5%	33.4%	33.8%	34.1%	34.1%	34.1%[2]		51.1	19.7
Percentage payout		3%	4%	5%	5%	5.0%			
Costs 2024 (%)	5%	34.8%	35.2%	35.5%	35.5%	33.5%[3]		0.0	0.0
Percentage payout		3%	4%	5%	5%	0.0%			
Non-financial criteria									
Personal objectives	20%	0%	7.5%	15%	20%	17.0%	16.0%	173.7	63.0
Total	100%	26%	50.5%	80%	100%	76.56%	75.56%	782.3	297.5

1. Profit before tax represents Group adjusted profit before tax on a currency adjusted basis excluding the results of the entities acquired during the year which were not included in the targets.
2. The measure represents the actual percentage of gross profit retained as adjusted operating profit, after costs, within the core UK, German and French geographies for 2023.
3. The measure represents the targeted percentage of gross profit to be retained as adjusted operating profit, after costs, within the core UK, German and French geographies for 2024.

Directors' Remuneration report continued

The former CFO Tony Conophy, stepped down from the Board on 1 June 2023, and left the Company as a good leaver, following a transition to Chris Jehle, on 31 July 2023.

As disclosed last year, as a good leaver Tony was eligible to participate in the annual bonus in respect of the 2023 financial year of up to 125% of salary, pro-rated for time up to his retirement date and subject to deferral. As he was only employed for part of the year, his bonus was based on PBT (80%) and personal objectives (20%) only. The PBT outcome was 59.71%, on the same basis as for the other Executive Directors as disclosed on page 147. The outcome of the personal objectives was 16.67%. This resulted in a total bonus for Tony of £222,504, equivalent to 76.38% of his maximum bonus potential. The figure shown in the single figure table is for the period Tony was employed by the Company in 2023. The total bonus is subject to deferral on the same basis as for the other Executive Directors.

The personal objectives for the Executive Directors, and the former CFO, are subject to a profit performance underpin and, for 2023, are related to the following:

Objectives	Progress in the year
CEO	
Continue to drive the agenda for a diverse and inclusive workforce with a particular focus on gender and ethnicity	Female representation across the whole employee base at the end of 2023 is at 28%, and we are on track to meet our corporate objective of 30%. Progress towards meeting our corporate objective of having a 25% female mix for our senior leadership continued with a mix of 24.2% achieved, showing 8% growth since the targets were introduced in 2020. We continued to drive a number of initiatives to support this objective, including our third Senior Women Development Programme completed in September 2023, with delegates across North America, UK, France, Germany and Spain. Where possible, we captured data on the ethnicity of our workforce and continue to develop our commitment to inclusion and diversity across the Group, driven through our Employee Impact Groups and focusing on engagement, education, career development and social outreach. We continued to get good scores through employee surveys, with an inclusion score of 88% across the Group.
Development of plan to enable the Group to meet its commitment to be Net Zero across Scope 1, 2 and 3 emissions by 2040 including appropriate milestones	We formulated our Sustainable Operations Strategy in line with our Net Zero ambitions, supported by Science Based Target Initiative carbon GHG calculations with a 2032 milestone, one of the first resellers in the world to receive this sign-off. We ensured actions would be sustainable and work would be done in collaboration with technology vendors. The sustainability reporting outlook was reviewed, based on both current and forthcoming mandatory, competitive and ratings agency categories, and good progress was made in preparation for both TCFD improvement and CSRD implementation. Introduction of new strategy and targets around Circular Services.
Drive the next phase of integration of recent acquisitions in North America, and ensure that performance is in line with Group expectations for the region	Significant progress was made in 2023 in regard to North American integration where Group cultural alignment was driven, as evidenced by employee feedback and surveys. The 2023 EBIT performance for North America was above Group expectations for the year. There was also a successful restructure of the sales force and a new sales administration hub built in Atlanta.
Effective execution of the Information Systems roadmap	We continued to execute the roadmap, enhanced our systems and upgraded to current versions of our core applications. We continued to ensure that our systems and tools align to offer simplicity of use where possible, enhanced productivity and better customer outcomes in terms of effectiveness for technology delivery, which will be key to our future competitiveness. We also made some leadership changes and successfully reorganised parts of the function which should enable us to go faster with our Information Systems roadmap.
Succession planning and organisational design	Material progress with succession planning took place in 2023, with the new CFO and CIO successfully transitioned into their respective roles. We further developed our overall management talent with potential successors identified for key roles. There was also significant progress on our organisational redesign to optimise the operating structure and facilitate growth across the Group.

Directors' Remuneration report continued

Objectives	Progress in the year
CFO	
Drive the agenda for a diverse and inclusive workforce	Female representation across the whole employee base at the end of 2023 is at 28%, and we are on track to meet our corporate objective of 30%. Progress towards meeting our corporate objective of having a 25% female mix for our senior leadership continued with a mix of 24.2% achieved, showing 8% growth since the targets were introduced in 2020.
Development of Group investor relations strategy	Analysis was undertaken to assess best practice and determine an engagement programme for investor relations. A new Head of Investor Relations was successfully onboarded and we appointed and onboarded two new brokers. Good progress was made on developing Computacenter's investment case and new systems were set up to assist with shareholder engagement.
Develop and drive the changes required to the Group IT Systems roadmap with a focus on Finance to enhance performance	A detailed review was undertaken of the applicable IT system areas and a subsequent programme was designed and launched to define the roadmap and operating model for the future. There was also a specific focus on the Finance roadmap with analysis and design of the end-state finance systems, analytics platforms and architecture design to deliver the vision, as well as transition phases and measures of performance.
Review, transform, and simplify back-office processes	Progress was made in streamlining functions within the Group and outlining a forward-looking plan to advance actions to deliver opportunities for transformation and efficiency, with the aim of enabling better customer service and improvement in working capital. Initiatives have been agreed with the Executive Team that will deliver material value to the business.
Advance the finance and facilities functions and create a people and communications plan	Analysis has identified areas of focus and, following this, we have launched a transformation project. The goal is to enhance business partnering, provide better insights, and improve efficiency across both transactional finance and commercial capabilities. Clear and concise definitions for goals, scope and outcomes were defined and will be utilised in the next step of the project.

Objectives	Progress in the year
Former CFO	
Ensure a smooth audit transition	Facilitated a successful transition to the new auditor.
Review role activities and conclude on areas of transition to Executive members	Relevant responsibilities were handed over to designated Executive members over the course of the period, with assistance given to enable this process to take place efficiently.
Further develop inventory and working capital arrangements and systems	Further progress was made towards effective strategic change with a concerted effort to remedy existing issues. Additional action to ensure that changes implemented are systemic will be required in the future.

PSP

PSP awards incentivise the achievement of long-term profitability, returns to shareholders, and growth of earnings in a suitable and sustainable manner. The PSP awards granted to Executive Directors with a performance period ending on 31 December 2023 vested at 90.86%, pursuant to the 2021 PSP plan, as the relevant performance criteria were partially achieved. The vested awards are subject to a two-year holding period before release to the current CEO, and the former CFO.

Vesting of these awards to the CEO, and the former CFO, was dependent upon the achievement of the following performance measures over a three-year period:

The compound annual growth rate of the Group's adjusted diluted earnings per share (EPS) – 70% weighting

Performance level*	Adjusted diluted EPS CAGR
Maximum (100% vesting)	12.50%
In line with expectations (50% vesting)	8.33%
Threshold (10% vesting)	5.00%

* Vesting occurs on a straight-line basis in between these thresholds.

The EPS number used for the base year of this award (i.e. EPS in 2020) is consistent with the EPS number that was used to calculate the vesting of the 2018–2020 PSP. On this basis, the growth in adjusted diluted EPS during the period 1 January 2021 to 31 December 2023 was 11.41% per annum. This resulted in 86.94% of this element vesting.

Services revenue growth – 30% weighting (measured on a constant currency basis)

Performance level*	Services revenue CAGR
Maximum (100% vesting)	7.5%
In line with expectations (50% vesting)	5.5%
Threshold (25% vesting)	3.5%

* Vesting occurs on a straight-line basis in between these thresholds.

The Services revenue growth during the period 1 January 2021 to 31 December 2023 was 9.72% per annum. This resulted in 100% of this element vesting. As set out in the Annual Statement from the Chair of the Remuneration Committee on page 136, the Committee considered the PSP formulaic outturn in the context of wider Company performance and the wider stakeholder experience, and considers that the outcome is a fair reflection of performance over the performance period.

Remuneration awards granted in 2023: Executive Directors

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Share plan interests awarded during the year

The table below details awards made during 2023 under the PSP plan. The performance conditions for these awards are set out in more detail on the following page. Any awards that vest will be subject to a two-year holding period.

Year ended 31 December 2023

	Plan/type of award	Number of shares	Face value at time of grant	Performance conditions applied	Amount vesting related to threshold of performance: Threshold performance (% of face value)	Amount vesting related to threshold of performance: Maximum performance (% of face value)	Performance period set
CEO	PSP – nil cost option	60,437	£1,300,000[1]	Compound growth of Company EPS (70%)	10%	100%	Three financial years from 1 January 2023
				Compound growth of Services revenue (30%)	25%	100%	
CFO	PSP – nil cost option[3]	33,973	£787,500[2]	Compound growth of Company EPS (70%)	10%	100%	Three financial years from 1 January 2023
				Compound growth of Services revenue (30%)	25%	100%	

1. This is based on the average mid-market share price of Computacenter plc on the three immediately preceding business days from the 6 April 2023 grant, being £21.51.
2. This is based on the average mid-market share price of Computacenter plc on the three immediately preceding business days from the 5 June 2023 grant, being £23.18.
3. Award made to Chris Jehle on his appointment to the Board.

Directors' Remuneration report continued

Vesting of these awards to each Executive Director will be dependent upon achieving the performance measures over a three-year period, as follows:

The compound annual growth rate of the Group's adjusted diluted earnings per share (EPS) – 70% weighting	
Performance level*	**Adjusted diluted EPS CAGR**
Maximum (100% vesting)	12.5%
In line with expectations (50% vesting)	8.33%
Threshold (10% vesting)	5.0%

* Vesting occurs on a straight-line basis in between these thresholds. As disclosed last year, the base year of this award (i.e. EPS in 2022) will be consistent with the EPS number that was used to calculate the vesting of PSP awards granted for the performance period 2020-2022.

Services revenue growth – 30% weighting (measured on a constant currency basis)	
Performance level*	**Services revenue CAGR**
Maximum (100% vesting)	7.5%
In line with expectations (50% vesting)	5.5%
Threshold (25% vesting)	3.5%

* Vesting occurs on a straight-line basis in between these thresholds.

The table below details awards made during 2023 under the deferred bonus plan.

	Plan/ type of award	Number of shares	Face value	Vesting date
CEO	DBP[2] – Conditional Share	6,312	£135,771[1]	50% – 30/03/2024 50% – 30/03/2025
Former CFO	DBP[2] – Conditional Share	2,863	£61,583[1]	50% – 30/03/2024 50% – 30/03/2025

1. This is based on the average mid-market share price of Computacenter plc on the three immediately preceding business days from grant, being £21.51.
2. These are not subject to any other performance conditions.

Replacement awards

In addition to the awards set out above, upon appointment Chris Jehle was made cash and share awards to replace unvested awards forfeited as a consequence of leaving his former employer to join Computacenter. The Committee took into account the form of award, time horizons and extent to which performance conditions applied to the original awards. Full details of the awards, which were disclosed last year, are set out below.

- An award to replace restricted shares granted by his former employer which were due to vest in June 2023 and based on the value of the forfeited shares at that point. Taking into account Chris's start date, the Committee agreed to extend the time horizon of this award, with 50% of the award delivered in cash upon joining in June 2023 (£135,464). The remaining 50% of the award was delivered as a nil-cost option over Computacenter shares. There are no outstanding conditions left which either the Company or Chris must fulfil in order for this award (value at grant of £135,484) to vest on 1 July 2025.
- An award to replace a 2022 performance share award which was also forfeited. To ensure incentivisation against Computacenter performance from joining, this award was replaced with a PSP award subject to the same Computacenter performance measures and targets as those applying to the 2022 award made to the CEO, as disclosed in the 2022 Annual Report (value at grant of £321,807). In line with the time horizon of the forfeited award, the award will vest in June 2025, subject to performance.
- Chris also received compensation for the estimated value of the annual bonus which would have been made by his former employer for the financial year ended 31 March 2023. The amount paid (£262,500) took into account an estimate of performance and was lower than the bonus outturn in the prior two years. The bonus was paid in cash, to mirror the form of the forfeited award.

Plan/type of award	Number of shares	Face value[1]	Vesting date
Replacement PSP award[2] – nil-cost option	13,527	£321,807	5 June 2025
Replacement RSU award – nil-cost option	5,695	£135,484	1 July 2025

1 Based on the average middle market closing quotation, as derived from the Daily Official List of the London Stock Exchange, for the 30 days to and including 2 June 2023 (£23.79).
2 The PSP award is based on the same performance measures and targets as for the CEO's 2022 PSP award. Further detail is set out in the 2022 Annual Report. As previously disclosed, there is no post-vesting holding period for this award.

Directors' Remuneration report continued

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Executive Director outstanding share awards as at 31 December 2023

Directors' interests in share plans

	Plans	Note	Exercise/share price	Exercise period	At 1 January 2023	Granted during the year	Exercised during the year	Lapsed during the year	At 31 December 2023
Mike Norris	Sharesave	1	1,011.0p	01/12/24 – 31/05/25	2,967	–	–	–	2,967
	PSP	3	Nil	31/03/23 – 20/03/28	62,147	–	62,147	–	–
	PSP	3	Nil	21/03/24 – 20/03/29	90,604	–	–	–	90,604
	PSP	2,3	Nil	23/03/25 – 22/03/30	110,977	–	–	–	110,977
	PSP	3	Nil	22/03/26 – 21/03/31	51,678	–	–	–	51,678
	PSP	3	Nil	22/03/27 – 22/03/32	39,368	–	–	–	39,368
	PSP	3	Nil	23/03/28 – 06/04/33	–	60,437	–	–	60,437
	DBP	4	Nil	31/03/2023	14,838	–	14,838	–	–
	DBP	4	Nil	21/03/2024	7,086	–	–	–	7,086
	DBP	4	Nil	02/04/2024	–	3,156	–	–	3,156
	DBP	4	Nil	31/03/2025	–	3,156	–	–	3,156
Chris Jehle	PSP	3	Nil	23/03/28 – 05/06/33	–	33,973	–	–	33,973
	Replacement PSP	5	Nil	05/06/25 – 05/06/33	–	13,527	–	–	13,527
	Replacement RSUs	6	Nil	01/07/25 – 05/06/33	–	5,695	–	–	5,695

1. Issued under the rules of the Computacenter 2018 Sharesave Plan, which is available to employees of Computacenter in the UK, Germany and the US. Eligible employees can save between £5 and £500 a month to purchase options in shares in Computacenter plc at a price fixed at the beginning of the Plan term. There are no conditions relating to the performance of the Company for this Plan. The Sharesave Plan only requires that an employee remains employed by the Group at the end of the term of the Plan.
2. These awards vested during the year at 100%, with 0% of the shares under award lapsing.
3. Issued under the terms of the Computacenter Performance Share Plan 2005, as amended at the AGMs held on 19 May 2015, 14 December 2017, 18 May 2018, 7 March 2019, 5 March 2020, 20 May 2021, 19 May 2022 and 17 May 2023.
   (a) In respect of 70% of the total award: 10% of this portion of the award will vest if the compound annual EPS growth over the Performance Period equals 5% per annum. If the compound annual EPS growth rate over the Performance Period is between 5% and 8.33%, this portion of the award will vest on a straight-line basis up to one-half. This portion of the award will vest in full if the compound annual EPS growth equals or exceeds 12.5% per annum, with straight-line vesting between 50% and 100%.
   (b) In respect of 30% of the total award: the award will start to vest if the compound annual Services revenue growth rate over the Performance Period equals 3.5%. If the compound annual Services revenue growth rate over the Performance Period is 7.5%, this portion of the award will vest in full. If the compound annual Services revenue growth rate over the period is between 3.5% and 7.5%, then this portion of the award will vest on a straight-line basis between 25% and 100%.
   PSP awards from 2018 onwards are subject to a two-year holding period.
4. Conditional shares issued under the terms of the Computacenter 2017 Deferred Bonus Plan. Awards vest in equal tranches on the first and second anniversary of the grant date.
5. Replacement Award granted to Chris Jehle to compensate him for performance-based awards forfeited by him as a result of leaving his previous employer, Experian plc. Performance period of 1 January 2022 to 31 December 2024, and subject to the same performance conditions as set out in note 3 above. No holding period applies following vesting on 5 June 2025 (which is on or around the date of vesting of his Experian awards, had they not been forfeited).
6. Further Replacement Award granted to Chris Jehle to compensate him for service-based awards forfeited by him as a result of leaving Experian plc. The terms of the Computacenter 2017 Deferred Bonus plan will be applied, save that those rules relating to reduction of awards and clawback, cessation of employment and amendments will not apply. There are no performance conditions or performance period which apply to the award, which is structured as a nil-cost option. It will vest in Chris Jehle on 1 July 2025.

Directors' Remuneration report continued

Director gains
PSP

Director	Date of vesting	Plan	Number of shares	Exercise price	Market price at vesting	Notional gain made
Mike Norris	31/03/2023	PSP	110,977	Nil	£21.38	£2,372,688
Tony Conophy	31/03/2023	PSP	62,915	Nil	£21.38	£1,345,122

The closing market price of ordinary shares at 29 December 2023 (being the last trading day of 2023) was £27.92 (31 December 2022: £19.11).

The highest price during the year was £27.96 and the lowest was £19.39.

Minimum shareholding requirements
In accordance with the Group's minimum shareholding guidelines, the Executive Directors are each required to build up a shareholding that is equal to 200% of their gross salary. It is also expected that the Executive Directors will achieve these levels within five years of appointment. For the purposes of these requirements, deferred bonuses, shares subject to the holding period, and options which have either vested but are as yet unexercised, or which have no performance conditions (other than time lapsation), will be included on a net basis, for the purposes of calculating shareholdings, as will shares held by an Executive's spouse or dependents. There is no requirement for the Non-Executive Directors of the Company to hold shares.

In addition, when an Executive Director steps down from the Board they will be expected to retain an interest in Computacenter shares based on their in-employment share ownership guideline (or actual shareholding at the date of stepping down from the Board if lower) for a period of two years.

The Committee has the discretion to disapply or reduce this requirement in extenuating circumstances, for example in compassionate circumstances.

Mike Norris substantially exceeds his shareholding requirement. Chris Jehle was appointed as CFO in June 2023, and is subject to the guidelines set out above. Tony Conophy remains compliant with the post-employment shareholding requirements which he remains subject to as a former Executive Director.

Directors' shareholdings
The beneficial interest of each of the Directors in the shares of the Company, as at 31 December 2023, is as follows:

Current Directors	Number of shares in the Company as at 31 December 2023	Percentage of requirement achieved	Interests in shares: SAYE	PSP	DBP	Total
Mike Norris	1,079,214	2,466%[3]	2,967[1]	353,064[2]	13,398[1]	1,448,643
Chris Jehle	–	9.7%[3,4]	–	47,500[2]	5,695[4]	53,195
Peter Ryan	3,100	n/a	–	–	–	3,100
Pauline Campbell	–	n/a	–	–	–	–
René Carayol	–	n/a	–	–	–	–
Philip Hulme	8,666,695	n/a	–	–	–	8,666,695
Ljiljana Mitic	–	n/a	–	–	–	–
Peter Ogden	18,699,389	n/a	–	–	–	18,699,389
Ros Rivaz	2,181	n/a	–	–	–	2,181

Note: There has been no grant of, or trading in, shares of the Company by the Directors between 1 January 2024 and 19 March 2024.
1. There are no conditions relating to the performance of the Company or individual for the vesting of these plans.
2. There are performance conditions for this Plan as set out within the table on page 152.
3. Based on the Company's closing share price as at 29 December 2023, being £27.92, and the approved 2023 base salaries.
4. Nil-cost options that have no performance conditions or period, and will vest in Chris Jehle on 1 July 2025, and which count towards his minimum shareholding requirement on a net basis.

Dilution limits
Computacenter uses a mixture of both new issue and market purchase shares to satisfy the vesting of awards made under its PSP, DBP and Sharesave plans. In line with best practice, the use of new or treasury shares to satisfy awards made under all share plans is restricted to 10% in any ten-year rolling period, with a further restriction for discretionary plans of 5% in the same period. The Company's current position against its dilution limit is below each of these thresholds. The Company regularly reviews its position against the dilution guidelines and, should there be insufficient headroom within which to grant new awards which could be satisfied by issuing new shares, the Company intends to continue its current practice of satisfying new awards with shares purchased on the market.

Directors' Remuneration report continued

Payments to past Directors and payments for loss of office
Aside from the leaving arrangements for Tony Conophy as set out below, there were no payments made to past Directors and no payments made for loss of office during the period.

Leaving arrangements for Tony Conophy
As previously announced, Tony Conophy stepped down from the Board on 1 June 2023 and, to enable an appropriate transition, remained with the Company up until his retirement on 31 July 2023. Tony's remuneration arrangements have been treated in accordance with the Company's approved Remuneration Policy and his service contract. The Committee determined that Tony be treated as a good leaver in respect of his outstanding awards.

Tony's remuneration for the period he was employed by the Company is shown in the single figure table on page 145. He continued to receive his salary, pension, contractual benefits, and an annual bonus payment in respect of the period up to his retirement.

In terms of his share awards, as a good leaver, all deferred bonus shares will continue on their original terms and be released on the normal release dates. All outstanding PSP awards in the holding period will continue on their original terms and time horizons. All outstanding PSP awards in the performance period are subject to the original performance conditions, will vest on their normal vesting dates including any holding period, and will be reduced pro-rata based on the performance period completed when he retired from the Company.

Tony was not granted a further PSP award in 2023. Tony's options held in the Company's Sharesave plan were exercisable given that he was automatically deemed to be a good leaver under the terms of the plan. In line with our Policy, a post-employment shareholding guideline will apply for a period of two years from stepping down from the Board.

Executive service contracts
A summary of the Executive Directors' contracts of employment is given in the table below:

Director	Start date	Expiry date	Unexpired term	Notice period (months)
Mike Norris	23/04/1998	n/a	None specified	12
Chris Jehle	01/06/2023	n/a	None specified	12

All Executive Directors have a rolling 12-month service contract with the Company, which is subject to 12 months' written notice by either the Company or the Director.

External appointments for Executive Directors
Executive Directors are permitted to hold outside directorships, subject to approval by the Chair of the Board, and any such Executive Director is permitted to retain any fees paid for such services. During 2023, neither Executive Director held any outside fee-paying directorships.

Non-Executive Directors' letters of appointment
The Non-Executive Directors have not entered into service contracts with the Company. They each operate under a letter of appointment which sets out their terms, duties and responsibilities. Non-Executive Directors are appointed for an initial term, which runs to the conclusion of the third AGM following their appointment, and which may be renewed at that point. The letters of appointment provide that should a Non-Executive Director not be re-elected at an AGM before he or she is due to retire, then his or her appointment will terminate.

The terms and conditions of appointment of the Non-Executive Directors are available for inspection by shareholders at the Company's registered office. The appointments continue until the expiry dates set out below, unless terminated for cause or on the period of notice stated below:

Director	Date of latest letter of appointment	Expiry date	Notice period
Peter Ryan	16 May 2022	Close of the Company's Annual General Meeting in 2025	3 months
Pauline Campbell	9 March 2021	Close of the Company's Annual General Meeting in 2024	3 months
René Carayol	1 November 2022	Close of the Company's Annual General Meeting in 2025	3 months
Philip Hulme	4 May 2022	Close of the Company's Annual General Meeting in 2025	3 months
Ljiljana Mitic	16 May 2022	Close of the Company's Annual General Meeting in 2025	3 months
Peter Ogden	4 May 2022	Close of the Company's Annual General Meeting in 2025	3 months
Ros Rivaz	11 November 2022	Close of the Company's Annual General Meeting in 2025	3 months

In 2024, the Chair will be paid a single consolidated fee of £230,600, the same as for 2023. The Non-Executive Directors are paid a basic fee, plus additional fees for chairing Board Committees or Senior Independent Director duties.

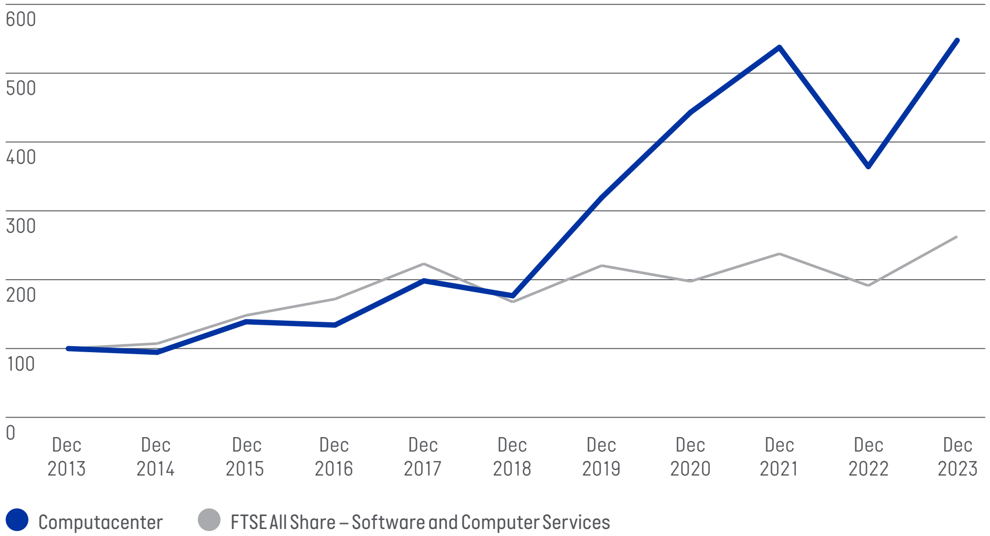
Directors' Remuneration report continued

In 2024, Non-Executive Directors' annual fees will increase by 3.8%:

Position	2023 Annual fees (£)	2024 Annual fees (£)
Independent Non-Executive Directors	**60,350**	**62,650**
Founder Non-Executive Directors	**54,900**	**57,000**
Additional fee for Chairing the Audit Committee	**19,800**	**20,550**
Additional fee for Chairing the Remuneration Committee	**11,000**	**11,420**
Additional fee for the position of Senior Independent Director	**8,800**	**9,130**

Performance of the Company

Total shareholder return performance
(Computacenter versus FTSE Software and Computer Services sector)



In this graph, TSR performance shows the value, in December 2023, of £100 invested in the Company's shares in December 2013, assuming that all dividends received between December 2013 and December 2023 were reinvested in the Company's shares (source: Datastream).

CEO pay history

The table below shows the total remuneration figure for the CEO over the previous ten financial years. The total remuneration figure includes the annual bonus and PSP awards which vested based on performance in those years. The annual bonus and PSP percentages show the payout for each year as a percentage of the maximum.

Plan/type of award	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
CEO single figure of remuneration (£)	1,506,300	2,763,900	1,807,600	2,291,500	2,081,700	2,391,409	2,538,817	4,084,506	3,339,063	**2,754,876**
Annual bonus payout (as a % of maximum opportunity)	69.39%	84.54%	49.12%	92.35%	82.63%	92.5%	96.0%	96.0%	27.85%	**76.56%**
Annual bonus (£)	451,035	803,200	319,280	606,047	557,753	636,863	674,400	825,120	271,538	**782,269**
PSP vesting (as a % of maximum opportunity)	35.34%	71.5%	85.13%	68.01%	65.68%	80.78%	70.00%	100%	100%	**90.86%**
PSP vesting (£)	478,679	1,384,500	891,800	1,101,400	923,699	1,150,120	1,398,898	2,653,094	2,372,688	**1,245,247**

Directors' Remuneration report continued

Percentage change in remuneration of Board Directors and employees

The table below sets out the percentage change in the salary, benefits and annual bonus of all Executive and Non-Executive Directors compared to the average amount paid to Computacenter employees in the UK, between the years ended 31 December 2020, 2021, 2022 and 2023.

On the basis that Computacenter plc (the Parent Company) does not employ any employees, the comparator group of Computacenter UK-based employees was chosen on a voluntary basis as the Committee believes it provides a sufficiently large comparator group based on a similar incentive structure to the CEO and reduces any distortion arising from currency and cost of living differences in other geographies in which the Group operates.

	% change in remuneration between 2019 and 2020			% change in remuneration between 2020 and 2021			% change in remuneration between 2021 and 2022			% change in remuneration between 2022 and 2023		
	Salary/Fee	Benefits	Annual bonus	Salary/Fee	Benefits	Annual bonus	Salary/Fee	Benefits	Annual bonus	Salary/Fee	Benefits	Annual bonus
Executive												
Mike Norris	(23.47)%[1]	(34.35)%	5.89%	35.94%[1]	(24.32)%[11]	22.35%	13.44%[2]	103.70%[11]	(67.09)%	**4.80%**	**(1.21%)**	**188.14%**
Chris Jehle[13]	–	–	–	–	–	–	–	–	–	**–**	**–**	**–**
Tony Conophy	(23.53)%[1]	(5.99)%	4.20%	35.97%[1]	2.52%	27.73%	2.69%	4.94%	(72.11)%	**(38.88%)**	**(44.12%)**	**80.60%**
Non-Executive												
Peter Ryan	39.72%[3]	–	–	2.0%	–	–	2.71%	–	–	**4.82%**	**–**	**–**
Pauline Campbell	n/a[4]	–	–	n/a[4]	–	–	195.89%[4]	–	–	**4.84%**	**–**	**–**
René Carayol	n/a[5]	–	–	n/a[5]	–	–	n/a[5]	–	–	**528.60%**	**–**	**–**
Rene Haas	172.28%[6]	–	–	2.0%[6]	–	–	(5.88)%[7]	–	–	**n/a**	**–**	**–**
Philip Hulme	(75.0)%[8]	–	–	308.0%[8]	–	–	2.69%	–	–	**4.83%**	**–**	**–**
Ljiljana Mitic	59.42%[9]	–	–	2.0%	–	–	2.67%	–	–	**4.77%**	**–**	**–**
Peter Ogden	(75.0)%[8]	–	–	308.0%[8]	–	–	2.69%	–	–	**4.83%**	**–**	**–**
Minnow Powell	3.69%	–	–	(23.56)%[10]	–	–	n/a	–	–	**n/a**	**–**	**–**
Ros Rivaz	3.69%	–	–	2.05%	–	–	2.69%	–	–	**4.84%**	**–**	**–**
Employees												
Computacenter UK-based employees	3.26%	(10.39)%	(3.48)%	4.19%	(4.49)%	(0.69)%	5.81%	(5.60)%	1.29%	**6.33%**	**(0.09)%**	**(14.52)%[12]**

1. The significant percentage increase for the CEO and former CFO reflects the voluntary temporary reduction in base salary for the period 1 April 2020 to 30 June 2020.
2. Following shareholder consultation, the CEO salary was increased by 13.4%.
3. Peter Ryan was appointed to the role of Chair on 16 May 2019. The increase reflects that he was only paid the Chair's fee for part of the prior year.
4. Pauline Campbell was appointed to the Board on 16 August 2021 and assumed the role of Chair of the Audit Committee on 30 September 2021.
5. René Carayol was appointed to the Board on 1 November 2022.
6. Rene Haas was appointed to the Board on 20 August 2019.
7. Rene Haas stepped down from the Board on 1 December 2022.
8. The significant percentage increase for Philip Hulme and Peter Ogden reflects their decision to waive basic fees due to them as founder Non-Executive Directors from 1 April 2020 until 31 December 2020, as announced by the Company on 6 April 2020.
9. Ljiljana Mitic was appointed to the Board on 16 May 2019.
10. Minnow Powell stepped down from the Board on 30 September 2021.
11. The reduction in benefits in 2021 for the CEO was due to his election not to have a car and driver provided from the middle of 2021 onwards. The rise in his benefits in 2022 represents an uplift through a car allowance, to offset his loss of car and driver, in line with that given to the former CFO, for the whole of the year.
12. The change in the Computacenter UK-based employee annual bonus figure is based on the bonus paid during 2023 in respect of 2022 rather than in respect of 2023 due to the availability of data at the time this report is finalised. Therefore, this is comparable with the Executive Director annual bonus change between 2021 and 2022.
13. Chris Jehle was appointed to the Board as CFO on 1 June 2023.

Directors' Remuneration report continued

CEO pay ratio

The CEO pay ratio table shows the ratio of pay between the CEO of Computacenter and Computacenter's UK employees. The ratio compares the total remuneration of the CEO against the total remuneration of the median UK employee and those who sit at the 25th and 75th percentiles (lower and upper quartiles).

Computacenter's CEO pay ratios have been calculated using Option B, a continuation of approach from the previous four years and based on the availability of data at the time the Annual Report is published. This uses the most recent gender pay data to identify the three employees that represent our 25th, 50th and 75th percentile employees. As an additional sense check, the salary and total pay and benefits of a number of employees either side of these 25th, 50th and 75th employees were also reviewed with an adjustment made where appropriate to ensure that the figures used were representative of an employee at these positions (e.g. where the employee at the relevant position isn't representative of other employees at that level, the employee next to them has been used instead). The total remuneration for these individuals has been calculated based on all components of pay for 2023, including base salary, performance-based pay, pension and benefits. The Committee considers that this provides an outcome that is representative of the employees at these pay levels.

Where an identified employee received a pro-rated component of pay, their figures have been converted to a full-year equivalent. No other adjustments were necessary other than the adjustments already set out above. The day by reference to which the Company determined the 25th, 50th and 75th percentile employees was 31 December 2023.

The Committee believes that the median pay ratio is consistent with the pay, reward and progression policies for the Company's UK employees taken as a whole. Computacenter's employer pension contributions, Company-paid benefits and voluntary benefit scheme options are consistent for all UK employees, including the CEO. In addition, the CEO is eligible to participate in the Company's annual bonus and Performance Share Plan, in line with other members of the senior Management team. The value of these variable pay awards is affected by performance delivered and, in the case of the Performance Share Plan, share price movement over three years.

The reduction in the pay ratio between 2022 and 2023 is primarily due to the lower PSP vesting level and difference in share price growth over the relevant three-year period which has a greater impact on the CEO's pay. There is no discernible trend in the CEO pay ratio over the five-year period which has been impacted by incentive pay-outs and share price performance.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023	**Option B**	**76:1**	**53:1**	**33:1**
2022[1]	Option B	98:1	68:1	44:1
2021	Option B	114:1	83:1	55:1
2020	Option B	69:1	57:1	34:1
2019	Option B	76:1	51:1	36:1

1. The 2022 ratios have been updated to reflect the actual CEO's 2022 single figure total using the share price on the date of vesting, further detail of which is set out in the notes to the single figure table on page 146.

2023 salary and total pay and benefits – all employee figures

Employees	25th percentile	Median	75th percentile
Total pay and benefits	**£36,146**	**£52,465**	**£83,849**
Salary	**£34,466**	**£49,965**	**£80,440**

Relative importance of spend on pay

The charts below show the relative expenditure of the Group on the pay of its employees, against certain other key financial indicators of the Group:

Expenditure on Group employees' pay
(£m)

Group adjusted profit before tax*
(£m)

Shareholder distributions**
(£m)

* As well as information prescribed by current remuneration reporting regulations, Group adjusted profit before tax has also been included as this is deemed to be a key performance indicator of the Group which is linked to the delivery of value to our shareholders.

** Relates to shareholder distributions made in, and not for, the relevant year.

Directors' Remuneration report continued

Statement of implementation of Remuneration Policy in the following financial year

Executive Director Remuneration for 2024 will be in accordance with the terms of our Directors' Remuneration Policy, as set out on pages 141 to 144 of this report.

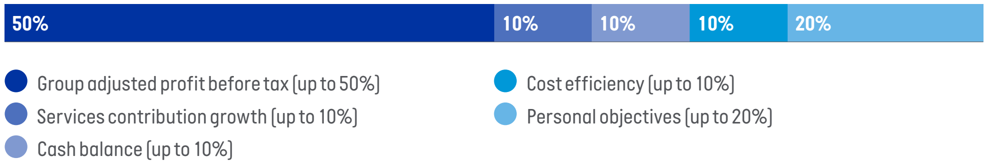
2024 base salaries

The base salary of the CEO and the CFO will increase by approximately 3.8% to £707,000 and £467,000 respectively from 1 January 2024. This is in line with the average increase for the wider UK workforce and takes into account Company and individual performance.

2024 annual bonus

The performance measures and weightings for the 2024 annual bonus will be as follows:

Mike Norris – CEO and Chris Jehle – CFO
(2024)



The measures for 2024 have been set to be challenging relative to our 2024 business plan. The targets themselves, as they relate to the 2024 financial year, are deemed by the Committee to be commercially sensitive and therefore have not been disclosed. They will be disclosed at such time as the Committee no longer deems them to be commercially sensitive, and it currently anticipates including these in the Company's 2024 Annual Report and Accounts.

The maximum bonus opportunity for the Executive Directors in 2024 will be 150% of base salary. These awards will be subject to deferral in line with our Policy on page 141.

2024 PSP

The award levels for the Executive Directors in the 2024 financial year are 200% of salary for the CEO and 175% of salary for the CFO.

The 2024 PSP awards will be subject to the following performance conditions, with further context provided in the Annual Statement from the Chair of the Committee:

1. In respect of 70% of the total award: 10% of this portion of the award will vest if the compound annual EPS growth equals 5% per annum. This portion of the award will vest in full if the compound annual EPS growth equals or exceeds 10% per annum, with straight-line vesting between 5% and 10%.
2. In respect of 15% of the award: 25% of this portion of the award will vest if the compound annual Services growth rate over the performance period equals 3.5% per annum, with 50% vesting for growth of 5.5% per annum. If the compound annual Services growth rate over the performance period is 7.5% per annum, this portion of the award will vest in full. There will be straight-line vesting between these points.
3. In respect of 15% of the award: 25% of this portion of the award will vest if the compound annual EBIT growth rate of the Group's North American business during the performance period equals 12% per annum, with 50% vesting for growth of 16% per annum. If the compound annual EBIT growth rate over the performance period is 20% per annum, this portion of the award will vest in full. There will be straight-line vesting between these points.

Statement of voting

The results of voting on the Directors' Remuneration report at the Company's 2023 AGM are outlined in the table below:

Votes cast in favour/discretionary		Votes cast against		Total votes cast	Votes withheld/abstentions
98,719,645	99.08%	919,790	0.92%	99,639,435	111,485

The results of voting on the Directors' Remuneration Policy at the Company's 2023 AGM are outlined in the table below:

Votes cast in favour/discretionary		Votes cast against		Total votes cast	Votes withheld/abstentions
99,013,713	99.37%	626,069	0.63%	99,639,782	111,948

The Committee is grateful for the continuing support of shareholders. To ensure that this continues, the Committee will consult with shareholders on major issues where it is appropriate to do so. It will also continue to adhere to its underlying principle of decision making that Executive Directors' pay must be linked to performance and the sustainable delivery of value to our shareholders.

This Annual Report on Remuneration has been approved by the Board of Directors and signed on its behalf by:

Ros Rivaz
Chair of the Remuneration Committee
19 March 2024

Directors' report

The Directors present their report, together with the audited accounts of Computacenter plc and its subsidiary companies (the Group) for the year ended 31 December 2023.

Computacenter plc is incorporated as a public limited company and is registered in England and Wales with the registered number 3110569. Computacenter plc's registered office address is Hatfield Avenue, Hatfield, Hertfordshire, AL10 9TW. The Company's registrar is Equiniti Limited, which is situated at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

The pages from the inside front cover to 106 of this Annual Report and Accounts are incorporated by reference into the Directors' Report, which has been drawn up and presented in accordance with English company law, and the liabilities of the Directors in connection with that report shall be subject to the limitations and restrictions provided by such law.

Strategic Report

The Companies Act 2006 requires the Group to prepare a Strategic Report, which commences at the start of this Annual Report and Accounts up to page 106. The Strategic Report includes information about the Group's operations and business model, particulars of all important events affecting the Company or its subsidiaries, the Group's financial performance in the year and likely future developments, strategic KPIs, principal risks and information regarding the Group's sustainability strategy.

Corporate governance

Under Disclosure and Transparency Rule 7.2, the Company is required to include a Corporate Governance report within the Directors' report.

Information on our corporate governance practices can be found in the Corporate Governance report on pages 107 to 164, and the reports of the Audit, Remuneration and Nomination Committees on pages 130, 136 and 127 respectively, all of which are incorporated into the Directors' report by reference.

Management Report

This Directors' report, together with the other reports, forms the Management Report for the purposes of Disclosure and Transparency Rule 4.1.8.

Results and dividends

The Group's Consolidated Income Statement is on page 176. The Group's activities resulted in a profit before tax of £272.1m (2022: £249.0m). The Group profit for the year, attributable to equity shareholders, amounted to £197.6m (2022: £182.8m).

The Directors recommend a final dividend of 47.4p per share (2022: 45.8p per share) totalling £54.1m (2022: £52.3m). Subject to shareholder approval, this will be paid on Friday 5 July 2024, to shareholders on the register at the close of business on Friday 7 June 2024. The shares will be marked ex-dividend on Thursday 6 June 2024. This is in line with the normal dividend procedure timetable, as set by the London Stock Exchange.

Following the payment of an interim dividend for 2023 of 22.6p per share on 27 October 2023, the total dividend for 2023 will be 70.0p per share. The Board has consistently applied the Company's dividend policy, which states that the total dividend will be 2 to 2.5 times covered by adjusted diluted earnings per share. Further detail on the Company's dividend policy can be found within the Chief Financial Officer's review on page 051.

Dividends are recognised in the accounts in the year in which they are paid, or in the case of a final dividend, when approved by the shareholders. As such, the amount recognised in the 2023 Annual Report and Accounts, as described in note 14, is made up of the 2023 interim dividend (22.6p per share) and the 2022 final dividend (45.8p per share).

Articles of Association

The Company's Articles of Association set out the procedures for governing the Company. The Articles of Association may only be amended by a special resolution at a general meeting of the shareholders. A copy of the Articles of Association is available on the Company's website at investors.computacenter.com.

Voting rights

Shareholders are entitled to attend and vote at any general meeting of the Company. It is the Company's practice to hold a poll on every resolution at general meetings. Every member present in person or by proxy has, upon a poll, one vote for every share held. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holdings.

Dividend rights

Shareholders may by ordinary resolution declare dividends, but the amount of the dividend may not exceed the amount recommended by the Board.

Transfer of shares

There are no specific restrictions on the size of a holding, nor on the transfer of shares which are both governed by the general provisions of the Company's Articles and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights at any meeting of the Company.

Stakeholder engagement

The Board is aware that its actions and decisions impact our stakeholders. Effective engagement with stakeholders is important for the Group. In order to comply with section 172 of the Companies Act 2006, each Director is required to act in a way that he or she considers will promote the success of the Company whilst taking into account the interests of stakeholders. The Directors must also include a statement in the Annual Report and Accounts explaining how they have discharged this duty during the year. The Group's key stakeholders are identified on pages 057 to 063 of the Strategic Report and the statement of compliance with section 172 is set out on page 105.

Directors and Directors' authority

The Directors who served during the year ended 31 December 2023 were Pauline Campbell, Tony Conophy, René Carayol, Philip Hulme, Chris Jehle, Ljiljana Mitic, Mike Norris, Peter Ogden, Ros Rivaz and Peter Ryan. Biographical details of each Director, as at 31 December 2023, are given on pages 116 to 117.

The Company's Articles of Association require that at each AGM, those Directors who were appointed since the last AGM retire, as well as one-third of the Directors who have been the longest serving. The Board has decided, in accordance with the Code, that all Directors will retire at each forthcoming AGM and offer themselves for re-election. The Nomination Committee has considered each Director who is standing for election or re-election and recommends their election or re-election. Further details on the Committee's recommendations for the election and re-election of the Directors are set out in the Notice of AGM, which summarises the skills and experience that the Directors bring to the Board.

Directors' report continued

Subject to applicable law and the Company's Articles of Association, the Directors may exercise all of the powers of the Company. The Company's Articles of Association provide for a Board of Directors consisting of between three and 20 Directors, who manage the business and affairs of the Company. The Directors may appoint additional or replacement Directors, who shall serve until the following AGM of the Company, at which point they will be required to stand for election by the members. A Director may be removed from office by the Company as provided for by applicable law, in certain circumstances set out in the Company's Articles of Association, and at a general meeting of the Company by the passing of an Ordinary Resolution (provided special notice has been given in accordance with the Companies Act 2006).

Members have previously approved a resolution to give the Directors authority to allot shares, and a renewal of this authority is proposed at the 2024 AGM. This authority allows the Directors to allot shares up to the maximum amount stated in the Notice of AGM (approximately one-third of the issued share capital). In addition, the Company may not allot shares for cash (unless pursuant to an employee share scheme) without first making an offer to existing shareholders in proportion to their existing holdings. This is known as rights of pre-emption. Two resolutions allowing a limited waiver of these rights were passed by the members at last year's AGM.

Members also approved a resolution giving delegated authority allowing the Company to make market purchases of its own shares, up to a maximum of 10% of the Company's issued share capital, subject to certain conditions including price of purchase, amongst others. Each of these standard authorities will expire on the earlier of 30 June 2024 or the conclusion of the Company's 2024 AGM. The Directors will seek to renew each of the authorities at the 2024 AGM, and full details are provided in the Notice of AGM. As at 19 March 2024, none of these authorities approved by shareholders at the 2023 AGM had been exercised.

Directors' indemnities

The Company has executed deeds of indemnity with each of the Directors. These deeds contain qualifying third-party indemnity provisions, indemnifying the Directors to the extent permitted by law, and remain in force at the date of this report, as was the case for the duration of 2023. The indemnities are uncapped and cover all costs, charges, losses and liabilities the Directors may incur to third parties, in the course of acting as Directors of the Company or its subsidiaries. In addition, the Group maintains liability insurance for its Directors and officers.

Directors' conflicts of interest

The Directors are required to notify the Company Secretary of any situations (appointments, holdings or otherwise), or any changes to such, which may give rise to an actual or potential conflict of interest with the Company. These notifications are then reviewed by the Board and recorded in a register maintained by the Company Secretary. If appropriate, they are then considered further by the Directors who are not conflicted, who may authorise the position. The register of notifications and authorisations is reviewed by the Board twice a year. Where the Board approves an actual or potential conflict, the conflicted Director cannot participate in any discussion or decision affected by the conflict.

Directors' interests in shares

The Directors' interests in the Company's share capital, at the start and end of the reporting period, were as follows:

	As at 31 December 2023		As at 1 January 2023 or date of appointment	
	Number of ordinary shares Beneficial	Number of ordinary shares Non-beneficial	Number of ordinary shares Beneficial	Number of ordinary shares Non-beneficial
Executive Directors				
Mike Norris	**1,079,214**	**–**	1,134,214	–
Tony Conophy*	**1,987,809**	**–**	1,873,556	–
Chris Jehle*	**–**	**–**	n/a	n/a
Non-Executive Directors				
Peter Ryan	**3,100**	**–**	3,100	–
Pauline Campbell	**–**	**–**	–	–
René Carayol	**–**	**–**	–	–
Philip Hulme	**8,666,695**	**9,728,293**	8,896,695	9,498,293
Ljiljana Mitic	**–**	**–**	–	–
Peter Ogden	**18,699,389**	**8,103,356**	18,699,389	8,103,356
Ros Rivaz	**2,181**	**–**	2,181	–

* Chris Jehle joined the Board on 1 June 2023 and Tony Conophy retired from the Board on 1 June 2023. There were no changes to the interests set out above between 1 January 2024 and 19 March 2024.

Directors' report continued

Major interests in shares and voting rights

As at 31 December 2023, the Company had been notified under the FCA's Disclosure and Transparency Rules of the following interests in its total voting rights, which are equal to or greater than 3%:

Name of major shareholder	Percentage of total voting rights held	Date of notification
BlackRock, Inc.	5.02	8 February 2023
BlackRock, Inc.	4.98	16 February 2023
BlackRock, Inc.	5.10	1 March 2023
BlackRock, Inc.	Below 5%	13 June 2023
Philip William Hulme	7.59	11 September 2023

No further interests have been disclosed to the Company between 31 December 2023 and 19 March 2024.

An updated list of the Company's major shareholders, based on information available to the Company, is available at investors.computacenter.com.

Capital structure and rights attaching to shares

As at 19 March 2024, there were 122,687,970 fully paid ordinary shares in issue, of which the Company held 8,546,861 ordinary shares in treasury, representing 6.97% of voting rights. The total number of voting rights in the Company, which shareholders may use as the denominator when calculating if they are required to notify their interest in the Company or a change to that interest, under the Disclosure and Transparency Rules, is therefore 114,141,109.

The rights attaching to each of the Company's ordinary shares and deferred shares are set out in its Articles of Association. As at 19 March 2024, there were no deferred shares in issue.

The holders of ordinary shares are entitled, subject to applicable law and the Company's Articles of Association, to:

- have shareholder documents made available to them, including notice of any general meetings of the Company; and
- to attend, speak and exercise voting rights at general meetings of the Company, either in person or by proxy.

Pursuant to the Company's share plans, there is an employee benefit trust which, as at the year end, held a total of 1,373,127 ordinary shares of 7⅝p each, representing approximately 1.12% of the issued share capital. During the year, the trust purchased a total of 1,654,178 shares, so it could satisfy the maturities occurring pursuant to these share option plans. When the trust holds shares before transferring them to participants, in line with good practice, the Trustees do not exercise the associated voting rights. The Trustees also have a dividend waiver in place in respect of shares which are the beneficial property of the trust. During 2023, no ordinary shares in the Company were issued for cash to satisfy the exercise of options.

The employee share plans have change of control provisions that would be triggered if another entity or individual takes control of the Company. Participants may, in certain circumstances, be allowed to exchange their existing options for options of an equivalent value over shares in the acquiring company. Alternatively, the options may vest early. Early vesting under the executive schemes will generally be on a time-apportioned basis. Under the Sharesave scheme, employees will only be able to exercise their options to the extent that their accumulated savings allow at that time.

During the period, no ordinary shares were purchased for cancellation.

Significant agreements and relationships

Details regarding the status of the Group's various borrowing facilities are provided in the Chief Financial Officer's review on page 054. These agreements each include a change of control provision, which may result in the facility being withdrawn or amended upon a change of control of the Company. The Group's longer-term Services contracts may also contain change of control clauses that allow a counterparty to terminate the relevant contract in the event of a change of control of the Company.

The Company does not have any agreements with any Director or employee that would provide compensation for loss of office or employment resulting from a change of control on takeover, except in relation to the Company's share plans, as described above.

Financial instruments

The Group's financial risk management objectives and policies are discussed in the Chief Financial Officer's review on page 054.

Related-party transactions

Internal controls are in place to ensure that any related-party transactions involving Directors or their connected persons are carried out on an arm's length basis and are properly recorded and disclosed where appropriate.

Employee share plans

The Company operates a Performance Share Plan (PSP) to incentivise employees. During the year, 434,398 ordinary options of 7⅝p each were awarded subject to performance conditions (2022: 275,665). At the year end, 1,604,617 options remained outstanding under the PSP (2022: 1,777,687). During the year, 524,110 shares were transferred to participants and 88,365 options lapsed. In addition, the Company operates a Sharesave Plan for the benefit of employees. As at the year end, 3,304,459 options granted under the Sharesave Plan remained outstanding (2022: 3,615,052).

On 6 April 2023, in accordance with the rules of the Computacenter 2017 Deferred Bonus Plan, the Company granted a conditional award over 9,175 ordinary shares of 7⅝p each. On 5 June 2023, the Company granted a nil-cost option award over 5,695 ordinary shares of 7⅝p each (2022: 21,759).

Corporate sustainable development and political donations

The Board recognises that acting in a socially responsible way benefits the community, our customers, shareholders, the environment and employees alike. Further information can be found in the report on pages 083 to 088, which covers matters regarding health and safety, equal opportunities, employee involvement and employee development.

During the year, the Group did not make any political donations or incur any political expenditure within the meaning of sections 362 to 379 of the Companies Act 2006.

Directors' report continued

Equal opportunities
The Group acknowledges the importance of equality and diversity and is committed to equal opportunities throughout the workplace. The Group's policies for recruitment, training, career development and promotion of employees, are based purely on the suitability of the employee and give those who may be disabled equal treatment to their able-bodied colleagues. Where an employee becomes disabled after joining the Group, all efforts are made to enable that employee to continue in their current job. However, if, due to the specific circumstances, it is not possible for an employee to continue in their current job, they will be given suitable training for alternative employment within the Group or elsewhere.

The Group monitors and regularly reviews its policies and practices to ensure that they meet current legislative requirements, as well as its own internal standards. The Group is committed to making full use of the talents and resources of all its employees and to providing a healthy environment that encourages productive and mutually respectful working relationships. Policies dealing with equal opportunities are in place in all parts of the Group, which take account of the Group's overall commitment and also address local regulatory requirements.

Employee involvement and development
The Group is committed to involving all employees in significant business issues, especially matters which affect their work and working environment. A variety of methods are used to engage with employees, including team briefings, intranet, email and in-house publications. The Group uses one or more of these channels to brief employees on the Group's performance and the financial and economic factors affecting it. Team briefings are a primary method for engaging and consulting with employees, with managers tasked with ensuring regular information sharing, discussion and feedback.

Employee consultative forums exist in each Group country, to consult employees on major issues affecting employment and matters of policy, and to enable Management to seek employees' views on a wide range of business matters. Where there are cross-jurisdictional issues to discuss, a European forum is engaged, made up of representatives from each country forum. The Senior Independent Director attends at least one meeting per year of this European forum, to engage directly with employee representatives and report a summary of this engagement to the Board.

The Group regularly reviews employees' performance through a formal review process, to identify areas for development. Managers are responsible for setting and reviewing personal objectives, aligned to corporate and functional goals. The Board closely oversees and monitors Management skills and the development of talent, to meet the Group's current and future needs. The Board directly monitors and closely reviews succession and plans for developing identified key senior managers.

The development of employee skills and careers, as well as the communication of the Group's goals, are driven by our Winning Together processes and tools. Annual assessments via our Winning Together processes and tools are a formal requirement of all managers.

The Group operates a Save As You Earn (SAYE) share plan for eligible employees, including those in the UK, who are encouraged to save a fixed monthly sum for a period of either three or five years. When the plan matures, participants can purchase shares in the Company at a price set at the start of the savings period.

Further information can be found in the report on pages 083 to 088 covering employee involvement and employee development, and in the Stakeholder Engagement section on page 059, which explains how the Company and Board have engaged with and considered employees.

Engagement with suppliers, customers and others
The required disclosure on engagement with suppliers, customers, our people and other stakeholders can be found in the Stakeholder Engagement section on pages 057 to 063. Pages 109 to 111 include detail of how the Board considered the views and interests of our stakeholders in its decision-making.

Business ethics
The Group Ethics Policy commits employees to the highest standards of ethical behaviour in respect of customers, suppliers, colleagues and other stakeholders in the business. The policy includes a requirement for all employees to report abuses or non-conformance with the policy and sets out the procedures to be followed.

Going concern
The Directors' statement regarding adoption of the going concern basis of accounting in preparation of the annual Consolidated Financial Statements is set out within the Strategic Report on page 076.

Viability Statement
The Directors' statement regarding the long-term viability of the Company is set out within the Strategic Report on pages 076 to 077.

Greenhouse gas emissions
The Company is required to state the annual quantity of emissions in tonnes of carbon dioxide equivalent from Group activities, and to provide details of its energy usage and the principal measures taken by the Company in 2023 to increase its energy efficiency. Details can be found in the Strategic Report on pages 089 to 101. Further details of our environmental policies and programmes can be found on our Company's website at computacenter.com. The Group's disclosure in response to the Task Force on Climate-related Financial Disclosures can be found on pages 094 to 101. The Company does not own and does not pay for any of its Directors to use private jets, including when they are conducting Company business.

Auditor
A resolution to appoint Grant Thornton UK LLP as auditor of the Group was approved by the Company's shareholders at the Company's 2023 AGM.

Resolutions to reappoint Grant Thornton UK LLP as the auditor of the Group, as well as to authorise the Directors to determine its remuneration for fulfilling that role, will be put to shareholders at the forthcoming 2024 AGM.

Disclosure of information to auditor
The Directors who held office as at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all of the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Annual General Meeting
The Board currently intends to hold the AGM on 14 May 2024 at 11.30am. The arrangements for the Company's 2024 AGM, and details of the resolutions to be proposed, together with explanatory notes, will be set out in the Notice of AGM to be published on the Company's website.

Directors' report continued

Listing rule (LR) disclosures

The information required to be disclosed by LR 9.8.4R is set out below, along with cross references indicating where the relevant information is otherwise set out in the Annual Report and Accounts:

Interest capitalised	n/a
Publication of unaudited financial information	n/a
Details of performance share plans	n/a
Waiver of emoluments by a Director	n/a
Waiver of future emoluments by a Director	n/a
Non pre-emptive issues of equity for cash	n/a
Non pre-emptive issues of equity for cash in relation to major subsidiary undertakings	n/a
Contracts of significance	Details of significant contracts are set out in the Chief Financial Officer's review on pages 054 to 055. Details of transactions with related parties are set out on page 231 in note 34 to the Consolidated Financial Statements.
Provision of services by a controlling shareholder	n/a
Shareholder waiver of dividends	The Trustees of the Company's employee share plans have a dividend waiver in place in respect of shares which are the beneficial property of each of the trusts.
Shareholder waiver of future dividends	The Trustees of the Company's employee share plans have a dividend waiver in place in respect of shares which are the beneficial property of each of the trusts.
Agreements with controlling shareholder	Any person who exercises or controls on their own or together with any person with whom they are acting in concert, 30% or more of the votes able to be cast on all or substantially all matters at general meetings are known as 'controlling shareholders'. The Financial Conduct Authority's Listing Rules now require companies with controlling shareholders to enter into a written and legally binding agreement (a Relationship Agreement) which is intended to ensure that the controlling shareholder complies with certain 'independence-related' provisions. The Company confirms that it has undertaken a process following the reporting period to review whether it has any 'controlling shareholders'. Following this process, it was determined that there was no requirement on the Company to enter into a Relationship Agreement with any of its shareholders. The Company confirms that this remained the case as at 31 December 2023, but will keep the matter under review.

MJ Norris
Chief Executive Officer
19 March 2024

MC Jehle
Chief Financial Officer
19 March 2024

Directors' Responsibilities

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law, 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 and profit or loss of the Company and Group for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements;
- assess the Group and Parent 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 Group or the parent 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 Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its 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 misstatement, 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 Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' report, Directors' Remuneration report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the Annual Report and Accounts

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' report include a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Annual Report from inside front cover to page 164 was approved by the Board of Directors and authorised for issue on 19 March 2024 and signed for and on behalf of the Board by:

MJ Norris
Chief Executive Officer

MC Jehle
Chief Financial Officer

Financial statements

Contents

Independent Auditor's report to the members of Computacenter plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Computacenter plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement, the Notes to the Consolidated Financial Statements and Notes to the Company Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

Our evaluation of the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining and challenging the underlying assumptions in management's base case scenario for the period to 19 March 2025, including corroborating to supporting evidence where appropriate;
- obtaining management's downside scenarios, which reflect management's assessment of uncertainties such as worsening economic conditions, and evaluating the assumptions regarding reduced trading levels, increased cost base and decreased collection rates of trade receivables, under each of these scenarios;
- obtaining management's reverse stress test, which reflects management's assessment of an implausible scenario of how the base case scenario can be broken, which would result in a material uncertainty related to going concern, and assessing whether this represents an implausible scenario;
- assessing whether the key assumptions (such as revenue growth and working capital) are consistent with our understanding of the business obtained during the course of the audit and the changing external circumstances arising from the changing global economic environment;
- evaluating the accuracy of management's historical forecasting and the impact of this on management's assessment;
- reading minutes of meetings held during the year of the board of directors and all of its committees to identify if significant events have been factored into management's forecasts; and
- evaluating the appropriateness of disclosures in respect of going concern made in the financial statements.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as inflationary pressures and interest rates, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Independent Auditor's report to the members of Computacenter plc continued

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the group's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

Overview of our audit approach

Overall materiality:

Group: £13,200,000, which represents approximately 5% of the Group's profit before taxation.

Parent company: £4,967,000, which represents approximately 0.9% of the parent company's total assets.

We have determined the matters described below to be the key audit matters to be communicated in our report:

- Revenue recognition

The predecessor auditor's report for the year ended 31 December 2022 included two key audit matters in relation to revenue recognition. These two key audit matters have been combined into one overall key audit matter of revenue recognition in the current year, with the risk in revenue recognition pinpointed to these two areas of revenue along with one additional area being revenue unusual transactions as defined within the key audit matters section below.

The predecessor auditor's report for the year ended 31 December 2022 included two key audit matters that have not been reported as a key audit matter in our current period's report.

The first of these key audit matters relates to the transitional application of agent vs. principal in Computacenter United States Inc ("CC US"), following the International Financial Reporting Interpretations Committee ("IFRIC") agenda decision relevant to the application of IFRS 15's principal vs. agent considerations for software license reselling.

This was included as a key audit matter in the prior year auditor's report due to imprecision of data and data migration issues leading to significant effort by both management and the predecessor auditor in interrogating and auditing the data, which gave rise to a risk that the new accounting policy had not been applied to all relevant sales and cost of sales in Computacenter United States Inc.

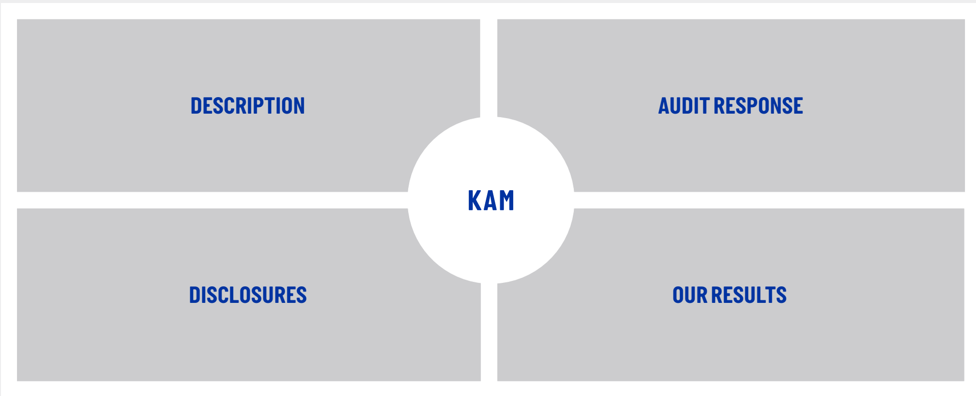
During our planning procedures, a comprehensive revenue walkthrough was performed to obtain an understanding of processes and controls relating to revenue, including the application of agent vs. principal in CC US. These procedures performed indicated that the imprecision of data and data migration issues identified in the prior period audit had been suitably rectified by management. On this basis, we have concluded that this is no longer a key audit matter or a significant risk.

The second prior year key audit matter not reported in our current year's report relates to the recoverability of the parent company's investment in subsidiaries (parent company only). As identified in the prior year auditor's report, the recoverability of the parent company's investments in subsidiaries is not considered to have a high risk of significant misstatement or be subject to significant judgement. We have not identified this area to be a Key Audit Matter for the current year audit due to there being a limited number of significant engagement team judgements and the work performed not requiring significant resource allocation.

We performed an audit of the financial information using component materiality (full-scope audit procedures) of one group component in the United Kingdom, one group component in Germany and two group components in the United States of America. We performed specific-scope audit procedures relating to the risks of material misstatement of the Group financial statements for two components, one in France and one in the United States of America. We performed analytical procedures on the financial information of all the remaining group components which are based in a number of countries across North America, Europe and Asia.

Key audit matters (KAM)

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent Auditor's report to the members of Computacenter plc continued

In the graph below, we have presented the key audit matters and significant risks relevant to the audit. This is not a complete list of all risks identified by our audit.

Key Audit Matter – Group	How our scope addressed the matter – Group
We identified revenue recognition as one of the most significant assessed risks of material misstatement due to fraud. Group revenue totals £6,939.5m (2022: £6,470.5m) We pinpointed the significant risk of fraud in revenue recognition to fall into three areas: • Technology sourcing revenue cut-off in relation to unshipped bill and hold revenue; • Technology Sourcing revenue cut-off of non-bill and hold revenue; and • Revenue transactions that do not follow the expected transaction flow, which we define as an unusual transaction	In responding to the key audit matter, we performed the following audit procedures: **For all pinpointed areas of risk** • We assessed whether the accounting policies adopted by the directors are in accordance with the requirements of IFRS 15, and whether management applied them consistently and appropriately to revenue transactions.
Technology Sourcing Revenue – unshipped bill and hold Technology Sourcing revenue includes revenues from bill and hold transactions, which involves the Group invoicing a customer and recognising associated revenue, while retaining physical possession of the product until it is delivered to the customer at a future point in time. As such, there is a risk that revenue is recognised too early or that control of the product has not yet been transferred to the customer at the time of revenue recognition. Given the complexity of these arrangements, there is a higher risk of fraud and error in respect of unshipped bill and hold revenue.	**Technology Sourcing Revenue – unshipped bill and hold** • We performed a disaggregation of all bill and hold revenue to identify shipped and unshipped bill and hold populations; and • We selected of a sample of items from the unshipped population and agreed these to relevant and appropriate supporting evidence (such as signed agreements) to determine that these arrangements were substantive and to understand when the customer obtains control of the product to assess whether revenue is recognised in the appropriate period.

Independent Auditor's report to the members of Computacenter plc continued

Key Audit Matter – Group	How our scope addressed the matter – Group
Technology Sourcing Revenue – cut-off (non-bill and hold) Technology Sourcing revenue includes revenues from numerous product groups, such as hardware and software, each sold with varying contractual terms and conditions that impact the point in time at which all delivery obligations are fulfilled and revenue is recognised. Whilst there is little judgement required in identifying the appropriate accounting policy to apply, the volume of orders close to year end gives rise to a risk that revenue is recognised too early. Given the complexity of the contractual terms and conditions, there is a higher risk of fraud and error in revenue recognition for this revenue stream.	**Technology Sourcing Revenue – cut-off (non-bill and hold)** • We obtained management's manual analysis over the cut-off period. We have evaluated the extent of this analysis and performed tests of detail on a sample of items within this analysis agreeing to appropriate supporting evidence (such as shipping documents) to assess whether revenue has been recognised in the appropriate period.

Key Audit Matter – Group	How our scope addressed the matter – Group
Revenue unusual transactions A large proportion of revenue is made up of a high volume of relatively low value transactions. Therefore, we have pinpointed our fraud risk to those transactions that do not follow the expected transaction flow which we define as an unusual transaction. We consider that there is a higher risk of fraud in respect of these unusual transactions.	**Revenue unusual transactions** • We utilised audit data analytical ("ADA") procedures on non-complex revenue to identify transactions that do not follow the expected transaction flow. As part of our procedures to support the ADA output, we tested the operating effectiveness of the bank reconciliation controls and tested a sample of revenue transactions to supporting evidence such as invoice, remittance, cash receipt and proof of delivery; and • We have assessed and substantively tested the transactions identified outside of the expected transaction flow by obtaining corroborative evidence that supports these transactions.
Relevant disclosures in the Annual Report and Accounts 2023 • Financial statements: Note 2 Summary of significant accounting policies, Revenue, Note 3 Critical accounting estimates and judgements and Note 5 Revenue • Audit Committee Report, Page 131: Activities of the Committee.	**Our results** Based on the audit work performed, we did not identify any material misstatement in relation to revenue recognition.

We did not identify any key audit matters relating to the audit of the financial statements of the parent company only.

Independent Auditor's report to the members of Computacenter plc continued

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£13,200,000, which represents approximately 5% of the Group's profit before taxation.	£4,967,000 which represents approximately 0.9% of the parent company's total assets.
Significant judgements made by auditor in determining materiality	In determining materiality, we made the following significant judgements: • Profit before taxation is considered to be the most appropriate benchmark because this is a key performance indicator used by the Directors to report to investors on the financial performance of the group. • We have considered 5% to be an appropriate percentage, given the business operates in a stable environment, has limited debt, is not currently in a significant growth phase and has not been impacted by significant changes in operations during the period. Materiality for the current year is higher than the level that was determined by the predecessor auditor (£12m) given the increase in profit before taxation in the current year.	In determining materiality, we made the following significant judgements: • Total assets is considered to be the most appropriate benchmark as it reflects the parent company's status as a non-trading holding company. • We have considered 0.9% to be an appropriate percentage, given the parent company has no external debt and the concentration of ownership is comparably high for a listed entity of its size. Additionally, we note that a significant portion of the asset total is made up of investments in subsidiary undertakings. These subsidiaries operate in stable environments, which supports the overall stability and resilience of the Group's financial position. Materiality for the current year is higher than the level that was determined by the predecessor auditor (£2.5m) as a result of the increase in the benchmark percentage to 0.9% (2022: 0.5%) for the reasons set out above. We calculated materiality during the planning stage of the audit and then during the course of our audit, we re-assessed initial materiality based on actual total assets for the year ended 31 December 2023 and adjusted our audit procedures accordingly.

Independent Auditor's report to the members of Computacenter plc continued

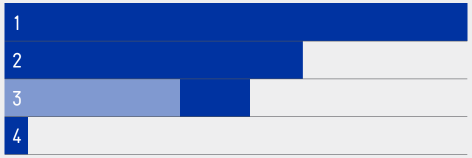
Materiality measure	Group	Parent company
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£8,580,000 which is 65% of financial statement materiality.	£3,228,550, which is 65% of financial statement materiality.
Significant judgements made by auditor in determining performance materiality	In determining performance materiality, we made the following significant judgements: • Our previous experience with the group – as this is our initial audit engagement, we have no experience of any adjustments made in the previous periods; • Our risk assessment – we considered control deficiencies previously reported by the predecessor auditor and the potential impact on the current period's audit when performing our risk assessment procedures; and • Change in key management personnel – we have considered the appointment of the new Chief Financial Officer and the departure of the outgoing Chief Financial Officer who had held the role for a number of years.	In determining performance materiality, we made the following significant judgements: • Our previous experience with the group – as this is our initial audit engagement, we have no experience of any adjustments made in the previous periods; and • Our risk assessment – we considered control deficiencies previously reported by the predecessor auditor and the potential impact on the current period's audit when performing our risk assessment procedures.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for the following areas: • Directors' remuneration; • Identified related party transactions outside of the normal course of the business; and • Auditor's remuneration	We determined a lower level of specific materiality for the following areas: • Directors' remuneration; • Identified related party transactions outside of the normal course of the business; and • Auditor's remuneration
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£660,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£248,350 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Independent Auditor's report to the members of Computacenter plc continued

The graphs below illustrates how performance materiality and the range of component materiality interacts with our overall materiality and the threshold for communication to the audit committee.

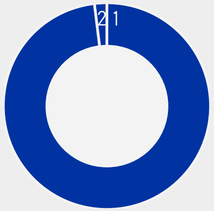
Overall materiality – Group

1. Group PBT: **£272m**
2. FSM: **£13.2m**

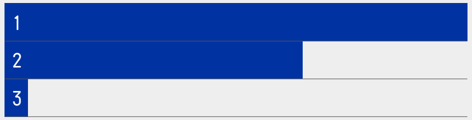


1. FSM: **£13.2m (5% PBT)**
2. PM: **£8.58m (65% FSM)**
3. RoM: **£5m to £7m**
4. TfC: **£0.66m (5% FSM)**

Overall materiality – Parent



1. Total assets: **£553.2m**
2. FSM: **£4.97m**



1. FSM: **£4.97m (0.9% Assets)**
2. PM: **£3.2m (65% FSM)**
3. TfC: **£0.25m (5% FSM)**

FSM: Financial statements materiality, PM: Performance materiality, RoM: Range of materiality at financially significant components, TfC: Threshold for communication to the audit committee.

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the group's and the parent company's business and in particular matters related to:

Understanding the group, its components, and their environments, including group-wide controls

- Our audit approach was a risk-based approach founded on a thorough understanding of the Group's and parent company's business, its environment and risk profile. The Group's accounting process is primarily resourced through a central function within the UK, with local finance functions reporting subsidiary results to Group, and certain financial and operational processes and functions being performed from a shared service centre in Hungary. Each local finance function reports into the central Group finance function based at the Group's head office. The Group engagement team obtained an understanding of the Group and its environment, including Group-wide controls, and assessed the risks of material misstatement at the Group level;
- We obtained an understanding of the business processes for all significant classes of transactions, including significant risks, in order to confirm our understanding of the control environment across the Group;
- For significant components requiring a full-scope audit approach, we or the component auditors obtained an understanding of the relevant controls over the entity-specific financial reporting systems identified as well as the centralised financial reporting system as part of our risk assessment; and
- We documented and assessed the design and implementation of controls related to key audit matters and other significant risks communicated in this report.

Identifying significant components

- Component significance was determined based on their relative share of key Group financial metrics including revenue and profit before taxation. These metrics were used to identify components classified as 'individually financially significant to the Group' and an audit of the financial information of the component using component materiality (full-scope audit) was performed.
- We also considered whether any components were likely to include significant risks of material misstatement to the Group financial statements due to their specific nature or circumstances. No additional significant components were identified as a result of this consideration.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

In order to address the audit risks identified during our planning procedures, the Group engagement team performed the following audit procedures:

- Full-scope audit procedures on the financial information of four components, being Computacenter UK Ltd, Computacenter AG & Co oGH, Computacenter USA Inc, and Pivot Technology Solutions Ltd. These full-scope audits included all our work on the identified key audit matter described above.

Independent Auditor's report to the members of Computacenter plc continued

- Specific-scope audit procedures relating to the risks of material misstatement of the financial statements of two components.
- Analytical procedures on the financial information of all the remaining group components which are based in a number of countries across North America, Europe and Asia.

Performance of our audit

- Full-scope audits were performed on two components located in the US, one component in the UK and one component in Germany. These four components contributed 83% of group revenue and 86% of group profit before taxation. In addition, specific-scope audit procedures were performed on one component in France and one component in the US.
- In total, percentage revenue coverage of full-scope audit and specified audit procedures equated to 83% of group revenue and 86% of group profit before taxation.

Audit approach	No. of components	% coverage total assets	% coverage revenue	% coverage PBT
Full-scope audit	4	82%	83%	86%
Specified audit procedures	2	1%	0%	0%
Analytical procedures	37	17%	17%	14%
Total	43	100%	100%	100%

Communications with component auditors

- The component auditors of the reporting components where a full scope approach was required were issued with detailed audit instructions. These instructions highlighted the significant risks that needed to be addressed through the audit procedures and specified the information that we required to be reported to the Group engagement team;
- Throughout the planning, fieldwork, and concluding stages of the Group audit, the Group engagement team communicated with all component auditors and conducted a review of their work. Key working papers were prepared by the Group engagement team to summarise their review of component auditor files;
- Additionally, members of the Group engagement team visited the locations of all individually financially significant components to gain an in-depth understanding of their operations and the risks associated with them; and
- Across the Group audit, the Group engagement team and all component auditors carried out the majority of work performed in person with the respective finance teams. We held detailed discussions with the component audit teams, including remote and in-person reviews of the work performed, update calls on the progress of their fieldwork and by attending the component audit clearance meetings with component management.

Other information

The other information comprises the information included in the annual report and accounts, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report and accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinions on other matters prescribed by the Companies Act 2006 are unmodified

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the accounts are prepared is consistent with those accounts; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited 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;

Independent Auditor's report to the members of Computacenter plc continued

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 132;
- the directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 132;
- the director's statement on whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as set out on page 132;
- the directors' statement on fair, balanced and understandable set out on page 164;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 74;
- the section of the annual report that describes the review of the effectiveness of risk management and internal control systems set out on page 74; and
- the section describing the work of the audit committee set out on page 131.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the parent company and the Group and sector in which they operate and how the parent company and the Group are complying with those legal and regulatory frameworks, through our commercial and sector experience, making enquiries of management and those charged with governance, and inspection of the parent company's and the Group's key external correspondence. We corroborated our enquiries through our inspection of board minutes and other information obtained during the course of the audit.
- We have identified the following areas within the Group's operations that are particularly susceptible to non-compliance with laws and regulations, including export legislation, GDPR compliance, listing rules, health and safety, contract legislation, anti-bribery, employment law, and certain aspects of company and environmental legislation. This is due to the nature of the Group's activities, which involve the export of IT hardware and the provision of global IT services.
- In addition, we evaluated the Group's compliance with laws and regulations that have a direct impact on the financial statements. These laws and regulations include financial reporting legislation (including related companies legislation), distributable profits legislation, pension legislation, company legislation, climate regulation, and taxation legislation.
- Our assessment of the Group's compliance with these laws and regulations was integrated into our procedures on the related financial statement items. We obtained an understanding of the Group's systems and processes for monitoring compliance, tested key controls, and evaluated the effectiveness of the Group's compliance program. We also reviewed relevant documentation and obtained representations from management regarding their compliance with these laws and regulations.
- To gain assurance on the Group's compliance with laws and regulations, we made enquiries of management and the Board of Directors to determine if they were aware of any instances of non-compliance. Additionally, we made enquiries of the finance team, internal audit, head of risk and compliance, and the Audit Committee to understand the company's policies and procedures related to identifying, evaluating, and complying with laws and regulations. We also assessed the susceptibility of the parent company's and the Group's financial statements to material misstatement, including fraud risk.

Independent Auditor's report to the members of Computacenter plc continued

- We obtained an understanding of the company's compliance with legal and regulatory frameworks by consulting with management, those responsible for legal and compliance procedures, and the company secretary. Our findings were corroborated by our review of the board minutes. In assessing the risk of fraud, we consulted with our forensic specialists and considered management's incentives and opportunities for manipulation of the financial statements, including the risk of management override of controls.
- Our audit procedures were specifically designed to prevent and detect fraud, and included:
  - Evaluated the design and implementation of the controls that management has put in place to prevent and detect fraudulent activities;
  - Conducted journal entry testing with a focus on journals indicating large or unusual transactions or account combinations based on our understanding of the business;
  - Gained an understanding of and tested significant related party transactions; and
  - Performed audit procedures to ensure compliance with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery, or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- As part of the engagement partner's assessment of the engagement team's collective competence and capabilities, we considered their understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation. We also evaluated their knowledge of the industry in which the parent company and the Group operate, as well as their understanding of the legal and regulatory requirements specific to the parent company and the Group.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- For components at which audit procedures were performed, we requested component auditors to report to us instances of non-compliance with laws and regulations that gave rise to a risk of material misstatement of the group financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Board on 17 May 2023 to audit the financial statements for the year ending 31 December 2023. This is the first year of our engagement as auditor of Computacenter plc.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

Rebecca Eagle
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
30 Finsbury Square
London
EC2A 1AG

19 March 2024

Consolidated Income Statement

For the year ended 31 December 2023

	Note	2023 £m	2022 £m
Revenue	4,5	**6,922.8**	6,470.5
Cost of sales		**(5,878.8)**	(5,523.4)
Gross profit	4	**1,044.0**	947.1
Administrative expenses		**(783.3)**	(690.7)
Other income related to acquisition of a subsidiary	8	**5.3**	–
Gain related to acquisition of a subsidiary	8	**2.8**	–
Operating profit		**268.8**	256.4
Finance income	10	**13.8**	2.4
Finance costs	11	**(10.5)**	(9.8)
Profit before tax		**272.1**	249.0
Income tax expense	12	**(72.7)**	(64.8)
Profit for the year		**199.4**	184.2
Attributable to:			
Equity holders of the Parent		**197.6**	182.8
Non-controlling interests		**1.8**	1.4
Profit for the year		**199.4**	184.2
Earnings per share:			
– basic	13	**175.0p**	162.1p
– diluted	13	**173.2p**	159.1p

All of the activities of the Group relate to continuing operations.

The accompanying notes on pages 180 to 231 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	Note	2023 £m	2022 £m
Profit for the year		**199.4**	184.2
Items that may be reclassified to the Consolidated Income Statement:			
Gain/(loss) arising on cash flow hedge		**2.8**	(2.5)
Income tax effect	12d	**(0.9)**	1.0
		1.9	(1.5)
Exchange differences on translation of foreign operations		**(25.8)**	47.5
		(23.9)	46.0
Items not to be reclassified to the Consolidated Income Statement:			
Remeasurement of defined benefit plan	33	**(2.8)**	1.7
Other comprehensive expense for the year, net of tax		**(26.7)**	47.7
Total comprehensive income for the year		**172.7**	231.9
Attributable to:			
Equity holders of the Parent		**171.3**	229.9
Non-controlling interests		**1.4**	2.0
Total comprehensive income for the year		**172.7**	231.9

The accompanying notes on pages 180 to 231 form an integral part of these consolidated financial statements.

Consolidated Balance Sheet

As at 31 December 2023

	Note	2023 £m	2022 (restated*) £m	1 January 2022* £m
Non-current assets				
Property, plant and equipment	15	**96.1**	94.1	90.0
Right-of-use assets	15	**104.5**	119.4	138.1
Intangible assets	16	**322.4**	342.1	273.7
Investment in associate	18a	**0.1**	0.1	0.1
Deferred income tax assets	12d	**11.6**	11.3	30.2
Trade and other receivables*	25	**21.1**	9.9	–
Prepayments	5	**10.3**	19.4	16.6
		566.1	596.3	548.7
Current assets				
Inventories	19	**216.0**	417.7	341.3
Trade and other receivables*	20	**1,498.1**	1,683.8	1,254.7
Income tax receivable		**12.5**	14.6	8.8
Prepayments	5	**139.7**	130.5	103.0
Accrued income*	5	**151.9**	129.2	148.1
Derivative financial instruments	24	**2.5**	7.5	3.6
Cash and short-term deposits*	21	**471.2**	264.4	285.2
		2,491.9	2,647.7	2,144.7
Total assets		**3,058.0**	3,244.0	2,693.4
Current liabilities				
Bank overdraft*		**–**	–	12.0
Trade and other payables	22	**1,674.5**	1,857.5	1,410.4
Deferred income	5	**230.3**	265.3	249.3
Financial liabilities	23a	**4.8**	7.5	15.1
Lease liabilities	23b	**37.3**	36.9	43.0
Derivative financial instruments	24	**6.3**	8.7	2.5
Income tax payable*		**16.9**	30.9	27.4
Provisions	26	**2.2**	3.8	3.5
		1,972.3	2,210.6	1,763.2

	Note	2023 £m	2022 (restated*) £m	1 January 2022* £m
Non-current liabilities				
Financial liabilities	23a	**7.4**	12.6	16.7
Lease liabilities	23b	**78.1**	90.2	103.1
Deferred income	5	**4.3**	7.9	8.3
Retirement benefit obligation	33	**26.2**	23.0	21.8
Provisions	26	**6.9**	7.0	9.7
Deferred income tax liabilities	12d	**13.4**	20.7	25.8
		136.3	161.4	185.4
Total liabilities		**2,108.6**	2,372.0	1,948.6
Net assets		**949.4**	872.0	744.8
Capital and reserves				
Issued share capital	29	**9.3**	9.3	9.3
Share premium	29	**4.0**	4.0	4.0
Capital redemption reserve	29	**–**	75.0	75.0
Own shares held	29	**(140.4)**	(127.7)	(115.5)
Translation and hedging reserve	29	**27.2**	50.7	5.4
Retained earnings		**1,041.6**	854.4	762.3
Shareholders' equity		**941.7**	865.7	740.5
Non-controlling interests	29	**7.7**	6.3	4.3
Total equity		**949.4**	872.0	744.8

* Refer to note 2 for restatement of prior-year comparatives.

The accompanying notes on pages 180 to 231 form an integral part of these consolidated financial statements.

Approved by the Board on 19 March 2024.

MJ Norris
Chief Executive Officer

MC Jehle
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Attributable to equity holders of the Parent								
	Issued share capital £m	Share premium £m	Capital redemption reserve £m	Own shares held £m	Translation and hedging reserves £m	Retained earnings £m	Shareholders' equity £m	Non-controlling interests £m	Total equity £m
At 1 January 2023	**9.3**	**4.0**	**75.0**	**(127.7)**	**50.7**	**854.4**	**865.7**	**6.3**	**872.0**
Profit for the year	–	–	–	–	–	197.6	197.6	1.8	199.4
Other comprehensive (expense)	–	–	–	–	(23.5)	(2.8)	(26.3)	(0.4)	(26.7)
Total comprehensive (expense)/income	–	–	–	–	(23.5)	194.8	171.3	1.4	172.7
Transactions with owners:									
– Cost of share-based payments	–	–	–	–	–	7.7	7.7	–	7.7
– Tax on share-based payments	–	–	–	–	–	3.1	3.1	–	3.1
– Capital reduction	–	–	(75.0)	–	–	75.0	–	–	–
– Exercise of options	–	–	–	25.3	–	(16.1)	9.2	–	9.2
– Purchase of own shares	–	–	–	(38.0)	–	–	(38.0)	–	(38.0)
– Equity dividends	–	–	–	–	–	(77.3)	(77.3)	–	(77.3)
Total	–	–	(75.0)	(12.7)	–	(7.6)	(95.3)	–	(95.3)
At 31 December 2023	**9.3**	**4.0**	**–**	**(140.4)**	**27.2**	**1,041.6**	**941.7**	**7.7**	**949.4**
At 1 January 2022	9.3	4.0	75.0	(115.5)	5.4	762.3	740.5	4.3	744.8
Profit for the year	–	–	–	–	–	182.8	182.8	1.4	184.2
Other comprehensive income	–	–	–	–	45.3	1.8	47.1	0.6	47.7
Total comprehensive income	–	–	–	–	45.3	184.6	229.9	2.0	231.9
Transactions with owners:									
– Cost of share-based payments	–	–	–	–	–	8.6	8.6	–	8.6
– Tax on share-based payments	–	–	–	–	–	(4.6)	(4.6)	–	(4.6)
– Exercise of options	–	–	–	22.2	–	(16.0)	6.2	–	6.2
– Purchase of own shares	–	–	–	(34.4)	–	–	(34.4)	–	(34.4)
– Equity dividends	–	–	–	–	–	(80.5)	(80.5)	–	(80.5)
Total	–	–	–	(12.2)	–	(92.5)	(104.7)	–	(104.7)
At 31 December 2022	9.3	4.0	75.0	(127.7)	50.7	854.4	865.7	6.3	872.0

The accompanying notes on pages 180 to 231 form an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2023

	Note	2023 £m	2022 £m
Operating activities			
Profit before taxation		272.1	249.0
Net finance (income)/cost		(3.3)	7.4
Depreciation of property, plant and equipment	15	20.4	21.5
Depreciation of right-of-use assets	15	41.4	50.5
Amortisation of intangible assets	16	18.9	18.9
Share-based payments	9	7.7	8.6
Loss on disposal of property, plant and equipment		0.2	0.5
Net cash flow from inventories		189.2	(7.0)
Net cash flow from trade and other receivables (including contract assets)		107.7	(317.2)
Net cash flow from trade and other payables (including contract liabilities)		(160.2)	263.4
Net cash flow from provisions and employee benefits		(0.8)	(0.7)
Other adjustments		0.1	(0.1)
Cash generated from operations		493.4	294.8
Income taxes paid		(82.8)	(52.7)
Net cash flow from operating activities		410.6	242.1
Investing activities			
Interest received	10	13.1	2.4
Acquisition of subsidiaries, net of cash acquired		–	(28.3)
Contingent consideration	18	(17.4)	–
Purchases of property, plant and equipment	15	(21.9)	(23.7)
Purchases of intangible assets	16	(13.2)	(11.8)
Proceeds from disposal of property, plant and equipment		–	1.1
Net cash flow from investing activities		(39.4)	(60.3)

	Note	2023 £m	2022 £m
Financing activities			
Interest paid	11	(2.6)	(2.9)
Interest paid on lease liabilities	11	(4.7)	(4.9)
Purchase of non-controlling interest	18	(1.9)	–
Dividends paid to equity shareholders of the Parent	14	(77.3)	(80.5)
Proceeds from exercise of share options		9.2	6.2
Purchase of own shares		(38.0)	(34.4)
Repayment of loans and credit facility	31	(69.8)	(20.6)
Payment of capital element of lease liabilities	23b	(41.4)	(50.3)
Drawdown of borrowings	31	62.9	4.0
Net cash flow from financing activities		(163.6)	(183.4)
Increase/(decrease) in cash and cash equivalents		207.6	(1.6)
Effect of exchange rates on cash and cash equivalents		(0.8)	(7.2)
Cash and cash equivalents at the beginning of the year	21	264.4	273.2
Cash and cash equivalents at the year end	21	471.2	264.4

The accompanying notes on pages 180 to 231 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

1 Authorisation of Consolidated Financial Statements and statement of compliance with IFRS

The Consolidated Financial Statements of Computacenter plc (Parent Company or the Company) and its subsidiaries (the Group) for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 19 March 2024. The Consolidated Balance Sheet was signed on behalf of the Board by MJ Norris and MC Jehle. Computacenter plc is a limited company incorporated and domiciled in England whose shares are publicly traded.

2 Summary of significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year as applied in the 2022 Annual Report and Accounts.

New or revised standards or interpretations

Some accounting pronouncements which have become effective from 1 January 2023 and have therefore been adopted do not have a significant impact on the Group's financial results or position other than the change discussed below.

IAS 12 does not specifically address the tax effects of right-of-use assets and lease liabilities. However, in May 2021 the IASB made amendments to IAS 12 which narrow the scope of the initial recognition exemption in paragraphs 15 and 24 of IAS 12 and require entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. As a consequence, entities are now required to recognise both a deferred tax asset and a deferred tax liability on the initial recognition of a lease. While these would typically qualify for offsetting in the balance sheet, the notes to the financial statements need to disclose the gross amounts. The amendments apply to annual reporting periods beginning on or after 1 January 2023.

The Group was previously recording deferred tax on right-of-use assets and lease liabilities on a net basis. Upon adoption of the amendments, the cumulative effect of initially applying the amendments at 1 January 2022 was not material to the retained earnings position and therefore no adjustment has been made for this date. The Group has now grossed up deferred tax liabilities of £26.6m (2022: £31.1m) on right-of-use assets and deferred tax assets of £27.9m (2022: £32.4m) on lease liabilities which are disclosed in note 12d. Due to the offsetting of these deferred tax assets and liabilities on the basis that they relate to income taxes levied by the same taxation authority on the same taxable entity, there is no material impact on the deferred tax position reported on the Consolidated Balance Sheet. The application of these amendments to IAS 12 has had no material impact on the Group's profit before tax or profit after tax, net assets and earnings per share.

New standards, interpretations or amendments not yet effective have not been early adopted and have not been disclosed as they are not expected to have a material effect on the Group's Consolidated Financial Statements. The Group anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

2.1 Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the United Kingdom and in conformity with the requirements of the Companies Act 2006.

The Consolidated Financial Statements are prepared on the historical cost basis, other than derivative financial instruments and contingent consideration, which are stated at fair value.

The Consolidated Financial Statements are presented in pound sterling (£) and all values are rounded to the nearest hundred thousand, except when otherwise indicated.

In determining whether it is appropriate to prepare the financial statements on a going concern basis, the Group prepares a three-year Plan (the 'Plan') annually by aggregating top-down expectations of business performance across the Group in the second and third year of the Plan with a detailed 12-month bottom-up budget for the first year, which was approved by the Board. The Plan is subject to rigorous downside sensitivity analysis which involves flexing a number of the main assumptions underlying the forecasts within the Plan. The forecast cash flows from the Plan are aggregated with the current position to provide a total three-year cash position against which the impact of potential risks and uncertainties can be assessed. In the absence of significant external debt, the analysis also considers access to available committed and uncommitted finance facilities, the ability to raise new finance in most foreseeable market conditions and the ability to restrict dividend payments.

The Directors have identified a period of not less than 12 months from the date of signing this Annual Report and Accounts, through to 19 March 2025, as the appropriate period for the going concern assessment and have based their assessment on the relevant forecasts from the Plan for that period. No events or conditions beyond the assessment period that may cast significant doubt on the Group's ability to continue as a going concern have been identified.

The potential impact of the principal risks and uncertainties, as set out on pages 64 to 77, is then applied to the Plan. This assessment includes only those risks and uncertainties that, individually or in plausible combination, would threaten the Group's business model, future performance, solvency or liquidity over the assessment period and which are considered to be severe but reasonable scenarios. It also takes into account an assessment of how the risks are managed and the effectiveness of any mitigating actions.

The combined effect of the potential occurrence of several of the most impactful risks and uncertainties is represented by a large adjustment to the cash flows over the assessment period which is then compared to the cash position generated by the Plan, throughout the assessment period, to model whether the business will be able to continue in operation. This application of the risk impact adjustment is performed under two sensitivity scenarios.

For the current period, the primary downside sensitivity relates to a modelled, but not predicted, severe downturn in Group revenues, beginning in 2024, simulating a continued impact for some of our customers from a reduction in customer demand due to the current economic crisis, and ongoing impact on the Group's revenues from this macroeconomic instability. This sensitivity analysis models a continued market downturn scenario, with slower-than-predicted recovery estimates, for some of our customers whose businesses have been affected by the downturn occurring for our customer base as a result of the emerging negative global macroeconomic environment due to the current economic crisis.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2023

2 Summary of significant accounting policies continued
The second sensitivity scenario includes a further extreme, but not predicted, severe downturn in Group revenues and margins leading to a substantial loss-making position over the assessment period. Included within this sensitivity scenario is the modelled lack of access to our committed facility.

Under both scenarios, the business demonstrates modelled solvency and liquidity over the assessment period where the supporting models were tested with rigorous downside sensitivity analysis, which involved flexing a number of the main assumptions underlying the forecasts.

Our cash and borrowing capacity provides sufficient funds to meet the foreseeable needs of the Parent and Group. At 31 December 2023, the Group had cash and short-term deposits of £471.2m and bank debt, primarily related to the recently built headquarters in Germany and operations in North America, of £12.2m. On 9 December 2022, the Group entered into a new unsecured multi-currency revolving loan facility of £200.0m in order to rationalise its treasury operations. The new facility has a term of five years plus two one-year extension options exercisable on the first and second anniversary of the facility. The Group has exercised the extension option on the first anniversary, extending the term to six years with one further one-year extension option available.

The Group has a resilient balance sheet position, with net assets of £949.4m as at 31 December 2023. The Group made a profit after tax of £199.4m, and delivered net cash flows from operating activities of £410.6m, for the year ended 31 December 2023.

As the analysis continues to show a strong forecast cash position, even under the severe economic conditions modelled in the sensitivity scenarios, the Directors continue to consider that the Parent and Group are well placed to manage business and financial risks in the current economic environment. Based on this assessment, the Directors confirm that they have a reasonable expectation that the Parent and Group will be able to continue in operation and meet their liabilities as they fall due over the period of not less than 12 months from the date of signing this Annual Report and Accounts and therefore have prepared the financial statements on a going concern basis.

Consolidated Balance Sheet – restatement of comparative information
At 31 December 2022, certain items were incorrectly presented on the Consolidated Balance Sheet as follows:

- Tax balances of £25.5m were included as part of 'Trade and other receivables'. These have been re-presented by reclassifying to 'Income tax payable' and netting these amounts against payable balances in the same tax jurisdiction.
- Trade and other receivables relating to a contract of £6.0m was included as part of 'Accrued income'. This has now been reclassified to 'Trade and other receivables'. Further to this, and related to the same contract, an amount of £9.9m has been reclassified from 'Trade and other receivables' (current) to 'Trade and other receivables' (non-current).
- A bank overdraft balance of £10.7m has been reclassified to 'Cash and short-term deposits' as the 'right of offset' has been established.

Of the above, only the reclassification of the tax balances has an impact on the Consolidated Balance Sheet as at 1 January 2022, which is to decrease Trade and other receivables by £20.5m and decrease Income tax payable by the same amount. There is no impact on reported 'Net funds' and 'Net assets' from the above changes for any of the periods presented.

2.2 Basis of consolidation
The Consolidated Financial Statements comprise the financial statements of the Parent Company and its subsidiaries as at 31 December each year. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company, using existing GAAP in each country of operation. Adjustments are made on consolidation for differences that may exist between the respective local GAAPs and IFRS.

All intra-group balances, transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are consolidated from the date on which the Group obtains control and cease to be consolidated from the date on which the Group no longer retains control. Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries that is not held by the Group and is presented separately from Parent shareholders' equity in the Consolidated Balance Sheet.

2.2.1 Foreign currency translation
Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of the transaction, or where relevant, the rate of a specific forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the Consolidated Balance Sheet date. All differences are taken to the Consolidated Income Statement except foreign currency differences arising from the translation of qualifying cash flow hedges, which are recognised in the Consolidated Statement of Comprehensive Income, to the extent that the hedges are effective.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transaction.

The functional currencies of the main overseas subsidiaries are euro (€) and US dollar ($). The Group's presentation currency is pound sterling (£). As at the reporting date, the assets and liabilities of overseas subsidiaries are translated into the presentation currency of the Group at the rate of exchange ruling at the Consolidated Balance Sheet date and their income statements are translated at the average exchange rates for the year. Exchange differences arising on the retranslation are recognised in the Consolidated Statement of Comprehensive Income. On disposal of a foreign entity, the deferred cumulative amount recognised in the Consolidated Statement of Comprehensive Income relating to that particular foreign operation is recognised in the Consolidated Income Statement.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

2 Summary of significant accounting policies continued

2.3 Revenue

Revenue is recognised when the Group's performance obligations are fulfilled to the extent of the amount which is expected to be received from customers as consideration for the transfer of goods and services to the customer.

In multi-element contracts with customers where more than one good (Technology Sourcing) or service (Professional Services and Managed Services) is provided to the customer, analysis is performed to determine whether the separate promises are distinct performance obligations within the context of the contract. To the extent that this is the case, the transaction price is allocated between the distinct performance obligations based upon relative standalone selling prices. The revenue is then assessed for recognition purposes based upon the nature of the activity and the terms and conditions of the associated customer contract relating to that specific distinct performance obligation.

The following specific recognition criteria must also be met before revenue is recognised:

2.3.1 Technology Sourcing

The Group supplies hardware, software and resold third-party services (together as 'goods') to customers that are sourced from and delivered by a number of suppliers.

Technology Sourcing revenue is recognised when the Group's performance obligations are fulfilled at a point in time when control of the goods has been transferred to the customer. Typically, customers obtain control of the goods when they are delivered to and have been accepted at their premises, depending on individual customer arrangements. Invoices are routinely generated at despatch from our Integration Centers or, in the case of direct delivery by supplier, upon receipt at customer locations. At each reporting date, a process is undertaken to ensure revenue is not recognised for goods that have not been received by customers at that reporting date. Payment for the goods is generally received on, or before, industry-standard payment terms, ordinarily within 30 days. Refer to note 3.2.1 for 'bill and hold' transactions.

Revenue is recorded at the price specified in sales invoices which is based on the customer contracts, net of any agreed discounts and rebates, and exclusive of value added tax on goods or services supplied to customers during the year.

In limited instances, the Group provides early payment discounts or rebates to its customers which create variability in the transaction price. In determining the variable consideration to be recognised, these discounts and rebates are estimated based on the terms of contractually agreed arrangements and the amount of consideration to which the Group will be entitled in exchange for supplying the goods or services. The level of estimation involved in assessing the variable consideration is minimal given the arrangements are generally prospective in nature and therefore deductions from revenue and trade receivables are appropriately accounted for at the point revenue is recognised.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Technology Sourcing principal versus agent recognition

Management assesses the classification of certain revenue contracts for Technology Sourcing revenue recognition on either an agent or principal basis. Because the identification of the principal in a contract is not always clear, Management makes a determination by evaluating the nature of our promise to our customer as to whether it is a performance obligation to pass control of the specified goods or services ourselves, in which case we are the principal, or to arrange for those goods or services to be provided by the other party, where we are the agent. We determine whether we are a principal or an agent for each specified good or service promised to the customer by evaluating the nature of our promise to the customer against a non-exhaustive list of indicators that a performance obligation could involve an agency relationship:

- we do not control each specified good or service before that good or service is delivered to the customer;
- the vendor retains primary responsibility for fulfilling the sale;
- we take no inventory risk before or after the goods have been ordered, during shipping or on return;
- we do not have discretion to establish pricing for the vendor's goods, limiting the benefit we can receive from the sale of those goods; and
- our consideration is in the form of a, usually predetermined, commission.

2.3.2 Professional Services

The Group provides skilled professionals to customers either operating within a project framework or on a 'resource on demand' basis.

For contracts operating within a project framework, revenue is recognised based on the transaction price with reference to the costs incurred as a proportion of the total estimated costs (percentage of completion basis) of the contract.

For those contracts which are 'resource on demand', where highly skilled employees work for a customer on projects and engagements managed by the customer, revenue is billed on a timesheet basis. The Group elects to use the practical expedient in IFRS 15.B16, as we have a right to consideration from our 'resource on demand' Professional Services customers in an amount that corresponds directly with the value to our customer of the Group's performance completed to date. The practical expedient applied permits the Group to recognise these 'resource on demand' Professional Services revenues in the amount to which the entity has a right to invoice. Professional Services revenue is therefore recognised throughout the term of the contract, as services are delivered, with amounts recognised based on monthly invoiced amounts, as this corresponds to the service delivered to the customer and the satisfaction of the Group's performance obligations.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

2 Summary of significant accounting policies continued

Under either basis, Professional Services revenue is recognised over time. The majority of the Group's Professional Services revenue is constituted by 'resource on demand' arrangements, is recognised in this manner and represents the primary area of growth in this business line. As the majority of Professional Services revenue is recognised as 'resource on demand', the overall balance of risks to recognition for this business is decreased as compared to the scenario where the majority of Professional Services revenue would be recognised on a percentage of completion basis. This is due to the monthly timesheet nature of the billing which is agreed regularly with the customer as the service is delivered.

If the total estimated costs and revenues of a contract cannot be reliably estimated, revenue is recognised only to the extent that costs have been incurred and where the Group has an enforceable right to payment as work is being performed.

A provision for forecast excess costs over forecasted revenue is made as soon as a loss is foreseen (see note 2.12.1 for further detail). Payment for the Services, which are invoiced monthly, is generally on industry standard payment terms.

2.3.3 Managed Services

The Group sells maintenance, support and management of customers' IT infrastructures and operations.

The specific performance obligations and invoicing conditions in our Managed Services contracts are typically related to the number of calls, interventions or users that we manage and therefore the customer simultaneously receives and consumes the benefits of the services as they are performed. The Group elects to use the practical expedient in IFRS 15.B16, as we have a right to consideration from our Managed Services customers in an amount that corresponds directly with the value to our customer of the Group's performance completed to date. The practical expedient applied permits the Group to recognise Managed Services revenue in the amount to which the entity has a right to invoice. Managed Services revenue is therefore recognised throughout the term of the contract, as services are delivered, with amounts recognised based on monthly invoiced amounts, as this corresponds to the service delivered to the customer and the satisfaction of the Group's performance obligations.

Amounts invoiced relating to more than one month are deferred into contract liabilities and recognised over the relevant periods, where the Group has an unconditional right of payment. Invoice payment is generally on industry standard payment terms.

If the total estimated costs and revenues of a contract cannot be reliably estimated, revenue is recognised only to the extent that costs have been incurred and where the Group has an enforceable right to payment as work is being performed. A provision for forecast excess costs over forecasted revenue is made as soon as a loss is foreseen (see note 2.12.1 for further detail). On occasion, the Group may have a limited number of Managed Services contracts where revenue is recognised on a percentage of completion basis, which is determined by reference to the costs incurred as a proportion of the total estimated costs of the contract.

Costs of obtaining and fulfilling revenue contracts

The Group operates in a highly competitive environment and is frequently involved in contract bids with multiple competitors, with the outcome usually unknown until the contract is awarded and signed.

When accounting for costs associated with obtaining and fulfilling customer contracts, the Group first considers whether these costs fit within a specific IFRS standard or policy. Any costs associated with obtaining or fulfilling revenue contracts which do not fall into the scope of other IFRS standards or policies are considered under IFRS 15. All such costs are expensed as incurred, other than the two types of costs noted below:

1. Win fees – The Group pays 'win fees' to certain employees as bonuses for successfully obtaining customer contracts. As these are incremental costs of obtaining a customer contract, they are deferred along with any associated payroll tax expense to the extent they are expected to be recovered. These balances are presented within prepayments in the Consolidated Balance Sheet. The win fee balance that will be realised after more than 12 months is disclosed as non-current.
2. Fulfilment costs – The Group often incurs costs upfront relating to the initial set-up phase of an outsourcing contract, which the Group refers to as 'Entry Into Service'. These costs do not relate to a distinct performance obligation in the contract, but rather are accounted for as fulfilment costs under IFRS 15 as they are directly related to the future performance on the contract. They are therefore capitalised to the extent that they are expected to be recovered. These balances are presented within prepayments in the Consolidated Balance Sheet.

Both types of assets resulting from capitalised win fees and Entry Into Service costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods and services to which the asset relates over the contract term. The amortisation charges on win fees and Entry Into Service costs are recognised in the Consolidated Income Statement within administration expenses and cost of sales, respectively.

Any bid costs incurred by the Group's Central Bid Management Engines are not capitalised or charged to the contract, but instead directly charged to selling, general and administrative expenses as they are incurred. These costs associated with bids are not separately identifiable nor can they be measured reliably as the Group's internal bid teams work across multiple bids at any one time.

2.3.4 Contract assets and liabilities

A contract asset is recognised when the Group has a right to consideration for goods or services which have been transferred to the customer but have not been billed, therefore excluding receivable balances. Contract assets typically relate to longer-term Professional and Managed Services contracts where work has been performed but has not been invoiced to the customer, and are included within accrued income on the Consolidated Balance Sheet.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

2 Summary of significant accounting policies continued

A contract liability is recognised when a customer pays the Group, or the Group has a right to consideration that is unconditional, before the transfer of the goods or services to which it relates. Contract liabilities typically relate to longer-term Professional and Managed Services contracts where consideration has been received under agreed billing timelines for which work has yet to be performed, and are included within deferred income on the Consolidated Balance Sheet.

2.3.5 Finance income

Income is recognised as interest accrues.

2.4 Exceptional items

The Group presents those items of income and expense as exceptional items which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand the elements of financial performance in the year, so as to facilitate comparison with prior years and to assess trends in financial performance.

2.5 Adjusted measures

The Group uses a number of non-Generally Accepted Accounting Practice (non-GAAP) financial measures in addition to those reported in accordance with IFRS. The Directors believe that these non-GAAP measures, set out below, assist in providing additional useful information on the underlying trends, performance and position of the Group. The non-GAAP measures are also used to enhance the comparability of information between reporting periods by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid the user in understanding the Group's performance.

Consequently, non-GAAP measures are used by the Directors and Management for performance analysis, planning, reporting and incentive-setting purposes. Adjusted measures have remained consistent with the prior year. However, as with all non-GAAP alternative performance measures, these adjusted measures present some natural limitations in their usage to understand the Group's performance. These limitations include the lack of comparability with non-GAAP and GAAP measures used by other companies and the fact that the results may, from time-to-time, contain the benefit of acquisitions made but exclude the significant costs associated with that acquisition or the amortisation of acquired intangibles. It is therefore not a complete record of the Group's financial performance as compared to its GAAP results. The exclusion of other adjusting items may result in adjusted earnings being materially higher or lower than reported earnings. In particular, when significant acquisition related charges are excluded, adjusted earnings will be higher than reported GAAP-compliant earnings.

These non-GAAP measures comprise: gross invoiced income, adjusted administrative expenses, adjusted operating profit or loss, adjusted profit or loss before tax, adjusted tax, adjusted profit or loss for the year, adjusted earnings per share and adjusted diluted earnings per share. They are, as appropriate, each stated before: exceptional and other adjusting items including gain or loss on acquisitions, expenses related to material acquisitions, amortisation of acquired intangibles, utilisation of deferred tax assets (where initial recognition was as an exceptional item or a fair value adjustment on acquisition), and the related tax effect of these exceptional and other adjusting items, as Management does not consider these items when reviewing the underlying performance of the Segment or the Group as a whole.

Gross invoiced income is based on the value of invoices raised to customers, net of the impact of credit notes and excluding VAT and other sales taxes. This reflects the cash movements from revenue, to assist Management and the users of the Annual Report and Accounts in understanding revenue growth on a 'Principal' basis and to assist in their assessment of working capital movements in the Consolidated Balance Sheet and Consolidated Cash Flow Statement. This measure allows an alternative view of growth in adjusted gross profit, based on the product mix differences and the accounting treatment thereon. Gross invoiced income includes all items recognised on an agency basis within revenue, on a gross income billed to customers basis, as adjusted for deferred and accrued revenue.

A reconciliation to adjusted measures is provided on page 49 of the Chief Financial Officer's review which details the impact of exceptional and other adjusting items when comparing to the non-GAAP financial measures, in addition to those reported in accordance with IFRS. Further detail is also provided within note 4, Segment information. Refer to the alternative performance measures section of the glossary on page 244 for further commentary.

2.6 Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. Where an asset does not have independent cash flows, the recoverable amount is assessed for the cash-generating unit (CGU) to which it belongs. These assets are tested across an aggregation of CGUs that utilise the asset. The recoverable amount is the higher of the fair value less costs to sell and the value-in-use of the asset or CGU. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the Consolidated Income Statement in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. As the Group has no assets carried at revalued amounts, such reversal is recognised in the Consolidated Income Statement.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2023

2 Summary of significant accounting policies continued
2.7 Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation, down to residual value, is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- freehold buildings: 25-50 years
- short leasehold improvements: shorter of seven years and period to expiry of lease
- fixtures and fittings:
  - head office: 5-15 years
  - other: shorter of seven years and period to expiry of lease
- office machinery and computer hardware: 2-15 years
- motor vehicles: three years

Freehold land is not depreciated. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Consolidated Income Statement in the year the item is derecognised.

2.8 Leases
2.8.1 Group as lessee
Recognition of a lease
The contracts are assessed by the Group, to determine whether a contract is, or contains a lease. In general, arrangements are a lease when all of the following apply:

- it conveys the right to control the use of an identified asset for a certain period, in exchange for consideration;
- the Group obtains substantially all economic benefits from the use of the asset; and
- the Group can direct the use of the identified asset.

The Group elects to separate the non-lease components.

Measurement of a right-of-use asset and lease liability
Right-of-use asset
The Group measures the right-of-use asset at cost, which includes the following:

- the initial amount of the lease liability, adjusted for any lease payments made at or before the lease commencement date;
- any lease incentives received; and
- any initial direct costs incurred by the Group as well as an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lease contract. Cost for dismantling, removing or restoring the site on which it is located and/or the underlying asset is only recognised when the Group incurs an obligation to do so.

The right-of-use asset is depreciated over the lease term, using the straight-line method.

Lease liability
The lease liability is initially measured at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease, or if the rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments included in the measurement comprise fixed payments, variable lease payments that depend on an index or a rate, amounts to be paid under a residual value guarantee and lease payments in an optional renewal period, if the Group is reasonably certain to exercise an extension option, as well as penalties for early termination of a lease, if the Group is reasonably certain to terminate early. If there is a purchase option present, this will be included if the Group is reasonably certain to exercise the option.

Leases of low-value assets and short term
Leases of low-value assets (< £5,000) and short term leases with a term of 12 months or less are not required to be recognised on the Consolidated Balance Sheet and payments made in relation to these leases are recognised on a straight-line basis in the Consolidated Income Statement.

2.8.2 Group as a lessor
The Group has entered into lease agreements as a lessor on certain items of IT equipment and software. Leases for which the Group is a lessor are classified as either operating or finance leases. The Group assesses whether it transfers substantially all the risks and rewards of ownership. Those leases that do not transfer substantially all the risks and rewards are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration of the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease.

In cases where the Group acts as an intermediate lessor, it accounts for its interests in the head-lease and the sub-lease separately.

2.9 Intangible assets
2.9.1 Software and software licences
Software and software licences include computer software that is not integral to a related item of hardware. These assets are stated at cost less accumulated amortisation and any impairment in value. Amortisation is calculated on a straight-line basis over the estimated useful life of the asset. Currently software is amortised over four years.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

2 Summary of significant accounting policies continued

The carrying values of software and software licences are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

2.9.2 Software under development

Costs that are incurred and that can be specifically attributed to the development phase of management information systems for internal use are capitalised only if the expenditure can be measured reliably, the management information system is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the system.

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Directly attributable costs that are capitalised typically include professional fees and cost of material/ services consumed.

Capitalised development costs are recorded as intangible assets and amortised over their useful life from the point at which the management information system is ready for use.

Costs associated with maintaining in-use software programs are recognised as an expense as incurred.

2.9.3 Other intangible assets

Intangible assets acquired as part of a business combination are carried initially at fair value. Following initial recognition intangible assets are carried at cost less accumulated amortisation and any impairment in value. Intangible assets with a finite life have no residual value and are amortised on a straight-line basis over their expected useful lives, with charges included in administrative expenses as follows:

- order back log: within three months
- existing customer relationships: 10-15 years
- tools and technology: seven years.

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable and expected useful lives are reviewed on a yearly basis.

2.9.4 Goodwill

Business combinations are accounted for under IFRS 3 Business Combinations using the acquisition method. Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised in the Consolidated Balance Sheet as goodwill and is not amortised. Any goodwill arising on the acquisition of equity-accounted entities is included within the cost of those entities.

After initial recognition, goodwill is stated at cost less any accumulated impairment losses, with the carrying value being reviewed for impairment at least annually and whenever events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill is allocated to the related CGU monitored by Management, usually at business Segment level or statutory Company level as the case may be. Where the recoverable amount of the CGU is less than its carrying amount, including goodwill, an impairment loss is recognised in the Consolidated Income Statement.

2.10 Inventories

Inventories are carried at the lower of weighted average cost and net realisable value after making allowance for any obsolete or slow-moving items. Costs include those incurred in bringing each product to its present location and condition, on a first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.11 Financial assets

Financial assets are recognised at their fair value, which initially equates to the sum of the consideration given and the directly attributable transaction costs associated with the investment. Subsequently, the financial assets are measured at either amortised cost or fair value, depending on their classification under IFRS 9. The Group currently holds only debt instruments. The classification of these debt instruments depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

2.11.1 Trade receivables

Trade receivables, which generally have 30- to 90-day credit terms, are initially recognised and carried at their original invoice amount less an allowance for any uncollectable amounts. The business model for trade receivables is that they are held for the collection of contractual cash flows, therefore they are subsequently measured at amortised cost. The trade receivables are derecognised on receipt of cash from the customer. The Group sometimes uses debt factoring, without recourse, to manage liquidity and, as a result, the business model for factored trade receivables is that they are not held for the collection of contractual cash flows.

As a result, subsequent to initial recognition, they are measured at fair value through other comprehensive income (except for the recognition of impairment gains and losses and foreign exchange gains and losses, which are recognised in profit or loss).

Factored trade receivables are derecognised on receipt of cash from the factoring party. Given the short lives of the trade receivables, there are generally no material fair value movements between initial recognition and the derecognition of the receivable.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

2 Summary of significant accounting policies continued

The Group assesses for doubtful debts (impairment) using the expected credit losses model as required by IFRS 9. For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from the initial recognition of the receivables. Material or high-risk balances are reviewed and provided for individually based on a number of factors including:

- the financial strength of the customer;
- the level of default that the Group has suffered in the past;
- the age of the receivable outstanding; and
- the Group's trading experience with that customer.

2.11.2 Cash and cash equivalents

Cash and short-term deposits in the Consolidated Balance Sheet comprise cash at bank and in hand, and short-term deposits with an original maturity of three months or less. Cash is held for the collection of contractual cash flows which are solely payments of principal and interest and therefore is measured at amortised cost subsequent to initial recognition.

For the purpose of the Consolidated Cash Flow Statement, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts, as the bank overdrafts form an integral part of the Group's cash management.

2.12 Financial liabilities

Financial liabilities are initially recognised at their fair value and, in the case of loans and borrowings (including credit facility), net of directly attributable transaction costs.

The subsequent measurement of financial liabilities is at amortised cost, unless otherwise described below:

2.12.1 Provisions (excluding restructuring provision)

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Customer contract provisions

Management continually monitors the financial performance of contracts, and where there are indicators that a contract could result in a negative margin, the future financial performance of that contract will be reviewed in detail. If, after further financial analysis, the full financial consequence of the contract can be reliably estimated, and it is determined that the contract is potentially loss-making, then the best estimate of the losses expected to be incurred until the end of the contract will be provided for.

In establishing if future costs are forecast to exceed the future revenue, Management will take into account the anticipated inflationary impact on the cost base, offset by any rights to increase pricing under Cost of Living Adjustment (COLA) clauses that have been incorporated in the customer contract.

The Group applies IAS 37 – 'Provisions, Contingent Liabilities and Contingent Assets' in its assessment of whether contracts are considered onerous and in subsequently estimating the provision. The Group's approach is to apply the full cost approach, which considers total estimated costs (i.e. directly attributable variable costs and fixed allocated costs) in the assessment of whether the contract is onerous or not and in the measurement of the provision.

A provision for onerous contracts is made as soon as a loss is foreseen and is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

2.12.2 Pensions and other post-employment benefits

The Group operates a defined contribution pension scheme available to all UK employees and similar schemes are operating, as appropriate for the jurisdiction, for North America and Germany. Contributions are recognised as an expense in the Consolidated Income Statement as they become payable in accordance with the rules of the scheme. There are no material pension schemes within the Group's overseas operations.

The Group has an obligation to make a one-off payment to French employees upon retirement, the Indemnités de Fin de Carrière (IFC).

French employment law requires that a company pays employees a one-time contribution when, and only when, the employee leaves the company on retirement at the mandatory age. This is a legal requirement for all businesses which incur the obligation upon departure, due to retirement, of an employee.

Typically, the retirement benefit is based on length of service of the employee and his or her salary at retirement. The amount is set via a legal minimum, but the retirement premiums can be improved by the collective agreement or employment contract in some cases. For Computacenter's French employees, the payment is based on accrued service and ranges from one month of salary after five years of service to 9.4 months of salary after 47 years of service.

If the employee leaves voluntarily at any point before retirement, all liability is extinguished, and any accrued service is not transferred to any new employment.

Management continues to account for this obligation according to IAS 19 (revised). Refer to note 33 for further disclosure.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

2 Summary of significant accounting policies continued

2.13 Derecognition of financial assets and liabilities

2.13.1 Financial assets

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets, is derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass-through arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

2.13.2 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

2.14 Derivative financial instruments and hedge accounting

The Group uses foreign currency forward contracts to hedge its foreign currency risks associated with foreign currency fluctuations affecting cash flows from forecast transactions and unrecognised firm commitments.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of both the hedging instrument and the hedged item or transaction and then the economic relationship between the two, including whether the hedging instrument is expected to offset changes in cash flow of the hedged item. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows. The Group designates the full change in the fair value of the forward contract (including forward points) as the hedging instrument. Forward contracts are initially recognised at fair value on the date that the contract is entered into and are subsequently remeasured at fair value at each reporting date. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. Forward contracts are recorded as assets when the fair value is positive and as liabilities when the fair value is negative.

For the purposes of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability, a highly probable forecast transaction, or the foreign currency risk in an unrecognised firm commitment.

Cash flow hedges that meet the criteria for hedge accounting are accounted for as follows: the effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Consolidated Income Statement in administrative expenses.

Amounts recognised within the Consolidated Statement of Comprehensive Income are transferred to the Consolidated Income Statement, within administrative expenses, when the hedged transaction affects the Consolidated Income Statement, such as when the hedged financial expense is recognised.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to the Consolidated Income Statement within administrative expenses. If the hedging instrument matures or is sold, terminated or exercised without replacement or rollover, any cumulative gain or loss previously recognised within the Consolidated Statement of Comprehensive Income remains within the Consolidated Statement of Comprehensive Income until after the forecast transaction or firm commitment affects the Consolidated Income Statement.

Any other gains or losses arising from changes in fair value on forward contracts are taken directly to administrative expenses in the Consolidated Income Statement.

2.15 Taxation

2.15.1 Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

2.15.2 Deferred income tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or from an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted, or substantively enacted, at the balance sheet date.

Income tax is charged or credited directly to the Consolidated Statement of Comprehensive Income if it relates to items that are credited or charged to the Consolidated Statement of Comprehensive Income. Otherwise, income tax is recognised in the Consolidated Income Statement.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

2 Summary of significant accounting policies continued

2.16 Share-based payment transactions

Employees (including Executive Directors) of the Group can receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of equity-settled transactions with employees is measured by reference to the fair value of the award at the date at which they are granted. The fair value is determined by utilising an appropriate valuation model, further details of which are given in note 30. In valuing equity-settled transactions, no account is taken of any performance conditions, as none of the conditions set are market related.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

The cumulative expense recognised for equity-settled transactions at each reporting date, until the vesting date, reflects the extent to which the vesting period has expired and the Directors' best estimate of the number of equity instruments that will ultimately vest. The Consolidated Income Statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. As the schemes do not include any market-related performance conditions, no expense is recognised for awards that do not ultimately vest.

Movements in the estimated employer's National Insurance liability related to the awards, carried on the Consolidated Balance Sheet, are recognised in the Consolidated Income Statement.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 13).

The Group has an employee share trust for the granting of non-transferable options to Executive Directors and senior Management. Shares in the Group held by the employee share trust are treated as investment in own shares and are recorded at cost as a deduction from equity (see note 29).

2.17 Own shares held

Computacenter plc shares held by the Group are classified in shareholders' equity as 'own shares held' and are recognised at cost. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost being taken to reserves. No gain or loss is recognised in the performance statements on the purchase, sale, issue or cancellation of equity shares. These shares are held in Computacenter Employee Benefit Trust which is called "Employee share ownership Plan" (ESOP). Computacenter being the sponsoring entity has control over the ESOP under IFRS 10 as Computacenter makes the decisions on how the ESOP operates per the following criteria:

- Computacenter has power over the relevant activities of the ESOP
- Computacenter has exposure, or rights, to variable returns from its involvement with the ESOP
- Computacenter has the ability to use its power over the ESOP to affect the amount of the ESOP returns

As the IFRS 10 criteria are satisfied, Computacenter ESOP is accounted for under IFRS 10 and is consolidated on the basis that the parent (Computacenter plc) has control, thus the assets and liabilities of the ESOP are included on the Company's Balance Sheet and the Group's Consolidated Balance Sheet. The shares held by the ESOP are presented as a deduction from equity within the Consolidated Statement of Changes in Equity under the 'own shares held' column.

2.18 Fair value measurement

The Group measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value-related disclosures for financial instruments that are measured at fair value or where fair values are disclosed, are summarised in note 27.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2023

3 Critical accounting estimates and judgements
The preparation of the Consolidated Financial Statements requires Management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

Due to the inherent uncertainty in making these critical judgements and estimates, actual outcomes could be different.

During the year, Management reconsidered the critical accounting estimates and judgements for the Group. This process included reviewing the last reporting period's disclosures, the key judgements required on the implementation of forthcoming standards and the current period's challenging accounting issues. Where Management deemed there is a change for an area of accounting to be considered a critical estimate or judgement, an explanation for this decision is provided in note 3.3.

3.1 Critical estimates
Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the year in which the estimates are revised and in any future years affected. The are no areas involving significant risk resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Critical judgements
Judgements made by Management in the process of applying the Group's accounting policies, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements, are as follows:

3.2.1 Bill and hold
The Group generates some of its revenue through its bill and hold arrangements with its customers. These arise when the customer is invoiced but the product is not shipped to the customer until a later date, in accordance with the customer's request in a written agreement. In order to determine the appropriate timing of revenue recognition, it is assessed whether control has transferred to the customer.

A bill and hold arrangement is only put in place when a customer lacks the physical space to store the product or the product previously ordered is not yet needed in accordance with the customer's schedule and the customer wants to guarantee supply of the product. In order to determine whether an arrangement is bill and hold and control has been transferred to the customer, a customer request must have been approved and all of the below criteria must have been met:

a) the reason for the bill and hold arrangement must be substantive (for example, the customer has requested the arrangement);

b) the product must be identified separately as belonging to the customer;

c) the product currently must be ready for physical transfer to the customer; and

d) the Group cannot have the ability to use the product or to direct it to another customer.

Judgement is required to determine if all of the criteria (a) to (d) have been met, to recognise a bill and hold sale. This is determined by segregation and readiness of inventory and the review and approval of all customer requests, in order to assess whether the accounting policy had been correctly applied to recognise a bill and hold sale.

£407.6m of product sold is held by the Group for bill and hold transactions as at 31 December 2023 (2022: £386.9m).

3.3 Change in critical estimates and critical judgements
During the year, Management reassessed the critical estimates and critical judgements.

At its 20 April 2022 meeting, the IFRS Interpretation Committee (the Committee) finalised and approved its agenda decision in response to a submission from a valued added reseller to determine whether an entity should treat revenue from the resale of standard software licences on a principal or agent recognition basis under IFRS 15 Revenue from Contracts with Customers (IFRS 15).

As noted in our 2022 Annual Report and Accounts, the Group revised its accounting policies accordingly and implemented a series of system and process changes. The impact of this is to make the determination of Agent vs Principal routine and embedded within the transactional flows of the business, reducing significantly the day-to-day judgement required. Therefore, Management has concluded that the level of judgement now involved in Technology Sourcing principal versus agent recognition will not result in a significant effect on the amounts recognised in the Consolidated Financial Statements and this is no longer considered a critical judgement.

Exceptional items are no longer considered a critical judgement by Management and have therefore been removed from the above disclosure, as reported exceptional items are not material and do not involve a significant level of judgement.

Apart from the changes discussed above, the critical accounting estimates and judgements reported in the Group's 2022 Annual Report and Accounts are unchanged.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

4 Segment information

The Segment information is reported to the Board and the Chief Executive Officer. The Chief Executive Officer is the Group's Chief Operating Decision Maker (CODM). The Group has the same operating Segments and reporting Segments and these remain unchanged from those reported at 31 December 2022.

The Segmental reporting structure is the basis on which internal reports are provided to the Chief Executive Officer, as the CODM, for assessing performance and determining the allocation of resources within the Group, in accordance with IFRS 8.25. Segmental performance is measured based on external revenues, gross profit, adjusted operating profit and adjusted profit before tax. As noted on page 52, Central Corporate Costs continue to be disclosed as a separate column within the Segmental note.

Segmental performance for the years ended 31 December 2023 and 31 December 2022 was as follows:

Year ended 31 December 2023

	UK £m	Germany £m	France £m	North America* £m	International £m	Central Corporate Costs £m	Total £m
Revenue							
Technology Sourcing revenue							
Gross invoiced income	1,938.1	2,111.5	728.5	3,454.4	212.4	–	8,444.9
Adjustment to gross invoiced income for income recognised as agent	(1,166.3)	(849.7)	(248.6)	(851.8)	(42.2)	–	(3,158.6)
Total Technology Sourcing revenue	771.8	1,261.8	479.9	2,602.6	170.2	–	5,286.3
Services revenue							
Professional Services	132.2	365.4	50.8	118.7	11.7	–	678.8
Managed Services	309.7	400.3	132.8	27.4	87.5	–	957.7
Total Services revenue	441.9	765.7	183.6	146.1	99.2	–	1,636.5
Total revenue	1,213.7	2,027.5	663.5	2,748.7	269.4	–	6,922.8
Results							
Gross profit	250.8	374.5	87.3	267.5	63.9	–	1,044.0
Adjusted administrative expenses	(192.0)	(211.5)	(78.6)	(202.5)	(44.1)	(43.8)	(772.5)
Adjusted operating profit/(loss)	58.8	163.0	8.7	65.0	19.8	(43.8)	271.5
Adjusted net interest	5.5	1.0	(0.8)	1.7	(0.9)	–	6.5
Adjusted profit/(loss) before tax	64.3	164	7.9	66.7	18.9	(43.8)	278.0
Exceptional items:							
– unwinding of discount relating to acquisition of a subsidiary							(3.2)
– gain relating to acquisition of a subsidiary							2.8
– other income relating to acquisition of a subsidiary							5.3
Total exceptional items							4.9
Amortisation of acquired intangibles							(10.8)
Profit before tax							272.1

* Included within the North America Segment total revenue of £2,748.7m is an amount of £2,703.4m revenue for the United States of America.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

4 Segment information continued

The reconciliation of adjusted operating profit to operating profit as disclosed in the Consolidated Income Statement is as follows:

Year ended 31 December 2023

	Total £m
Adjusted operating profit	271.5
Amortisation of acquired intangibles	(10.8)
Exceptional items	8.1
Operating profit	268.8

Year ended 31 December 2023

	UK £m	Germany £m	France £m	North America* £m	International £m	Central Corporate Costs £m	Total £m
Other Segment information							
Property, plant and equipment	31.7	40.7	5.5	9.9	8.3	–	96.1
Right-of-use assets	9.0	45.4	14.3	18.8	17.0	–	104.5
Intangible assets	54.8	17.1	10.2	225.8	14.5	–	322.4
Capital expenditure:							
Property, plant and equipment	5.7	7.8	1.6	2.4	4.4	–	21.9
Right-of-use assets	3.5	13.2	1.7	2.8	12.6	–	33.8
Software	12.0	0.3	–	0.2	0.7	–	13.2
Depreciation of property, plant and equipment	6.2	6.9	1.6	3.6	2.1	–	20.4
Depreciation of right-of-use assets	4.6	20.5	5.3	5.4	5.6	–	41.4
Amortisation of software	5.7	0.4	0.1	1.4	0.5	–	8.1
Share-based payments	2.7	1.8	0.1	0.3	–	2.8	7.7

* Included within the North America Segment Intangible assets of £225.8m is an amount of £218.4m Intangible assets for the United States of America.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

4 Segment information continued

Year ended 31 December 2022

	UK £m	Germany £m	France £m	North America* £m	International £m	Central Corporate Costs £m	Total £m
Revenue							
Technology Sourcing revenue							
Gross invoiced income	1,864.2	1,704.7	606.7	3,131.7	174.3	–	7,481.6
Adjustment to gross invoiced income for income recognised as agent	(1,055.1)	(551.6)	(170.9)	(773.8)	(30.3)	–	(2,581.7)
Total Technology Sourcing revenue	809.1	1,153.1	435.8	2,357.9	144.0	–	4,899.9
Services revenue							
Professional Services	147.5	315.7	41.7	122.5	9.2	–	636.6
Managed Services	312.8	374.7	136.4	26.9	83.2	–	934.0
Total Services revenue	460.3	690.4	178.1	149.4	92.4	–	1,570.6
Total revenue	1,269.4	1,843.5	613.9	2,507.3	236.4	–	6,470.5

Results							
Gross profit	259.2	325.1	76.7	238.3	47.8	–	947.1
Adjusted administrative expenses	(178.7)	(184.2)	(69.6)	(185.3)	(36.5)	(23.7)	(678.0)
Adjusted operating profit/(loss)	80.5	140.9	7.1	53.0	11.3	(23.7)	269.1
Adjusted net interest	2.6	(2.2)	(0.8)	(4.2)	(0.8)	–	(5.4)
Adjusted profit/(loss) before tax	83.1	138.7	6.3	48.8	10.5	(23.7)	263.7
Exceptional items:							
– unwinding of discount relating to acquisition of a subsidiary							(2.0)
– costs relating to acquisition of a subsidiary							(1.8)
Total exceptional items							(3.8)
Amortisation of acquired intangibles							(10.9)
Profit before tax							249.0

* Included within the North America Segment Total revenue of £2,507.3m is an amount of £2,470.0m revenue for the United States of America.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

4 **Segment information** continued

The reconciliation of adjusted operating profit to operating profit as disclosed in the Consolidated Income Statement is as follows:

Year ended 31 December 2022

	Total £m
Adjusted operating profit	269.1
Amortisation of acquired intangibles	(10.9)
Exceptional items	(1.8)
Operating profit	256.4

Year ended 31 December 2022

	UK £m	Germany £m	France £m	North America* £m	International £m	Central Corporate Costs £m	Total £m
Other Segment information							
Property, plant and equipment	29.6	40.7	5.6	11.7	6.5	–	94.1
Right-of-use assets	10.3	53.8	18.2	22.5	14.6	–	119.4
Intangible assets	49.5	17.5	10.4	250.6	14.1	–	342.1
Capital expenditure:							
Property, plant and equipment	7.2	7.8	2.2	3.9	2.6	–	23.7
Right-of-use assets	2.6	22.6	4.8	10.5	4.5	–	45.0
Software	10.5	0.5	0.3	0.1	0.4	–	11.8
Depreciation of property, plant and equipment	6.9	6.8	2.2	3.3	2.3	–	21.5
Depreciation of right-of-use assets	4.6	30.2	4.9	5.5	5.3	–	50.5
Amortisation of software	5.7	0.4	0.1	1.4	0.4	–	8.0
Share-based payments	4.2	1.9	0.1	0.7	–	1.7	8.6

* Included within the North America Segment Intangible assets of £250.6m is an amount of £242.3m Intangible assets for the United States of America.

Charges for the amortisation of acquired intangibles (where initial recognition was an exceptional item or a fair value adjustment on acquisition) are excluded from the calculation of adjusted operating profit. This is because these charges are based on judgements about their value and economic life, are the result of the application of acquisition accounting rather than core operations, and whilst revenue recognised in the Consolidated Income Statement does benefit from the underlying asset that has been acquired, the amortisation costs bear no relation to the Group's underlying ongoing operational performance. In addition, amortisation of acquired intangibles is not included in the analysis of Segment performance used by the CODM.

Information about major customers

Included in revenues arising from the North American Segment are revenues of approximately £1,511.0m (2022: £963.1m) which arose from sales to the Group's largest customer.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

5 Revenue

Revenue recognised in the Consolidated Income Statement is analysed as follows:

	2023 £m	2022 £m
Revenue by type		
Gross invoiced income	**8,444.9**	7,481.6
Adjustment to gross invoiced income for income recognised as agent	**(3,158.6)**	(2,581.7)
Technology Sourcing revenue*	**5,286.3**	4,899.9
Services revenue		
Professional Services	**678.8**	636.6
Managed Services	**957.7**	934.0
Total Services revenue	**1,636.5**	1,570.6
Total revenue	**6,922.8**	6,470.5

* Included within the amount of Technology Sourcing revenue shown above is £85.3m (2022: £42.1m) recognised under IFRS 16. All other Technology Sourcing revenue is recognised at a point in time under IFRS 15 as described in our accounting policy 2.3.1.

Contract balances

The following table provides the information about contract assets and contract liabilities from contracts with customers.

	Note	31 December 2023 £m	31 December 2022 £m
Trade receivables	20	**1,471.8**	1,659.7
Contract assets, which are included in prepayments		**19.6**	23.7
Contract assets, which are included in accrued income		**151.9**	129.2
Contract liabilities, which are included in deferred income		**234.6**	273.2

The prepayments balance within the Consolidated Balance Sheet of £150.0m consists of £19.6m contract assets and £130.4m other prepayments.

The Group has implemented an expected credit loss impairment model with respect to contract assets which are included in accrued income using the simplified approach. These contract assets have been grouped on the basis of their shared risk characteristics and a provision matrix has been developed and applied to these balances to generate the loss allowance. The majority of these contract asset balances are with blue chip customers and the incidence of credit loss is low. There has therefore been no material adjustment to the loss allowance under IFRS 9. Specific provisions are made against material or high-risk balances based on trading experience or where doubt exists about the counterparty's ability to pay. The expected credit losses on contract assets which are within accrued income are considered to be immaterial.

Significant changes in contract assets and liabilities

Contract assets are balances due from customers under long-term contracts as work is performed and therefore a contract asset is recognised over the period in which the performance obligation is fulfilled. This represents the Group's right to consideration for the services transferred to date. Amounts are generally reclassified to trade and other receivables when these have been certified or invoiced to a customer. Refer to note 2.11.1 for credit terms of trade receivables.

The decrease in trade receivables mainly in the North American Segment is driven by higher cash collections due to operational improvements and the continued easing of supply chain conditions for the customers, in addition to the impact of timing of large deals.

Win fees, deferred contract costs and fulfilment costs are included in the prepayments balance above. The Consolidated Income Statement impact of the win fees was a recognition of a net loss in 2023 of £0.9m, with a corresponding credit to income tax of £0.2m for the year. As at 31 December 2023, the win fee balance was £10.5m. The Consolidated Income Statement impact of fulfilment costs was a recognition of a net cost in 2023 of £0.1m, with a corresponding tax charge of £0.1m for the year.

As at 31 December 2023, the deferred contract costs balance was £4.2m and the fulfilment costs balance was £4.9m. No impairment loss was recorded for win fees, deferred contract costs or fulfilment costs during the year.

Revenue recognised in the reporting period from movement in accrued income balances was £27.1m, with a credit to foreign exchange of £4.4m. No impairment loss was recorded for accrued income during the year.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was £122.3m. No revenue was recognised in the reporting period from performance obligations that were satisfied or partially satisfied in previous periods.

Remaining performance obligations (work in hand)

Contracts which have remaining performance obligations as at 31 December 2023 and 31 December 2022 are set out in the table below. The table below discloses the aggregate transaction price relating to those remaining performance obligations, excluding both (a) amounts relating to contracts for which revenue is recognised as invoiced and (b) amounts relating to contracts where the expected duration of the ongoing performance obligation is one year or less.

Managed Services

	Less than one year £m	One to two years £m	Two to three years £m	Three to four years £m	Four years and beyond £m	Total £m
As at 31 December 2023	**747.4**	**528.4**	**370.3**	**194.6**	**152.0**	**1,992.7**
As at 31 December 2022	729.1	513.2	374.0	266.7	226.8	2,109.8

The duration of most contracts is between one and five years. However some contracts will vary from these typical lengths. Revenue is typically earned over these varying timeframes.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2023

6 Group operating profit
This is stated after charging/(crediting):

	2023 £m	2022 £m
Depreciation of property, plant and equipment	**20.4**	21.5
Depreciation of right-of-use assets	**41.4**	50.5
Loss on disposal of property, plant and equipment	**0.2**	0.5
Amortisation of software	**8.1**	8.0
Amortisation of acquired intangible assets	**10.8**	10.9
Severance costs	**3.2**	1.9
Government grants	**–**	(1.2)
(Gain)/loss on net foreign currency differences	**(1.7)**	0.4
Costs of inventories recognised as an expense	**4,567.6**	4,270.0

7 Auditor's remuneration

	2023 £m	2022 £m
Auditor's remuneration:		
– Audit of the Financial Statements	**1.1**	0.2
– Audit of subsidiaries	**2.1**	2.3
Total audit fees	**3.2**	2.5
Audit-related assurance services for the review of the Interim Report and Accounts	**0.2**	0.1
Total non-audit services	**0.2**	0.1
Total fees	**3.4**	2.6

Following a tender process carried out in 2022 by the Company, KPMG LLP stepped down as auditor of the Group at the Company's 2023 AGM. At the same meeting, Grant Thornton UK LLP (Grant Thornton) was appointed as auditor of the Group for the year ended 31 December 2023. Therefore, the breakdown of Auditor's remuneration provided above is based on services provided by each firm in the respective year. The Pivot audit for the year ended 31 December 2022 was performed by EY Canada for a fee of £0.3m.

Audit-related assurance services represent the half year review, performed by the Group's auditor.

8 Exceptional items

	2023 £m	2022 £m
Operating profit		
Other income related to acquisition of a subsidiary	**5.3**	–
Costs related to acquisition of a subsidiary	**–**	(1.8)
Gain related to acquisition of a subsidiary	**2.8**	–
Exceptional operating profit/(loss)	**8.1**	(1.8)
Interest cost relating to acquisition of a subsidiary	**(3.2)**	(2.0)
Profit/(loss) on exceptional items before taxation	**4.9**	(3.8)
Income tax		
Tax credit relating to acquisition of a subsidiary	**–**	0.2
Loss on exceptional items after taxation	**4.9**	(3.6)

Included within 2023 are the following exceptional items:

- £3.2m relating to the unwinding of the discount on the contingent payment for the purchase of BITS has been classified as exceptional interest costs. This is consistent with our prior-year treatment.
- A $9.3m (£7.4m) settlement was received on 8 May 2023 from the Washington State Department of Revenue. The settlement related to litigation contesting a historic, pre-acquisition, sales tax assessment that was paid by antecedent companies related to the acquired Pivot group of companies. Of this amount, $6.7m (£5.3m) has been recognised as other income relating to acquisition of a subsidiary for the refunded sales tax amount. This other income is non-operational in nature, material in size and unlikely to recur, and has therefore been classified as exceptional. Further amounts of $1.6m (£1.3m) and $1.0m (£0.8m) have been credited to adjusted interest income, for the refund of statutory overpayment interest receivable on the original payment, and adjusted administrative expenses, to reimburse legal expenses incurred since acquisition, respectively.
- £2.8m relating to a release of contingent consideration in relation to the BITS acquisition (refer to note 18d). As this release is related to the acquisition and not operational activity within BITS and is of a one-off nature, it was classified as an exceptional item.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

8 Exceptional items continued

Included within 2022 are the following exceptional items:

- An exceptional cost of £1.8m resulting from costs directly relating to the acquisition of BITS and Emerge. These costs primarily related to advisors' fees and seller's costs that were paid on completion of the transaction. As these costs are non-operational and unlikely to recur they have been classified as exceptional items, consistent with our prior-year treatment of acquisition costs on material transactions.
- £2.0m relating to the unwinding of the discount on the contingent payment for the purchase of BITS has been classified as exceptional interest costs. As this is related to the acquisition and not an operational activity, it was classified as an exceptional item.
- A credit of £0.2m arising from the tax benefit on the BITS exceptional acquisition costs has been recognised as tax on the above exceptional items. As this credit is related to the acquisition and not operational activity within BITS and is of a one-off nature, it was classified as an exceptional tax item.

9 Employee costs

The table below shows the average monthly number of employees(including Executive Directors) by Segment during the year:

	Average number of employees		Average number of full-time equivalents	
	2023 No.	2022 No.	**2023 No.**	2022 No.
UK	**4,487**	4,519	**4,418**	4,434
Germany	**7,086**	6,921	**6,725**	6,556
France	**2,269**	2,199	**2,136**	2,152
North America	**1,704**	1,593	**1,701**	1,591
International	**4,762**	4,138	**4,596**	3,975
Total	**20,308**	19,370	**19,576**	18,708

Their aggregate remuneration comprised:

	2023 £m	2022 £m
Wages and salaries	**1,090.5**	999.5
Social security costs	**156.3**	142.9
Contributions to defined contribution plans	**25.1**	22.6
Expenses relating to defined benefit plans (note 33)	**2.2**	2.2
Total staff costs	**1,274.1**	1,167.2
Share-based payments	**7.7**	8.6
	1,281.8	1,175.8

Share-based payments arise from transactions accounted for as equity-settled share-based payment transactions.

10 Finance income

	2023 £m	2022 £m
Bank interest received	**10.7**	1.8
Interest receivable as a lessor	**0.7**	–
Other interest received	**2.4**	0.6
	13.8	2.4

11 Finance costs

	2023 £m	2022 £m
Interest paid on bank loans and overdraft	**0.3**	0.8
Interest paid on credit facilities	**0.4**	1.4
Interest paid on lease liabilities	**4.7**	4.9
Exceptional interest cost relating to acquisition of a subsidiary (note 8)	**3.2**	2.0
Finance charges paid on customer-specific financing	**0.3**	–
Other interest paid	**1.6**	0.7
	10.5	9.8

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

12 Income tax

a) Tax on profit from ordinary activities

	2023 £m	2022 £m
Tax charged in the Consolidated Income Statement		
Current income tax		
UK corporation tax	**13.6**	15.1
Foreign tax:		
– operating results before exceptional items	**64.0**	49.0
– exceptional items	**–**	(0.2)
Total foreign tax	**64.0**	48.8
Adjustments in respect of prior years	**2.1**	(5.1)
Total current income tax	**79.7**	58.8
Deferred income tax		
Operating results before exceptional items:		
– origination and reversal of temporary differences	**0.3**	1.0
– change in tax rates	**(0.5)**	0.6
– adjustments in respect of prior years	**(6.8)**	4.4
Total deferred income tax	**(7.0)**	6.0
Tax charge in the Consolidated Income Statement	**72.7**	64.8

b) Reconciliation of the total tax charge

	2023 £m	2022 £m
Profit before income tax	**272.1**	249.0
At the UK standard rate of corporation tax of 23.5% (2022: 19%)	**63.9**	47.3
Expenses not deductible for tax purposes	**2.8**	1.2
Non-deductible element of share-based payment charge	**(0.1)**	2.3
Adjustments in respect of prior years	**(4.7)**	(0.7)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**12.0**	17.6
Change in tax rate	**(0.5)**	0.6
Other differences	**(0.1)**	0.5
Overseas tax not based on earnings	**1.5**	1.1
Previously unrecognised tax losses used to reduce deferred income tax expense	**–**	(3.2)
Previously unrecognised tax losses used to reduce current tax expense	**(0.9)**	(0.9)
Tax effect of income not taxable in determining taxable profit	**(1.2)**	(1.0)
At effective income tax rate of 26.7% (2022: 26.0%)	**72.7**	64.8

Taxation for subsidiaries operating in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions, these being a blended rate of 31% in Germany (2022: 32%) and a blended (Federal/State) rate of 26% in the US (2022: 25%), which mainly drive the 'Effect of different tax rates of subsidiaries operating in other jurisdictions' above.

c) Tax losses

Deferred income tax assets of £3.7m (2022: £3.9m) have been recognised in respect of losses carried forward, primarily in France.

In considering the probable utilisation of the carried forward tax losses, and therefore the likely recoverability of these assets, the Group makes an assessment based upon a reasonably foreseeable timeframe, being typically up to three years, taking into account the future expected profit profile and business model of each relevant company or country. The reasonably foreseeable timeframe is derived based on the confidence the Group has in the performance of these companies or countries and therefore the reliability of forecasts over the timeframe in which the asset would be recovered. If the reasonably foreseeable timeframe is extended to five years for our French business, an additional £2.3m (2022: £0.9m) of deferred income tax asset would be recognised.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

12 Income tax continued

As at 31 December 2023, there were further unused tax losses across the Group of £284.2m (2022: £293.5m) for which no deferred income tax asset has been recognised. Of these losses, £256.1m (2022: £263.5m) arise in France, £26.4m (2022: £26.3m) arise in Germany and £1.8m (2022: £3.7m) arise in the Netherlands. No deferred tax has been recognised on these losses due to the potential uncertainty around whether future taxable profits would be available against which these tax losses can be utilised. Following the merger of CC France SAS and Computacenter NS (CCNS), a request has been made to the French tax authorities to preserve the historic tax losses of CCNS (£172.3m) and a decision is pending in this regard. A significant proportion of the losses arising in Germany have been generated in statutory entities that no longer have significant levels of trade.

The Group has other timing differences, primarily in France, of £30.1m (2022: £28.7m), for which no deferred tax asset has been recognised. These timing differences mainly relate to the retirement benefit obligation which is of a long-term nature. The amount that would be recognised over our reasonably foreseeable timeframe of up to three years would therefore be immaterial.

In addition, there are unutilised capital tax losses as at 31 December 2023 of £7.4m (2022: £7.4m) but no deferred tax asset has been recognised as it is not considered probable that these losses will be utilised in the foreseeable future.

d) Deferred income tax

Deferred income tax as at 31 December 2023 and 31 December 2022 relates to the following:

	Consolidated Balance Sheet		Consolidated Income Statement		Consolidated Statement of Comprehensive Income	
	2023 £m	2022 (restated*) £m	2023 £m	2022 £m	2023 £m	2022 £m
Deferred income tax assets/(liabilities)						
Property, plant and equipment	(3.1)	(3.2)	(2.1)	(5.8)	–	–
Right-of-use assets	(26.6)	(31.1)	4.2	0.3	–	–
Intangible assets	(19.9)	(29.9)	8.0	(0.2)	–	–
Inventories	2.5	3.9	(2.0)	(0.9)	–	–
Derivative financial instruments	0.1	1.2	–	–	(0.9)	1.0
Lease liabilities	27.9	32.4	(4.1)	(0.2)	–	–
Share-based payments	8.0	6.8	0.4	(0.8)	–	–
Tax losses carried forward	3.7	3.9	–	3.2	–	–
Other temporary differences	5.6	6.6	2.6	(1.6)	–	–
Deferred income tax (charge)/credit			7.0	(6.0)	(0.9)	1.0
Net deferred income tax asset/(liabilities)	(1.8)	(9.4)				
Disclosed on the Consolidated Balance Sheet						
Deferred income tax assets	11.6	11.3				
Deferred income tax liabilities	(13.4)	(20.7)				
Net deferred income tax asset/(liabilities)	(1.8)	(9.4)				

* Deferred tax on right-of-use assets and lease liabilities has been grossed up in 2022 following the adoption of IAS 12 amendments relating to the initial recognition exemption (note 2). This has no impact on the Consolidated Balance Sheet.

Deferred tax is not recognised in respect of the Group's investments in subsidiaries where Computacenter is able to control the timing of remittance, or other realisation, of unremitted earnings and where remittance or realisation is not probable in the foreseeable future.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

12 Income tax continued

e) Factors affecting current and future tax charge

The March 2021 Budget announced that a UK Corporation tax rate of 25% will apply with effect from 1 April 2023, and this change was substantively enacted on 11 March 2021. The deferred income tax in these Consolidated Financial Statements reflects this. The main rate of UK Corporation tax in 2022 and up to 31 March 2023 was 19%, as enacted in the Finance Act 2020.

The Group is within the scope of the Organisation for Economic Cooperation and Development (OECD) Pillar Two model rules. UK legislation has been enacted which introduces the OECD's Pillar Two model Income Inclusion Rules into UK law, where Computacenter Plc is incorporated. Finance (No2) Act received Royal Assent on 11 July 2023 meaning the Income Inclusion Rule (IIR) and the UK's Domestic Top-up Tax (DTT) will come into effect for accounting periods beginning on or after 31 December 2023. Draft legislation has now been published to introduce the OECD's Undertaxed Profits Rule (UTPR) to the UK. This is due to be in place for accounting periods commencing not before 31 December 2024.

Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the Group is liable to pay a top-up tax for the difference between the Pillar Two Global anti-Base Erosion (GloBE) effective tax rate per jurisdiction and the 15% minimum rate. The Group is currently engaged with tax specialists to assist it with applying the legislation. An initial review by the tax specialist has indicated that the Group does not expect to experience a material impact on its effective tax rate as a result of the OECD Pillar Two model rules.

f) Uncertain tax positions

The Group operates in numerous jurisdictions and has ongoing tax audits and open tax matters with certain tax authorities which mainly relate to interpretation of how relevant tax legislation applies to the Group's transfer pricing arrangements. The matters under discussion can be complex and often take several years to resolve. The Group records a provision against uncertain tax positions based on Management's estimate of either the most likely amount or the expected value amount depending on which method is expected to better reflect the resolution of the uncertainty.

The potential exposure of the Group to an unfavourable outcome in any uncertain tax matter is not expected to result in material additional tax expense or liabilities and therefore the amounts, where already recognised, are not material and are considered appropriate for the current status of the matters under review.

13 Earnings per share

Earnings per share amounts are calculated by dividing profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year (excluding own shares held).

To calculate diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential shares. Share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year are considered to be dilutive potential shares.

	2023 £m	2022 £m
Profit attributable to equity holders of the Parent	**197.6**	182.8

	2023 m	2022 m
Basic weighted average number of shares (excluding own shares held)	**112.9**	112.8
Effect of dilution:		
Share options	**1.2**	2.1
Diluted weighted average number of shares	**114.1**	114.9

	2023 p	2022 p
Basic earnings per share	**175.0**	162.1
Diluted earnings per share	**173.2**	159.1

14 Dividends paid and proposed

	2023 p/share	2023 £m	2022 p/share	2022 £m
Amounts recognised as distributions to owners in the financial year				
Equity dividends on ordinary shares:				
Paid prior financial year dividend	**45.8**	**51.9**	49.4	55.6
Paid interim dividend	**22.6**	**25.4**	22.1	24.9
	68.4	**77.3**	71.5	80.5
Proposed (not recognised as a liability as at 31 December)				
Equity dividends on ordinary shares:				
Proposed final dividend at financial year end	**47.4**	**54.1**	45.8	52.3

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

15 Property, plant and equipment

	Freehold land and buildings £m	Short leasehold improvements £m	Fixtures, fittings, equipment and vehicles £m	Property, plant and equipment excluding right-of-use assets £m	Right-of-use assets £m	Total £m
Cost						
At 1 January 2022	85.0	34.2	136.7	255.9	242.1	498.0
Relating to acquisition of subsidiaries	–	0.8	0.2	1.0	0.8	1.8
Additions	–	2.7	21.0	23.7	45.0	68.7
Disposals	–	(2.9)	(17.2)	(20.1)	(78.0)	(98.1)
Transfers	–	10.7	(12.5)	(1.8)	–	(1.8)
Foreign currency adjustment	1.1	3.0	5.6	9.7	12.3	22.0
At 31 December 2022	86.1	48.5	133.8	268.4	222.2	490.6
Additions	**0.1**	**4.6**	**17.2**	**21.9**	**33.8**	**55.7**
Disposals	**–**	**(1.8)**	**(14.7)**	**(16.5)**	**(30.2)**	**(46.7)**
Transfers	**–**	**2.4**	**(5.5)**	**(3.1)**	**–**	**(3.1)**
Reclassification	**(2.7)**	**2.7**	**0.1**	**0.1**	**–**	**0.1**
Foreign currency adjustment	**(0.4)**	**(1.0)**	**(2.5)**	**(3.9)**	**(5.6)**	**(9.5)**
At 31 December 2023	**83.1**	**55.4**	**128.4**	**266.9**	**220.2**	**487.1**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

15 Property, plant and equipment continued

	Freehold land and buildings £m	Short leasehold improvements £m	Fixtures, fittings, equipment and vehicles £m	Property, plant and equipment excluding right-of-use assets £m	Right-of-use assets £m	Total £m
Accumulated depreciation and impairment						
At 1 January 2022	46.6	15.9	103.4	165.9	104.0	269.9
Provided during the year	2.0	4.7	14.8	21.5	50.5	72.0
Disposals	–	(2.7)	(15.8)	(18.5)	(56.9)	(75.4)
Transfers	–	8.0	(8.5)	(0.5)	–	(0.5)
Foreign currency adjustment	0.1	1.9	3.9	5.9	5.2	11.1
At 31 December 2022	48.7	27.8	97.8	174.3	102.8	277.1
Provided during the year	**2.0**	**4.4**	**14.0**	**20.4**	**41.4**	**61.8**
Disposals	**–**	**(1.8)**	**(14.5)**	**(16.3)**	**(26.4)**	**(42.7)**
Transfers	**–**	**2.4**	**(5.2)**	**(2.8)**	**–**	**(2.8)**
Reclassification	**(2.6)**	**2.6**	**(2.7)**	**(2.7)**	**–**	**(2.7)**
Foreign currency adjustment	**–**	**(0.5)**	**(1.6)**	**(2.1)**	**(2.1)**	**(4.2)**
At 31 December 2023	**48.1**	**34.9**	**87.8**	**170.8**	**115.7**	**286.5**
Net book value						
At 31 December 2023	**35.0**	**20.5**	**40.6**	**96.1**	**104.5**	**200.6**
At 31 December 2022	37.4	20.7	36.0	94.1	119.4	213.5
At 1 January 2022	38.4	18.3	33.3	90.0	138.1	228.1

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

15 Property, plant and equipment continued

The Group leases various properties, equipment and cars. Rental contracts are typically made for fixed periods of two to 10 years, but might have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets cannot be used as security for borrowing purposes.

Transfers for the year ended 31 December 2023 relate to:

- Computer equipment, incorrectly classified in Computacenter France SAS, which have been reclassified to inventories. The net book value transferred was nil (cost of £2.6m and accumulated depreciation of £2.6m).
- Assets incorrectly classified as fixtures, fittings, equipment and vehicles, in Computacenter France SAS, which have been reclassified to short leasehold improvements. The net book value transferred was nil (cost of £2.4m and accumulated depreciation of £2.4m).
- Computer equipment, incorrectly reclassified in Computacenter AG, which have been reclassified to software. The net book value transferred was £0.3m (cost of £0.5m and accumulated depreciation of £0.2m).

As at 31 December 2023, the net book value of recognised right-of-use assets relating to land and buildings was £75.7m (2022: £88.9m) and plant and equipment £28.8m (2022: £30.5m). The depreciation charge for the year relating to those assets was £24.2m (2022: £22.9m) and £17.2m (2022: £27.6m), respectively.

16 Intangible assets

			Acquired intangible assets		
	Goodwill £m	Software £m	Customer relationships £m	Others £m	Total £m
Cost					
At 1 January 2022	165.9	112.0	114.0	22.1	414.0
Relating to acquisition of subsidiaries	10.6	–	39.5	1.1	51.2
Additions	–	11.8	–	–	11.8
Disposals	–	(5.7)	–	–	(5.7)
Foreign currency adjustment	13.1	1.4	13.6	1.4	29.5
At 31 December 2022	189.6	119.5	167.1	24.6	500.8
Relating to acquisition of subsidiaries (note 18)	**1.9**	**–**	**–**	**–**	**1.9**
Additions	**–**	**13.2**	**–**	**–**	**13.2**
Disposals	**–**	**(8.0)**	**–**	**–**	**(8.0)**
Transfers	**–**	**0.5**	**–**	**–**	**0.5**
Reclassification	**–**	**(4.3)**	**–**	**–**	**(4.3)**
Foreign currency adjustment	**(6.4)**	**(0.5)**	**(8.7)**	**(0.2)**	**(15.8)**
At 31 December 2023	**185.1**	**120.4**	**158.4**	**24.4**	**488.3**
Accumulated amortisation and impairment					
At 1 January 2022	10.1	90.4	17.8	22.0	140.3
Provided during the year	–	8.0	9.6	1.3	18.9
Disposals	–	(5.8)	–	–	(5.8)
Foreign currency adjustment	0.6	0.9	2.5	1.3	5.3
At 31 December 2022	10.7	93.5	29.9	24.6	158.7
Provided during the year	**–**	**8.1**	**10.8**	**–**	**18.9**
Disposals	**–**	**(8.0)**	**–**	**–**	**(8.0)**
Transfers	**–**	**0.3**	**–**	**–**	**0.3**
Reclassification	**–**	**(1.4)**	**–**	**–**	**(1.4)**
Foreign currency adjustment	**(0.2)**	**(0.3)**	**(1.9)**	**(0.2)**	**(2.6)**
At 31 December 2023	**10.5**	**92.2**	**38.8**	**24.4**	**165.9**
Net book value					
At 31 December 2023	**174.6**	**28.2**	**119.6**	**–**	**322.4**
At 31 December 2022	178.9	26.0	137.2	–	342.1
At 1 January 2022	155.8	21.6	96.2	0.1	273.7

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

17 Impairment testing of goodwill, other intangible assets and other non-current assets

Goodwill acquired through business combinations has been allocated to the following CGUs:

- Computacenter (UK) Limited
- Computacenter Germany
- Computacenter AG
- Computacenter Belgium
- Computacenter United States Inc.
- Computacenter Netherlands (formerly Misco Solutions B.V.)
- PathWorks GmbH
- Pivot Technology Solutions, Inc. (Pivot) Canada CGU
- Emerge CGU
- Business IT Source Holdings, Inc (BITS)

These represent the lowest level within the Group at which goodwill is monitored for internal Management purposes. Certain other corporate assets are unable to be allocated against specific CGUs. These assets are tested across an aggregation of CGUs that utilise the asset.

During the year, several changes were made to the CGUs monitored by the Board. The ITL logistics GmbH CGU was combined with the Computacenter Germany CGU. The Pivot Technology Solutions, Inc (USA CGU) was combined with the CC US Inc CGU. In both instances, the CGU adjustment reflected a reorganisation of operations and management within the acquired business such that the Board monitor the performance of only the combined business leading to the conclusion that this is the appropriate level for which goodwill being tested for impairment should be measured for each resultant CGU.

Movements in goodwill

	CC* (UK) Limited £m	CC*** Germany £m	CC* AG** £m	CC* Belgium £m	CC*** US, Inc £m	CC* Netherlands £m	PathWorks GmbH £m	Pivot Technology Solutions, Inc (Canada CGU) £m	Emerge £m	Business IT Source Holdings £m	Total £m
1 January 2022	36.4	15.9	3.2	1.4	87.7	3.1	3.1	5.0	–	–	155.8
Relating to acquisition of subsidiaries									2.1	8.5	10.6
Foreign currency adjustment	–	0.9	0.3	0.1	10.2	0.2	0.3	0.6	–	(0.1)	12.5
31 December 2022	36.4	16.8	3.5	1.5	97.9	3.3	3.4	5.6	2.1	8.4	178.9
Relating to acquisition of subsidiaries	**1.9**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1.9**
Foreign currency adjustment	**–**	**(0.3)**	**0.2**	**–**	**(5.3)**	**(0.1)**	**0.2**	**(0.4)**	**(0.1)**	**(0.4)**	**(6.2)**
31 December 2023	**38.3**	**16.5**	**3.7**	**1.5**	**92.6**	**3.2**	**3.6**	**5.2**	**2.0**	**8.0**	**174.6**
Market growth rate	2.0%	2.0%	1.6%	1.6%	1.9%	1.6%	1.6%	2.1%	1.8%	1.9%	
Discount rate (pre tax)	14.5%	18.5%	11.2%	20.0%	18.4%	15.1%	11.3%	17.6%	11.9%	18.5%	
Discount rate (post tax)	13.2%	12.4%	9.9%	14.1%	13.6%	11.9%	9.9%	13.4%	9.5%	13.3%	

* CC – Computacenter.
** On 1 January 2022, clTius AG was merged into Computacenter AG to consolidate activity of the Group in Switzerland and reduce management time in overseeing the two entities in this region. The above figures for Computacenter AG therefore include the previous clTius goodwill balance.
***During the year, Pivot Technology Solution (US) was merged into the CC US CGU, and ITL Logistics GmbH was merged into CC Germany CGU.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

17 Impairment testing of goodwill, other intangible assets and other non-current assets continued

Key assumptions used in value-in-use calculations

The recoverable amounts of all CGUs have been determined based on a value-in-use calculation. To calculate this, cash flow projections are based on financial budgets approved by senior Management covering a three-year period and on long-term market growth rates of between 1.6% and 2.0% (2022: between 1.3% and 1.9%) thereafter.

Key assumptions used in the value-in-use calculation for all CGUs for 31 December 2023 and 31 December 2022 are:

- budgeted revenue, which is based on long-run market growth forecasts and taking into account forecast inflation;
- budgeted gross margins, which are based on average gross margins achieved in the year immediately before the budgeted year, adjusted for expected long-run market pricing trends and taking into account forecast inflation; and
- the discount rate applied to cash flow projections ranges from 9.5% to 14.1% (2022: 10.1% to 12.7%) which represents the Group's post-tax measure estimating the weighted-average cost of capital based on the rate of government bonds in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect the increased risk of investing in equities generally.

Each CGU generates value substantially in excess of the carrying value of goodwill attributed to it. Management therefore believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

Foreseeable costs for achieving planned reductions in Scope 1 and 2 greenhouse gas emissions have been included as assumptions within the forecast models used to assess impairment. These include the cost of transition to green energy and the purchase of carbon offset credits within our baseline financial forecasts. The costs of longer-term planned reductions in Scope 3 emissions have also been considered when making these assessments, although specific costs are not usually as available for direct input into the forecast models. Reductions in Scope 3 emissions will be achievable primarily through the greenhouse gas reduction programmes of our key vendors, where the vast majority of the emissions in the value-chain occur.

Other acquired intangible assets

Other acquired intangible assets consist of customer relationships, order back log and tools and technology. The expected useful lives are disclosed in note 2.

Other non-current assets

When there is an indication of impairment within a CGU, the carrying values of the non-current assets are compared to their recoverable amount, which is the higher of the assets' fair value less costs of disposal or the value-in-use of the CGU calculated as described above.

18 Investments

a) Investment in associate

The following table illustrates summarised information of the investment in associates:

	2023 £m	2022 £m
Cost		
At 1 January and 31 December	**0.1**	0.1
Impairment		
At 1 January and 31 December	**–**	–
Carrying value	**0.1**	0.1

Gonicus GmbH

The Group has a 20% (2022: 20%) interest in Gonicus GmbH, whose principal activity is the provision of open-source software. Gonicus is a private entity, incorporated in Germany, that is not listed on any public exchange and therefore there is no published quotation price for the fair value of this investment. The reporting date of Gonicus is 31 December.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

18 **Investments** continued

b) Investment in subsidiaries

The Group's subsidiary undertakings are as follows:

Name	Country of incorporation	Nature of business	Proportion of voting rights and shares held 2023	2022
Computacenter Pty Ltd.	Australia[1]	IT infrastructure services	**100%[i]**	100%[i]
Computacenter Services Australia Pty Ltd.	Australia[2]	IT infrastructure services	**100%[i]**	100%[i]
Computacenter NV/SA	Belgium[3]	IT infrastructure services	**100%[vi]**	100%[vi]
Computacenter Brasil Importacao, Comercio e Servicos Ltda	Brazil[4]	IT infrastructure service	**100%[i]**	100%[i]
Computacenter Canada Inc.	Canada[5]	IT infrastructure services	**100%[i]**	100%[i]
Computacenter Hong Kong Limited	China[6]	IT infrastructure services	**100%[i]**	100%[i]
Computacenter Pivot Hong Kong Limited	China[7]	IT infrastructure services	**100%[i]**	100%[i]
Computacenter Services Hong Kong Limited	China[8]	IT infrastructure services	**100%[i]**	100%[i]
Computacenter (UK) Limited	England[9]	IT infrastructure services	**100%**	100%
R.D. Trading Limited	England[10]	IT infrastructure services	**100%[i]**	95%[vii]
Computacenter France SAS	France[12]	IT infrastructure services	**100%**	100%
Computacenter AG & Co oHG	Germany[13]	IT infrastructure services	**100%**	100%
Computacenter Aktiengesellschaft	Germany[14]	IT infrastructure services	**100%**	100%
Computacenter Management GmbH	Germany[14]	IT infrastructure services	**100%**	100%
Computacenter Managed Services GmbH	Germany[14]	IT infrastructure services	**100%**	100%
Computacenter Germany AG & Co oHG	Germany[15]	IT infrastructure services	**100%[ii]**	100%[ii]
Computacenter Holding GmbH	Germany[15]	IT infrastructure services	**100%**	100%
Alfatron GmbH Elektronik – Vertrieb	Germany[15]	IT infrastructure services	**100%[ii]**	100%[ii]
C'NARIO Informationsprodukte Vertriebs-GmbH	Germany[15]	IT infrastructure services	**100%[ii]**	100%[ii]
E'ZWO Computer vertriebs	Germany[15]	IT infrastructure services	**99.09%[ii]**	99.09%[ii]
ITL logistics GmbH	Germany[16]	IT infrastructure services	**100%[i]**	100%[i]

Name	Country of incorporation	Nature of business	Proportion of voting rights and shares held 2023	2022
Computacenter Ireland Limited	Ireland[17]	IT infrastructure services	**100%[i]**	100%[i]
Computacenter Services Ireland Limited	Ireland[17]	IT infrastructure services	**100%[i]**	100%[i]
Computacenter Japan K.K.	Japan[19]	IT infrastructure services	**100%[i]**	100%[i]
Computacenter B.V.	Netherlands[20]	IT infrastructure services	**100%**	100%
Computacenter Services Singapore Pte. Ltd.	Singapore[21]	IT infrastructure services	**100%**	100%
Computacenter Singapore Pte. Ltd.	Singapore[22]	IT infrastructure services	**100%[i]**	100%[i]
Computacenter (Pty) Limited	South Africa[23]	IT infrastructure services	**100%[i]**	100%[i]
Computacenter AG	Switzerland[24]	IT infrastructure services	**100%**	100%
Computacenter TS GmbH	Switzerland[25]	IT infrastructure services	**100%[iii]**	100%[iii]
Computacenter United States Inc.	USA[26]	IT infrastructure services	**100%[v]**	100%[v]
FusionStorm Acquisition Corp.	USA[26]	IT infrastructure services	**100%[v]**	100%[v]
FusionStorm International Inc.	USA[26]	IT infrastructure services	**100%[v]**	100%[v]
Computacenter Holdings Inc.	USA[26]	IT infrastructure services	**100%**	100%
Business IT Source Holdings, Inc.	USA[27]	IT infrastructure services	**100%[v]**	100%[v]
Pivot Technology Services Corp.	USA[28]	IT infrastructure services	**100%[v]**	100%[v]
ARC Acquisition (US), Inc.	USA[29]	IT infrastructure services	**100%[v]**	100%[v]
ProSys Information System Inc. (WBE)	USA[28]	IT infrastructure services	**46.4%[viii]**	46.4%[viii]
Digica Group Finance Limited	England[9]	Investment property	**100%[i]**	100%[i]
Computacenter Immobilien GmbH	Germany[13]	Investment property	**100%[ii]**	100%[ii]
Computacenter Information Technology (Shanghai) Company Limited	China[31]	International call centre services	**100%[i]**	100%[i]
Computacenter Services Kft	Hungary[32]	International call centre services	**100%[i]**	100%[i]

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

18 Investments continued

Name	Country of incorporation	Nature of business	Proportion of voting rights and shares held 2023	2022
Computacenter India Private Limited	India[33]	International call centre services	**100%[vi]**	100%[vi]
Computacenter Services (Malaysia) Sdn. Bhd	Malaysia[34]	International call centre services	**100%[i]**	100%[i]
Computacenter México S. A. de C.V.	Mexico[35]	International call centre services	**100%[vi]**	100%[vi]
Pivot of the Americas, S. A. de C.V.	Mexico[36]	International call centre services	**100%[i]**	100%[i]
Computacenter Poland sp. Z.o.o.	Poland[30]	International call centre services	**100%[i]**	100%[i]
Computacenter Services S.R.L.	Romania[18]	International call centre services	**87.47%[ix]**	87.47%[ix]
Computacenter Services (Iberia) SLU	Spain[11]	International call centre services	**100%[i]**	100%[i]
Computacenter Quest Trustees Limited	England[9]	Employee share scheme trustees	**100%[i]**	100%[i]
Computacenter Trustees Limited	England[9]	Employee share scheme trustees	**100%[i]**	100%[i]
Allnet Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Amazon Computers Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Amazon Energy Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Amazon Systems Limited	England[9]	Dormant company	**100%[i]**	100%[i]
CAD Systems Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Compufix Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Computacenter (FMS) Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Computacenter (Management Services) Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Computacenter (Mid-Market) Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Computacenter Distribution Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Computacenter Leasing Limited	England[9]	Dormant company	**100%[i]**	100%[i]

Name	Country of incorporation	Nature of business	Proportion of voting rights and shares held 2023	2022
Computacenter Maintenance Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Computacenter Overseas Holdings Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Computacenter Services Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Computacenter Software Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Computacenter Solutions Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Computacenter Training Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Computadata Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Computer Services Group Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Digica Group Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Digica Group Holdings Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Digica SMP Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Digica (FMS) Limited	England[9]	Dormant company	**100%[i]**	100%[i]
ICG Services Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Kit Online Limited	England[9]	Dormant company	**100%[i]**	100%[i]
M Services Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Merchant Business Systems Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Merchant Systems Limited	England[9]	Dormant company	**100%[i]**	100%[i]
Logival (SARL)	France[12]	Dormant company	**100%[iv]**	100%[iv]
Damax GmbH	Switzerland[24]	Dormant company	**100%[iii]**	100%[iii]

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

18 Investments continued

Computacenter plc is the ultimate Parent entity of the Group

i. Includes indirect holdings of 100% via Computacenter (UK) Limited
ii. Includes indirect holdings of 100% via Computacenter Holding GmbH, excludes E'ZWO Computervertriebs which is 99.09%
iii. Includes indirect holdings of 100% via Computacenter AG
iv. Includes indirect holdings of 100% via Computacenter France SAS
v. Includes indirect holdings of 100% via Computacenter (U.S.) Inc.
vi. Includes indirect holdings of 1% via Computacenter (UK) Limited
vii. Includes indirect holdings of 95% via Computacenter (UK) Limited
viii. Includes indirect holdings of 46.4% via Pivot Technology Services Corp.
ix. Includes indirect holdings of 87.47% via Computacenter (UK) Limited.

1. Tower 2, Darling Park, 201 Sussex Street, Sydney, New South Wales 2000, Australia
2. Suite 2003, 109 Pitt Street, Sydney NSW 2000, Australia
3. Ikaroslaan 31, B-1930 Zaventem
4. Rua Cel Jose Eusebio, nº 95, Conj 13 CEP 01239- 030, Higlenópolis, São Paulo, Brazil
5. 1130 Morrison Drive, Suite 105, Ottawa, ON K2H 9N6 Canada
6. 3806 Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
7. Unit 2, 10/F, NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong
8. Rooms 1001-03, 10/F Wing on Kowloon Centre, 345 Nathan Road, Kowloon, Hong Kong
9. Hatfield Avenue, Hatfield, Hertfordshire AL10 9TW
10. Tekhnicon, Springwood, Braintree, Essex CM7 2YN
11. Carrer de Sancho De Avila 52 – 58, 08018, Barcelona
12. 229 rue de la Belle Etoile, ZI Parid Nord II, BP 52387, 95943 Roissy CDG Cedex
13. Computacenter Park 1, 50170 Kerpen, Germany
14. Kattenbug 2, 50667 Koln
15. Werner-Eckert-Str. 16 – 18, 81829 Munchen
16. Trias Gewerbepark, Lohstrasse 25 b, Schwaig D-85445
17. Galway IDA Business Park, Dangan, Galway H91 P2DK
18. "Stables Office", 20A Onisifor Ghibu, Record Park, Cluj-Napoca, CJ 400185 Romania
19. Cross Office Mita 601, 5-29-20, Shiba, Minato-ku, Tokyo, 108-0014, Japan
20. Gondel 1, 1186 MJ Amstelveen, Netherlands
21. 51 Changi Business Park, Central 2, #04-05 The Signature, Singapore 486066
22. 4 Battery Road, #25-01 Bank of China Building, Singapore 049908
23. Klein D'Aria Estate, 97 Jip de Jager Drive, Belville, 7535, Cape Town
24. Riedstrasse 14, CH-8953 Dietikon
25. Luzernerstrasse 52c, CH 6025 Neudorf
26. 1 University Ave, Suite 102, Westwood, MA 02090
27. 850 Asbury Drive, Buffalo Grove, IL 60089
28. 6025 The Corners Parkway, Suite 100, Norcorss, GA 30092
29. 900 Arion Pkwy, Suite 110, San Antonio, TX 78216
30. Ul. Glogowska 31/33, 60 – 702, Poznan, Poland
31. Unit 229, Block 2, Building 1, Huanhu West 2nd Road no. 888 Nanhui New Town, Putong District Shanghai
32. Haller Gardens, Building D. 1st Floor, Soroksari ut 30 – 34, Budapest 1095
33. 4th Floor, Purva Premiere, Residency Road, Bangalore 560025
34. Level 9, Tower 1, Puchong Financial Corporate Centre, Jalan Puteri 1/2, Bandar Puteri 47100 Puchong, Selangor Darul Ehsan
35. Av. Paseo de la Reforma, No.412 floor 5, Col.Juarez, Delegacion Cuauhtemoc, CP06600, Mexico City
36. Presa de la Angostura 23 PB, Colonia Irrigacion 11500, Distrito Federal, Mexico City

c) R.D. Trading Limited (RDC)

On 10 August 2019, the Group acquired 90% of the voting shares of RDC for a consideration of 90p and on 26 October 2021, the Group acquired a further 5.0% of the voting shares for a cash consideration of £1.4m from the seller of RDC. On 7 June 2023, the remaining 5.0% of the voting shares were acquired for a cash consideration of £1.9m. RDC is based in the UK and is an IT assets disposal business. This acquisition has been accounted for using the purchase method of accounting.

d) Acquisitions in previous period

Computacenter Japan K.K formerly Emerge 360 Japan k.k (Emerge Japan)

On 25 May 2022, the Group acquired 100% of the share capital of Emerge 360 Japan k.k (Emerge Japan from Emerge 360, Inc.) for a cash consideration of $3.5m. No change has been recorded to the fair value of this subsidiary in 2023.

Business IT Source Holdings, Inc.

On 1 July 2022, the Group acquired 100% of the voting shares of Business IT Source Holdings, Inc. (BITS) for a cash consideration of $32.0m. The acquisition has been accounted for using the purchase method of accounting.

The provisional fair values presented in the 2022 Annual Report and Accounts for customer relationship and tax balances relating to the acquisition of BITS remain unchanged as at 31 December 2023.

Contingent consideration

At acquisition, a contingent consideration was agreed, which required the Group to pay former owners of BITS two earn-out payments based on BITS's 2022 EBITDA and 2023 EBITDA and indebtedness. During the year and in accordance with the share purchase agreement, the Group made its first earn-out payment amounting to £17.4m ($21.2m) which was broadly in line with the estimate made as at 31 December 2022.

On 30 June 2023, a renegotiated agreement was signed with the former owners following which, the second earn-out is now based on BITS's 2023 EBITDA, H1 2024 EBITDA, and indebtedness over these periods. Having considered a range of possible earn-out scenarios, Management has determined that an accrual of £21.2m under the revised agreement should be recorded as contingent consideration. The impact of changes to the payment structures under the renegotiated agreement has resulted in a release during the year of £2.8m which has been recognised as an exceptional item. The carrying value at 31 December 2023 of £20.2m (2022: £38.9m) is included within Trade and other payables.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

18 Investments continued

e) Pivot Technology Solutions Inc. (Pivot)

On 1 November 2023, ACS was merged into ProSys Information Systems. Pivot's ownership in ProSys Information Systems, Inc. remains unchanged following this merger.

Applied Computer Solutions (ACS)

ACS was a 40%-owned affiliate of a Pivot subsidiary, whose principal office is located in Huntington Beach, California, United States. Despite not owning a majority of the voting rights, Computacenter controls this entity through a Pivot subsidiary for accounting purposes, based on the following facts and circumstances:

- Pivot had the right in its sole discretion to either acquire, at any time, shares of ACS that it did not already own, or to designate a different owner to purchase the shares provided such transfer(s) were in compliance with applicable Women Business Enterprise (WBE) requirements;
- Pivot had multiple representatives on the ACS board of directors;
- any significant decisions made at ACS required the approval of the ACS board of directors and/or shareholders, including board changes, payment of dividends, mergers or acquisitions, material changes to compensation, incurring debt in excess of $0.1m, causing any material change in the business, and/or assignment or termination of any material agreement; and
- Pivot received the majority of the benefits from the activities of ACS.

ProSys Information Systems, Inc (ProSys)

ProSys is a 46.4%-owned affiliate of a Pivot subsidiary, whose principal office is located in Norcross, Georgia, United States. Despite not owning a majority of the voting rights, Computacenter controls this entity through a Pivot subsidiary for accounting purposes, based on the following facts and circumstances:

- Pivot has the right to either acquire, at any time, the remaining shares of ProSys it does not already own or to designate a different owner to purchase the shares provided such transfer(s) are in compliance with applicable WBE requirements;
- Pivot is represented on the ProSys board of directors and any significant decisions made at ProSys require the approval of the board of directors and/or shareholders, including changes to its board of directors, payment of dividends, mergers or acquisitions, material changes to compensation, incurring debt in excess of $0.1m, causing any material change in the business and/or assigning or termination of any material agreement; and
- Pivot receives the majority of the benefits from the activities of ProSys.

The following table illustrates summarised information of ProSys:

	2023 $m	2022 $m
Current assets	**149.7**	209.6
Non-current assets	**30.7**	36.8
Current liabilities	**156.1**	221.6
Non-current liabilities	**5.7**	10.4
Revenue	**807.8**	955.1
Total comprehensive income	**3.8**	3.4
% interest held	**46.4%**	46.4%

19 Inventories

	2023 £m	2022 £m
Inventories for re-sale (gross)	**236.8**	437.0
Provisions	**(20.8)**	(19.3)
Inventories for re-sale (net)	**216.0**	417.7

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

20 Trade and other receivables

	2023 £m	2022 (restated*) £m
Trade receivables, including credit notes	**1,480.1**	1,666.4
Allowance for expected credit losses	**(8.3)**	(6.7)
Trade receivables	**1,471.8**	1,659.7
Net investment in finance leases (note 25)	**5.8**	3.3
Other receivables	**20.5**	20.8
	1,498.1	1,683.8

Trade receivables are non-interest bearing and are generally on 30- to 90-day credit terms. Note 27 sets out the Group's strategy towards credit risk.

Other receivables generally arise from transactions outside the usual operating activities of the Group and comprise tax receivables (VAT, GST, franchise taxes, and sales and use taxes) of £2.3m (2022*: £2.1m) and other receivables of £18.2m (2022: £18.7m).

The movements in the allowance for expected credit losses were as follows:

	2023 £m	2022 £m
At 1 January	**6.7**	7.8
Relating to acquisition	**–**	0.3
Charge for the year	**9.3**	4.8
Utilised	**(0.4)**	(0.7)
Unused amounts reversed	**(7.2)**	(5.9)
Foreign currency adjustment	**(0.1)**	0.4
At 31 December	**8.3**	6.7

The following table provides information about the expected credit losses allowance determined by applying the simplified Expected Credit Loss (ECL) model under IFRS 9:

			Past due but not impaired				
	Total £m	Neither past due nor impaired £m	<30 days £m	30–60 days £m	60–90 days £m	90–120 days £m	>120 days £m
2023							
Expected loss rate	**0.6%**	**0.2%**	**0.4%**	**0.7%**	**3.2%**	**3.2%**	**10.1%**
Trade receivables, including credit notes	**1,480.1**	**1,099.2**	**256.3**	**59.3**	**22.2**	**12.5**	**30.6**
Allowance for expected credit losses	**8.3**	**2.7**	**1.0**	**0.4**	**0.7**	**0.4**	**3.1**
2022							
Expected loss rate	0.4%	0.1%	0.3%	0.4%	3.7%	5.6%	11.6%
Trade receivables, including credit notes	1,666.4	1,315.7	222.1	74.5	21.8	10.7	21.6
Allowance for expected credit losses	6.7	1.9	0.6	0.3	0.8	0.6	2.5

Year-on-year fluctuations in the ECL model percentages are due to changes to the mix of customers and their associated credit history, coupled with the impact of specific transactions which may or may not attract greater risk weighting in the ECL calculations.

* Refer to note 2 for restatement of prior-year comparatives.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

21 Cash and cash equivalents

	2023 £m	2022 (restated*) £m
Cash and short-term deposits*	**471.2**	264.4
Bank overdraft*	**–**	–
Cash and cash equivalents in the Consolidated Cash Flow Statement	**471.2**	264.4

* Refer to note 2 for restatement of prior-year comparatives.

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents is £471.2m (2022: £264.4m).

During the year ended 31 December 2023, the Group continued to maintain strong cash generation and finance its operational requirements from its cash balance. The overdraft facilities are retained by the Group and can be used upon requirement. The uncommitted overdraft facilities available to the Group are £5.3m as at 31 December 2023 (2022: £13.3m).

Expected credit loss on cash and cash equivalents is negligible and therefore no provision is held.

22 Trade and other payables

	2023 £m	2022 £m
Trade payables	**1,186.5**	1,320.5
Accruals	**277.3**	305.9
Social security and other taxes	**137.1**	123.9
Other payables	**53.4**	68.3
Contingent consideration – note 18d	**20.2**	38.9
	1,674.5	1,857.5

Trade payables are non-interest bearing and are normally settled on net monthly terms.

The Group's subsidiary, BITS, has an arrangement through Wells Fargo for a short-term extended supplier interest bearing credit facility. This facility was not used as at 31 December 2023 (2022: $2.5m). The rest of the Group has short-term supplier extended-term interest-bearing credit facilities that were not used at 31 December 2023 (2022: nil).

The Group regularly participates in industry standard vendor rebate plans, primarily relating to volume discounts on purchases, often paid retrospectively. Rebates are factored into the calculation of the purchase cost of inventory valuations. Owing to the nature of these rebate plans, the calculation of rebates is not subject to significant estimation uncertainty, nor is their recognition a matter of significant judgement.

23 a) Financial liabilities

	2023 £m	2022 £m
Current		
Bank loans	**2.1**	2.6
Other loans	**2.7**	4.9
	4.8	7.5
Non-current		
Bank loans	**5.6**	7.8
Other loans	**1.8**	4.8
	7.4	12.6
	12.2	20.1

There are no material differences between the fair value of financial liabilities and their book value.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

23 a) Financial liabilities continued

Bank loans

The Group has one principal bank loan:

- A total loan of €30.5m was drawn at various stages between December 2017 and July 2018 to finance the fit out of the new German headquarters building and Integration Center in Kerpen. Further details are shown below:
  - €8.5m drawn in July 2018, carries a fixed interest rate of 0.95% per annum. The remaining balance of the loan of €0.5m was fully repaid during 2023.
  - €8.9m drawn in December 2017 carries a fixed interest rate of 1.95% per annum. The balance on this loan as at 31 December 2023 was €3.6m. Repayments commenced in H1 2018 and will continue for four years.
  - €13.1m taken out in 2018, carries a fixed interest rate of 0.75% per annum. The balance on this loan as at 31 December 2023 was €5.2m. Repayments commenced in H2 2018 and will continue for four years.

For movement in bank loans, refer to note 31 analysis of changes in net funds.

Other loans

Pivot

Prior to acquisition, Pivot entered into a five-year contract with a customer to provide an infrastructure-as-a-service arrangement starting in October 2020. At the same time, Pivot entered into a separate payment agreement for $17.3m to fund the majority of the components required by the customer. This payment agreement is with the vendor supplying the hardware components of the arrangement, with repayment terms aligned with those in the contract with the customer. The payment agreement with the vendor is an unsecured payable incurring nil interest charges. The balance at the end of the year was $5.8m (£4.5m).

BITS

BITS, a subsidiary acquired in 2022, came with a flooring arrangement with Wells Fargo. There was no interest bearing debt relating to supplier invoices as at 31 December 2023 (2022: $2.5m with an interest rate of 6.08%).

Credit facility

On 9 December 2022, the Group entered into a new unsecured multi-currency revolving loan facility of £200.0m in order to rationalise its treasury operations. The new facility had a term of five years plus two one-year extension options exercisable on the first and second anniversary of the facility. The Group has exercised the extension option on the first anniversary, extending the term to six years with a revised expiry of 8 December 2028. A further term extension option of one additional year remains available. The balance outstanding against this facility as at 31 December 2023 was nil (2022: nil).

Computacenter India Private Limited has a local facility with HSBC India for local cash liquidity to facilitate the continued growth of our operations in the country. This uncommitted loan facility of £2.8m was not drawn as at 31 December 2023.

23 b) Lease liabilities

	2023 £m	2022 £m
At 1 January	**127.1**	146.1
Additions during the year	**33.8**	45.0
Relating to acquisition of a subsidiary	**–**	0.8
Gross payment of lease liabilities	**(46.1)**	(55.2)
Interest relating to lease liabilities	**4.7**	4.9
Early terminations during the year	**(0.4)**	(22.0)
Exchange adjustment	**(3.7)**	7.5
At 31 December	**115.4**	127.1
Current	**37.3**	36.9
Non-current	**78.1**	90.2
	115.4	127.1

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

24 Derivative financial instruments

	2023 £m	2022 £m
Financial instruments at fair value through profit and loss		
Foreign exchange forward contracts	(3.6)	1.8
	(3.6)	1.8
Financial instruments at fair value through other comprehensive income		
Cash flow hedges		
Foreign exchange forward contracts	(0.2)	(3.0)
	(3.8)	(1.2)
Current assets	2.5	7.5
Current liabilities	(6.3)	(8.7)
	(3.8)	(1.2)

Cash flow hedges

Financial assets and liabilities at fair value through other comprehensive income

Forward contracts

These amounts reflect the change in the fair value of foreign exchange forward contracts designated as cash flow hedges which are used to hedge intra-Group services or customer/supplier contracts where the underlying cost is denominated in a foreign currency. These are based on highly probable forecast transactions in euros, Hungarian forint, Indian rupees, Japanese yen, South African rand, Swedish krona, Singapore dollars and US dollars.

Financial assets and liabilities at fair value through profit or loss

Forward contracts

The Group also enters into other foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases. When these other contracts are not designated in hedge relationships they are measured at fair value through profit and loss within administrative expenses.

The foreign exchange forward contract balances vary with the level of expected foreign currency costs and changes in the foreign exchange forward rates.

Effectiveness of hedging

The terms of the foreign currency forward contracts have been negotiated for the expected highly probable forecast transactions to which hedge accounting has been applied. No significant element of hedge ineffectiveness required recognition in the Consolidated Income Statement.

The cash flow hedges of the forecasted costs were assessed to be highly effective and a net unrealised loss of £0.2m (2022: £3.0m) with a deferred tax asset of £0.2m (2022: £1.1m) relating to the hedging instruments is included in the Consolidated Statement of Comprehensive Income. The amounts retained in the Consolidated Statement of Comprehensive Income of £0.2m (2022: £3.0m) are expected to mature and affect the Consolidated Income Statement between 2024 and 2027.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

24 Derivative financial instruments continued

31 December 2023

Forward currency contracts

At 31 December 2023 the Group held foreign exchange contracts as hedges of an intra-Group loan and future expected payments to suppliers. The exchange contracts are being used to reduce the exposure to foreign exchange risk. The terms of these contracts are detailed below:

	Buy currency	Sell currency	Nominal value of contracts (m)	Maturity dates	Contract rates
UK	Sterling	US dollars	22.9	Jan 24 – Mar 24	1.216 – 1.271
	Sterling	Hungarian forint	0.7	Jan 24 – Feb 24	442.563 – 443.943
	Sterling	Swiss francs	1.9	Jun 24	1.053
	Sterling	Swedish krona	0.4	Feb 24	13.004
	Sterling	South African rand	5.4	Jan 24 – Aug 25	23.205 – 24.926
	Sterling	Japanese yen	0.6	Jun 24	175.155
	Sterling	Hong Kong dollars	0.8	Feb 24 – Mar 24	9.952 – 9.960
	Sterling	Romanian leu	0.7	Jan 24 – Feb 24	5.736 – 5.739
	Euros	Sterling	6.2	Jan 24 – Apr 24	0.859 – 0.901
	US dollars	Sterling	96.5	Jan 24 – Mar 27	0.780 – 0.785
	Hungarian forint	Sterling	2,239.0	Jan 24 – Dec 24	0.002
	South African rand	Sterling	382.8	Jan 24 – Oct 27	0.033 – 0.047
	Japanese yen	Sterling	1,527.4	Mar 24	0.006
	Romanian leu	Sterling	2.0	Mar 24	0.173 – 0.174
Germany	Euros	US dollars	103.9	Jan 24 – Jun 24	1.061 – 1.115
	Euros	Hungarian forint	0.6	May 24 – Jun 24	461.994 –464.114
	Euros	Singapore dollars	2.3	Mar 24	1.464
	Euros	South African rand	0.7	Jan 24 – Oct 25	19.194
	US dollars	Euros	41.8	Jan 24 – Mar 24	0.930 – 0.947
	Hungarian forint	Euros	600.0	Jan 24 – Apr 24	0.002
	Romanian leu	Euros	2.5	Jan 23 – Feb 24	4.988 – 4.989

	Buy currency	Sell currency	Nominal value of contracts (m)	Maturity dates	Contract rates
France	Euros	Hungarian forint	1.3	Jan 24 – Jun 24	383.061 –460.777
	Euros	Mexican peso	0.1	Jan 24	18.894
	Euros	Polish zloty	1.5	Jan 24 – Mar 24	4.348 – 4.366
	Euros	Thai baht	0.1	Jan 24	38.072
	Euros	South African rand	0.9	Jan 24 – Jun 24	18.530 – 21.987
	Sterling	Euros	0.1	Jan 24	1.168
	US dollars	Euros	9.3	Jan 24 – Apr 24	0.902 – 0.929
Belgium	Euros	South African rand	2.0	Jan 24 – Dec 26	19.351 – 24.669
	US dollars	Euros	1.8	Jan 24 – Mar 24	0.909 – 0.935
US	US dollars	Euros	2.3	Jan 24	0.909
	US dollars	South African rand	5.4	Jan 24 – May 26	16.398 – 22.297
	US dollars	Japanese yen	9.3	Jan 24 – Apr 24	0.902 – 0.929
India	Indian rupees	Sterling	3,112.0	Jan 24 – Dec 26	0.009 – 0.010
	Indian rupees	Euros	1,732.1	Jan 24 – Mar 24	0.010 – 0.011

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2023

24 **Derivative financial instruments** continued
31 December 2022

	Buy currency	Sell currency	Nominal value of contracts (m)	Maturity dates	Contract rates
UK	Sterling	Euros	£1.2	Jan 23 – Oct 23	1.086 – 1.136
	Sterling	US dollars	£26.2	Jan 23 – Mar 23	1.116 – 1.229
	Sterling	Hungarian forint	£1.7	Jan 23 – Feb 24	454.525 – 502.086
	Sterling	Swiss francs	£6.0	Jan 23 – Sep 23	1.090 – 1.115
	Sterling	Swedish krona	£28.7	Jan 23 – Oct 23	12.231 – 12.600
	Sterling	SA rand	£11.0	Jan 23 – Aug 25	20.523 – 24.926
	Sterling	Japanese yen	£0.4	Jun 23	155.236
	Sterling	Norwegian krone	£0.1	Jan 23	11.874
	Sterling	Hong Kong dollars	£0.5	Jun 23	9.453
	Sterling	Singapore dollars	£1.5	Feb 23	1.621
	Sterling	Polish zloty	£0.4	Jan 23	5.286
	Sterling	Canadian dollars	£6.3	Jan 23 – Mar 23	1.630 – 1.639
	Euros	Sterling	€12.2	Jan 23 – Apr 24	0.859 – 0.901
	US dollars	Sterling	$133.4	Jan 23 – Oct 26	0.705 – 0.960
	Hungarian forint	Sterling	HUF 2,207.3	Jan 23 – Jun 24	0.002
	SA rand	Sterling	ZAR 319.3	Jan 23 – Dec 26	0.039 – 0.049

	Buy currency	Sell currency	Nominal value of contracts (m)	Maturity dates	Contract rates
Germany	Euros	US dollars	€83.7	Jan 23 – May 26	0.985 – 1.106
	Euros	Hungarian forint	€5.4	Jan 23 – Jun 24	377.720 – 464.114
	Euros	Polish zloty	€0.6	Feb 23 – Mar 23	4.780 – 4.812
	Euros	SA rand	€1.1	Jan 23 – Oct 25	19.194
	Sterling	Euros	£1.3	Jan 23	1.152 – 1.162
	US dollars	Euros	$86.9	Jan 23 – Jul 23	0.922 – 1.027
	Hungarian forint	Euros	HUF 600.0	Jan 24 – Apr 24	0.002
	Swiss francs	Euros	CHF 0.2	Jan 23	0.984
	Polish zloty	Euros	PLN 2.1	Jan 23 – Mar 23	0.204 – 0.212
	Romanian leu	Euros	RON 1.0	Jan 23	0.202
France	Euros	Hungarian forint	€3.1	Jan 23 – Jun 24	373.040 – 460.777
	Euros	SA rand	€1.8	Jan 23 – Jun 24	17.467 – 20.747
	US dollars	Euros	$8.1	Jan 23 – Mar 23	0.935 – 1.020
Belgium	Euros	SA rand	€2.0	Jan 23 – Sep 25	18.481 – 21.021
	US dollars	Euros	$0.3	Feb 23	0.961
US	US dollars	SA rand	$5.8	Jan 23 – May 26	15.825 – 19.321
	US dollars	Japanese yen	$66.2	Jan 23 – Mar 23	124.570 – 138.064
India	Indian rupees	Sterling	INR 2,364.3	Jan 23 – Nov 25	0.01

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

25 Leases as a lessor

Finance lease receivables

The Group leases items of IT equipment which have been classified as finance leases. In certain customer contracts, there are two situations which lead to a net lease receivable being recognised on the Group's Consolidated Balance Sheet.

- Longer-term leasing situations where assets have been deployed to the customer's premises and funded through the Group's balance sheet. These finance lease receivables are accounted for under the Dealer/Manufacturer lessor provisions of IFRS 16.
- Leasing situations where assets have been deployed to the customer's premises, but the requisite paperwork and other steps required to sell the assets and the related net lease receivables to a financing company have not yet been completed. Once the assignment to the financing company has been completed, the net lease receivable and associated finance liability to the financing company are derecognised under the provisions of IFRS 9. Prior to assignment, these are still finance lease receivables on the Group's Consolidated Balance Sheet.

Whilst there is a natural delay in terms of the administrative processing, which leads to a gap in the assignment of the lease, this is temporary as the intended outcome is for these assets to be sold in the immediate future. However, as there is no legally binding contract that insists, without recourse, that the financing company must accept funding requests following deployment, leases not yet assigned at the reporting date are retained on the Group's Consolidated Balance Sheet as lease receivables. As the net lease receivables associated with these contracts are expected to have a different pattern of cash flows based on an intended, but not contractually secure prior to the assignment, outcome we describe these as 'transitory net lease receivables'.

As at 31 December 2023, net investment in finance leases is included within:

	2023 £m	2022 £m
Trade and other receivables (current)	**5.8**	3.3
Trade and other receivables (non-current)	**21.1**	9.9
	26.9	13.2

During 2023, the Group recognised interest income on lease receivables of £0.7m (2022: nil).

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	2023 £m	2022 £m
Less than one year	**7.7**	3.6
One to two years	**7.7**	3.6
Two to three years	**7.6**	3.6
Three to four years	**5.3**	2.0
Four to five years	**1.5**	0.7
More than five years	**1.0**	0.6
Total undiscounted lease receivable	**30.8**	14.1
Less: unearned finance income	**(3.9)**	(0.9)
Net investment in finance leases	**26.9**	13.2

Operating lease receivables

The Group entered into commercial leases with customers on certain items of machinery and software. These leases have remaining terms of between one and five years.

Future amounts receivable by the Group under the non-cancellable operating leases as at 31 December are as follows:

	2023 £m	2022 £m
Within one year	**0.1**	3.6
After one year	**0.2**	6.4

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

26 Provisions

	Customer contract provisions £m	Property provisions £m	Other provisions £m	Total provisions £m
At 1 January 2022	5.9	5.6	1.7	13.2
Amount unused reversed	(1.8)	(0.3)	(0.9)	(3.0)
Arising during the year	1.3	0.8	0.4	2.5
Utilisation	(1.5)	(0.5)	(0.3)	(2.3)
Exchange adjustment	0.3	0.1	–	0.4
At 31 December 2022	4.2	5.7	0.9	10.8
Reclassification	**–**	**–**	**1.4**	**1.4**
Amount unused reversed	**(1.3)**	**–**	**(0.7)**	**(2.0)**
Arising during the year	**0.2**	**0.6**	**1.1**	**1.9**
Utilisation	**(1.5)**	**(0.3)**	**(1.0)**	**(2.8)**
Exchange adjustment	**(0.1)**	**(0.1)**	**–**	**(0.2)**
At 31 December 2023	**1.5**	**5.9**	**1.7**	**9.1**
Current 2023	**1.2**	**0.9**	**0.1**	**2.2**
Non-current 2023	**0.3**	**5.0**	**1.6**	**6.9**
	1.5	**5.9**	**1.7**	**9.1**
Current 2022	2.5	1.0	0.3	3.8
Non-current 2022	1.7	4.7	0.6	7.0
	4.2	**5.7**	**0.9**	**10.8**

Customer contract provision

These provisions result from customer contracts where total cost exceeds total revenue. Refer to note 2.12.1 for further details.

Property provisions

Assumptions used to calculate the property provisions are based on 100% of the market value of any contractual dilapidation expenses on empty properties and the Directors' best estimates of the likely time before the relevant leases can be reassigned or sublet, which ranges between one and nine years. The provisions in relation to the UK and European operations are discounted at 3%. These costs are mainly dilapidation expenses which have not been included as part of the lease liability under IFRS 16.

Other provisions

Included within other provisions are legal claims, customer penalties and other costs associated with the completion of the acquisition of Computacenter NS.

27 Financial instruments

An explanation of the Group's financial instrument risk management objectives, policies and strategies is set out in the Chief Financial Officer's review on pages 54 and 55.

The following table provides an overview of the financial instruments held by the Group:

	Note	2023 £m	2022 £m
Financial assets at amortised cost:			
Trade receivables	20	**1,471.8**	1,659.7
Other receivables*		**14.7**	8.6
Net investment in finance leases	25	**26.9**	13.2
Cash and short-term deposits	21	**471.2**	264.4
Financial assets at fair value through other comprehensive income (FVOCI):			
Derivative financial instruments – cash flow hedges		**2.3**	4.3
Financial assets at fair value through profit or loss (FVPL):			
Derivative financial instruments – held for trading		**0.2**	3.2
		1,987.1	1,953.4

* Exclude non-financial assets.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

27 Financial instruments continued

	Note	2023 £m	2022 £m
Financial liabilities at amortised cost:			
Trade and other payables*	22	**1,517.2**	1,694.7
Financial liabilities	23a	**12.2**	20.1
Lease liabilities	23b	**115.4**	127.1
Financial liabilities at fair value through other comprehensive income (FVOCI):			
Derivative financial instruments – cash flow hedges		**2.5**	7.3
Financial liabilities at fair value through profit or loss (FVPL):			
Derivative financial instruments – held for trading		**3.8**	1.4
Contingent consideration	22	**20.2**	38.9
		1,671.3	1,889.5

* Excludes social security and other taxes and contingent consideration.

Fair values

The carrying value of the Group's short-term receivables and payables is a reasonable approximation of their fair values. The fair value of all other financial instruments carried within the Consolidated Financial Statements is not materially different from their carrying amount.

Credit risk

The Group principally manages credit risk through management of customer credit limits. The credit limits are set for each customer based on the creditworthiness of the customer and the anticipated levels of business activity. These limits are initially determined when the customer account is first set up and are regularly monitored thereafter.

In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date the credit was initially granted up to the reporting date and considers forward-looking information to determine the appropriate expected credit loss for the whole remaining life of the trade receivable. The maximum exposure on trade receivables, as at the reporting date, is their carrying value.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, current asset investment and forward currency contracts, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of cash and cash equivalents. The Group manages its counterparty credit risk by placing cash on deposit with a reputable banking institution, with no more than £85.0m deposited at any one time.

Aside from the counterparty risk above, there are no significant concentrations of credit risk within the Group.

Interest rate risk

The Group finances its operations through a mixture of retained profits, bank borrowings, cash, short-term deposits, finance leases and loans for certain customer contracts. The Group's bank borrowings, existing committed and uncommitted facilities, and deposits are at floating rates. No interest rate derivative contracts have been entered into. If long-term borrowings were to be utilised in the future, the Group's policy would be to maintain these borrowings at fixed rates to limit the Group's exposure to interest rate fluctuations.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax, through the impact on floating rate borrowings. There is no impact on the Group's equity.

	Change in basis points	Effect on profit before tax £m
2023		
Sterling	**+100**	**0.6**
Euro	**+100**	**0.5**
US dollars	**+100**	**1.2**
2022		
Sterling	+100	0.7
Euro	+100	0.1
US dollars	+100	1.0

The impact of a reasonable possible decrease to the same range shown in the table would result in an opposite impact on the profit before tax of the same magnitude.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

27 Financial instruments continued

Exchange rate sensitivity

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and receivables are denominated and the respective functional currencies of Group companies. The functional currencies of the main overseas subsidiaries are primarily the euro (€) and US dollar ($).

The Group's risk management policy is to hedge all of its expected foreign currency exposure in respect of sales and purchases as soon as these are committed. The Group uses forward exchange contracts to manage its currency risk. The currencies managed by forward foreign exchange contracts are the South African rand (ZAR), Hungarian forint (HUF), euro (€), US dollar ($), Canadian dollar (CAD), Japanese yen (JPY), Polish zloty (PLN), Romanian leu (RON), Swiss franc (CHF), Swedish krona (SEK), Norwegian krone (NOK), Indian rupee (INR), Thai baht (THB), Hong Kong dollar (HKD), Singapore dollar (SGD) and Mexican peso (MXN).

However, hedge accounting is mainly applied to the expected trading cash flows denominated in South African rand (ZAR), Hungarian forint (HUF), euro (€), US dollar ($), Indian rupee (INR), Swedish krona (SEK), Singapore dollar (SGD) and Japanese yen (JPY) where the exposure extends beyond one year and there is a strong expectation that the expected future foreign currency cash flow will occur. The Group uses forward foreign exchange contracts, designated as cash flow hedges, to hedge these cash flows. When a commitment is entered into, forward foreign exchange contracts are normally used to increase the hedge to 100% of the expected exposure, although between 80% and 110% of the expected exposure should be hedged to meet the risk management policy. The Group designates its forward foreign exchange contracts to hedge its cash flow risk and applies a hedge ratio of 1:1. The Group's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparties' and the Group's own credit risk on the fair value of the forward foreign exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates;
- actual cash flows in foreign currencies varying from forecast cash flows; and
- changes in the timing of the hedged transactions.

Other than differences arising from the translation of results of operations outside of the Group's functional currency, reasonably foreseeable movements in the exchange rates of +10% or -10% would not have a material impact on the Group's profit before tax or equity.

The summary quantitative data about the Group's exposure to currency risk as reported to the Management of the Group is as follows:

	31 December 2023 (m)		31 December 2022 (m)	
	$	€	$	€
Trade and other receivables	523.3	865.7	737.8	792.1
Trade and other payables	(535.0)	(846.4)	(759.6)	(838.4)
Forecast future cash flow (net)	(110.9)	(129.3)	(175.3)	(47.1)
	(122.6)	(110.0)	(197.1)	(93.4)
Forward exchange contracts	122.6	110.0	197.1	93.4
Net exposure	–	–	–	–

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

27 Financial instruments continued

Liquidity risk

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December based on contractual undiscounted payments:

	On demand £m	<3 months £m	3–12 months £m	1–2 years £m	2–5 years £m	>5 years £m	Total £m
Year ended 31 December 2023							
Bank loans	**–**	**1.2**	**3.6**	**6.1**	**1.4**	**–**	**12.3**
Lease liabilities	**–**	**10.3**	**30.9**	**28.7**	**44.6**	**11.9**	**126.4**
Derivative financial instruments	**–**	**3.8**	**1.0**	**1.0**	**0.5**	**–**	**6.3**
Contingent consideration	**–**	**10.2**	**10.8**	**–**	**–**	**–**	**21.0**
Trade and other payables	**–**	**1,674.5**	**–**	**–**	**–**	**–**	**1,674.5**
	–	**1,700**	**46.3**	**35.8**	**46.5**	**11.9**	**1,840.5**

	On demand £m	<3 months £m	3–12 months £m	1–2 years £m	2–5 years £m	>5 years £m	Total £m
Year ended 31 December 2022							
Bank loans	2.1	1.7	3.9	5.1	8.0	–	20.8
Lease liabilities	–	10.2	30.6	31.4	48.3	19.2	139.7
Derivative financial instruments	–	5.3	2.7	0.3	0.4	–	8.7
Contingent consideration	–	–	17.9	25.3	–	–	43.2
Trade and other payables	–	1,857.5	–	–	–	–	1,857.5
	2.1	1,874.7	55.1	62.1	56.7	19.2	2,069.9

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2023

27 Financial instruments continued

Fair value measurements recognised in the Consolidated Balance Sheet

Financial instruments which are recognised at fair value subsequent to initial recognition are grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The three levels are defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Contingent consideration

The contingent consideration that resulted from the acquisition of BITS (note 18d), was measured at Level 3 fair value, subsequent to initial recognition. The Group used discounted cash flows (DCF) as a valuation technique to derive the fair value of the contingent consideration. Having considered a range of possible earn-out scenarios under the revised agreement (note 18d), Management has determined that an accrual of $26.7m, discounted to $25.7m using a weighted average discount rate of 12%, should be recorded as contingent consideration. This estimate provides a reasonable approximation as to the value of the contingent consideration and any reasonably possible change in the underlying assumptions would not have a material impact on the financial statements.

The reconciliation of the carrying amount of the contingent consideration, included within Trade and other payables, is as follows:

	£m
At 1 January 2022	–
Acquisition of BITS	36.6
Exceptional interest cost – unwind of discount (note 8)	2.0
Foreign currency adjustment	0.3
At 31 December 2022	38.9
Paid during the year	**(17.4)**
Gain related to acquisition of a subsidiary (note 8)	**(2.8)**
Exceptional interest cost – unwind of discount (note 8)	**3.2**
Foreign currency adjustment	**(1.7)**
At 31 December 2023	**20.2**

Derivative financial instruments

At 31 December 2023 the Group had forward currency contracts, which were measured at Level 2 fair value subsequent to initial recognition, to the value of an asset of £2.5m and a liability of £6.3m (2022: asset of £7.5m and liability of £8.7m). The net realised loss on forward currency contracts, designated as cash flow hedges, during the year of £3.0m (2022: £0.5m) with a deferred tax asset of £1.1m (2022: £0.1m), are offset by broadly equivalent realised gains on the related underlying transactions.

28 Capital management

Computacenter's approach to capital management is to ensure that the Group has a strong capital base to support the development of the business and to maintain a strong credit rating, whilst aiming to maximise shareholder value. Consistent with the Group's aim to maximise return to shareholders, the Company's dividend policy is to maintain a dividend cover of between two to 2.5 times. In 2023, the cover was 2.5 times on an adjusted earnings basis (2022: 2.5 times).

Capital, defined as net funds, that the Group monitors is disclosed in note 31.

Each operating country manages its working capital in line with Group policies. The key components of working capital, i.e. trade receivables, inventory and trade payables, are managed in accordance with an agreed number of days targeted in the budget process, in order to ensure efficient capital usage. An important element of the process of managing capital efficiently is to ensure that each operating country rewards behaviour at an account manager and account director level, to minimise working capital at a transactional level. This is achieved by increasing commission payments for early payment by customers and reduced commission payments for late payment by customers, which encourages appropriate behaviour. Management intends to implement Group policies into acquired businesses over time with the introduction of systems, reward mechanisms and other operational practices that support these policies.

The Group regularly reviews the adequacy of its facilities against any foreseeable peak borrowing requirement. See note 21 for details on uncommitted overdraft facilities available to the Group.

In certain circumstances, the Group deposits its funds in short-term investments that do not fulfil the criteria to be classified as cash and cash equivalents. The Group considers these deposits when managing the net funds of the business, and accordingly includes these deposits within adjusted net funds.

Capital is allocated across the Group, in order to ensure each operating company is able to manage its working capital needs efficiently and to minimise its exposure to exchange rates. Each country finances its own working capital requirements with cash on deposit in the UK and Germany. An internal cash pooling arrangement has been implemented which utilises internal Group financing arrangements.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

28 Capital management continued

On 9 December 2022, the Group entered into a multi-currency revolving loan committed facility of £200.0m. This replaced the previous committed facility of £60.0m which was terminated and all security was released. The new facility had a term of five years plus two one-year extension options exercisable on the first and second anniversary of the facility. The Group has exercised the extension option on the first anniversary, extending the term to six years with a revised expiry of 8 December 2028. A further term option of one additional year remains available. The Group is subject to certain key financial covenants under this syndicated facility with Barclays, Lloyds, HSBC, BNP Paribas, JPMorgan and PNC Bank. These covenants, as defined in the agreement, are monitored regularly to ensure compliance. As at 31 December 2023, the Group was in compliance with all covenants.

Computacenter India Private Limited has a local facility with HSBC India for local cash liquidity to facilitate the continued growth of our operations in the country. There was no interest-bearing debt drawn under this facility as at 31 December 2023.

The recently acquired BITS subsidiary maintains a ringfenced 'Accounts Receivable and Inventory' facility with Wells Fargo of up to $100m, secured on the assets of that subsidiary. The facility is provided on a rolling basis and the latest amendment was signed on 21 July 2023.

29 Issued capital and reserves

Issued share capital

Issued and fully paid	7⅝p ordinary shares No. '000	0.01p deferred shares No. '000	Total £m
At 1 January 2022 and 1 January 2023	**122,688**	**–**	**9.3**
Deferred shares issued during the year for the capitalisation of reserves	–	10,895,383.8	109.0
Deferred shares capital reduction	–	(10,895,383.8)	(109.0)
At 31 December 2023	**122,688**	**–**	**9.3**

During the year, the issued share capital was increased by £109.0m by the issue of deferred shares of 0.01p each (the 'New Deferred Shares'). The New Deferred Shares were issued through the capitalisation of the following reserves (together the 'Capitalised Amount') in Computacenter plc (the 'Company'):

i. an amount of up to £55.9m, being the full amount standing to the credit of the merger reserve account of the Company as at 31 December 2022 (being the date of the latest audited accounts of the Company); and

ii. an amount of up to £53.1m, being part of the amount standing to the credit of the Company's retained earnings reserve as at 31 December 2022 (being the date of the latest audited accounts of the Company) and attributable to the dividend in specie made to the Company by Computacenter (UK) Limited in December 2020 in respect of shares in Pivot Technology Solutions, Ltd.

The Capitalised Amount was applied in paying up in full and at par 10,895,383,765 New Deferred Shares in the capital of the Company.

These New Deferred Shares were allotted and issued to a nominee appointed by the Company on behalf of the holders of ordinary shares entered in the register of members of the Company at the Capitalisation Record Time (in proportion, as nearly as practicable to the aggregate nominal amount of the ordinary shares held by such holders at the Capitalisation Record Time, subject to such adjustments as the Directors saw fit to deal with any fractional entitlements).

The holders of the New Deferred Shares were conferred no material rights from the New Deferred Shares, including no rights to receive any dividend or other distribution of the Company, nor any right to participate in the profits of the Company, with further details of these rights limitations available within the 2023 Notice of General Meeting. The New Deferred Shares were then subject to a Capital Reduction and creation of distributable reserves within the Company for £109.0m.

The Company has a number of share option schemes under which options to subscribe for the Company's shares have been granted to Executive Directors and certain senior Management (note 30).

Share premium

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued/redeemed at a premium.

Capital redemption reserve

The capital redemption reserve is used to maintain the Company's capital following the purchase and cancellation of its own shares. During the year, the Company repurchased nil of its own shares for cancellation (2022: nil).

The High Court of Justice of England and Wales on 20 June 2023 confirmed an application for a Capital Reduction that subsequently became effective on 21 June 2023 following the necessary regulatory filings. This Capital Reduction reduced the Company's Capital Redemption Reserve of £75.0m to nil and created distributable reserves for this same amount.

Own shares held

Own shares held comprise the following:

i) Computacenter Employee Share Ownership Plan (ESOP)

Shares in the Parent undertaking comprise 1,373,127 ordinary shares of 7⅝p each in Computacenter plc (2022: 1,060,021) purchased by the ESOP. The principal purpose of the ESOP is to be funded with shares that will satisfy discretionary executive share plans. The number of shares held represents 1.12% of the Company's issued share capital (2022: 0.86%).

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

29 Issued capital and reserves continued

Since 31 December 2002, the definition of beneficiaries under the ESOP Trust has been expanded to include employees who have been awarded options to acquire ordinary shares of 7⅗p each in Computacenter plc under other employee share plans of the Group, namely the Computacenter Service Group plc Approved Executive Share Option Plan, the Computacenter plc Employee Share Option Scheme 1998, the Computacenter Service Group plc Unapproved Executive Share Option Scheme, the Computacenter Performance Related Share Option Scheme 1998, the Computacenter plc Sharesave Plus Scheme and any future similar share ownership schemes. All costs incurred by the ESOP are settled directly by Computacenter (UK) Limited and charged in the accounts as incurred. The ESOP Trustees have waived the dividends receivable in respect of 1,373,127 ordinary shares of 7⅗p each (2022: 1,060,021) that it owns, which are all unallocated shares.

ii) Treasury shares

The Company holds, in treasury, the ordinary shares purchased by way of tender offer on 14 February 2018. Following the purchase, the Company's issued share capital consisted of 122,687,970 ordinary shares of 7⅗p each (2022: 122,687,970), each carrying one voting right, of which the Company held 8,546,861 ordinary shares in treasury (2022: 8,546,861).

As at 31 December 2023, the total number of voting rights in the Company which may be used by shareholders as the denominator for the calculations by which they can determine if they are required to notify their interest in, or a change to their interest in, the Company under the Disclosure and Transparency Rules is 114,141,109 (2022: 114,141,109). The percentage of voting rights attributable to those shares the Company holds in treasury following the share buy-back in 2018 is 6.97% (2022: 6.97%.)

Translation and hedging reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the Financial Statements of foreign subsidiaries. The hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. Included within translation and hedging reserves is a hedging reserve credit balance of £0.2m (2022: debit balance of £1.7m).

Non-controlling interests

The non-controlling amounts are as follows:

	2023 £m	2022 £m
Applied Computer Solutions (ACS)*	–	2.5
ProSys Information Systems, Inc (ProSys)	7.7	3.7
R.D. Trading Limited (RDC)	–	0.1
	7.7	6.3

* ACS merged with ProSys on 1 November 2023.

30 Share-based payments

Computacenter Performance Share Plan (PSP)

Under the Computacenter PSP, shares granted will be subject to certain performance conditions as described in the Annual Report on Remuneration. As at 31 December 2023, the number of shares outstanding was as follows:

Date of grant	Maturity date	Share price at date of grant	2023 Number outstanding	2022 Number outstanding
20/03/2014	20/03/2017	682.5p	6,557	6,557
26/03/2015	26/03/2018	720.0p	11,729	19,225
22/03/2016	22/03/2019	845.0p	19,396	33,093
22/03/2017	22/03/2020	736.5p	18,939	110,576
21/03/2018	21/03/2021	1182.67p	25,378	39,205
21/03/2018	21/03/2021	1182.67p	–	97,364
21/03/2019	21/03/2022	1192.00p	219,372	242,498
23/03/2020	21/03/2023	993.00p	152,999	418,605
23/03/2020	21/03/2023	993.00p	173,892	173,892
11/05/2020	21/03/2023	1472.00p	–	2,853
02/11/2020	21/03/2023	2265.00p	–	14,504
22/03/2021	21/03/2024	2175.00p	307,924	340,822
21/03/2021	21/03/2023	2175.00p	–	11,685
10/06/2021	21/03/2024	2671.00p	7,384	7,384
21/03/2022	21/03/2025	2911.00p	234,456	271,109
21/03/2022	21/03/2023	2911.00p	–	10,879
21/03/2022	21/03/2024	2911.00p	10,880	10,880
06/04/2023	23/03/2026	2151.00p	364,221	–
06/04/2023	30/03/2024	2151.00p	4,587	–
06/04/2023	30/03/2025	2151.00p	4,588	–
05/06/2023	01/07/2025	2379.00p	5,695	–
05/06/2023	05/06/2025	2379.00p	13,527	–
05/06/2023	23/06/2026	2318.00p	33,973	–
14/09/2023	23/03/2026	2449.00p	9,830	–
02/10/2023	23/03/2026	2530.00p	5,040	–
			1,630,367	1,811,131

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

30 Share-based payments continued

The following table illustrates the number (No.) of share options for the PSP Scheme:

	2023 No.	2022 No.
PSP Scheme		
Outstanding at the beginning of the year	1,811,131	1,995,454
Granted during the year	449,268	297,424
Forfeited during the year	(82,388)	(28,762)
Exercised during the year*	(547,644)	(452,985)
Outstanding at the end of the year	1,630,367	1,811,131
Exercisable at the end of the year	628,262	548,518

* The weighted average share price at the date of exercise for the options exercised was £22.00 (2022: £28.25).

The weighted average remaining contractual life for the options outstanding as at 31 December 2023 was 1.3 years (2022: 1.2 years).

Computacenter Sharesave Scheme (SAYE)

The Group operates a Sharesave Scheme which is available to all employees and full-time Executive Directors of the Group and its subsidiaries who have worked for a qualifying period. All options granted under this scheme are satisfied at exercise by way of a transfer of shares from the Computacenter Qualifying Employee Share Trust. During the year, 669,433 options were granted (2022: 1,007,817) with a fair value of £5,772,514 (2022: £6,412,764).

Under the scheme the following options have been granted and are outstanding at the year end:

Date of grant	Exercisable between	Share price	2023 Number outstanding	2022 Number outstanding
October 2017	01/12/2022 – 31/05/2023	789.00p	–	231,920
October 2018	01/12/2023 – 31/05/2024	1,054.00p	134,500	452,689
October 2019	01/12/2022 – 31/05/2023	1,138.00p	63	114,795
October 2019	01/12/2024 – 31/05/2025	1,011.00p	534,105	553,222
October 2020	01/12/2023 – 31/05/2024	2,092.00p	51,323	183,556
October 2020	01/12/2025 – 31/05/2026	1,860.00p	442,049	472,070
October 2020	01/12/2020 – 26/01/2023	2,217.00p	–	10,623
October 2021	01/12/2024 – 31/05/2025	2,571.00p	131,064	150,632
October 2021	01/12/2026 – 31/05/2027	2,286.00p	373,568	410,593
October 2021	01/12/2021 – 25/01/2024	2,468.00p	20,690	31,138
December 2022	01/12/2022 – 01/06/2026	1,77200p	248,384	271,287
December 2022	01/12/2022 – 01/06/2028	1,575.00p	656,243	684,333
December 2022	01/12/2022 – 07/05/2025	1,665.00p	44,600	48,194
December 2023	01/12/2023 – 01/06/2027	2,148.00p	233,032	–
December 2023	01/12/2023 – 07/05/2029	2,021.00p	400,858	–
December 2023	01/12/2023 – 07/05/2025	2,218.00p	33,980	–
			3,304,459	3,615,052

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

30 Share-based payments continued

The following table illustrates the number (No.) and weighted average exercise price (WAEP) of share options for the Sharesave Scheme:

	2023 No.	2023 WAEP	2022 No.	2022 WAEP
Sharesave Scheme				
Outstanding at the beginning of the year	**3,615,052**	**£15.70**	3,496,799	£14.30
Granted during the year	**669,433**	**£20.75**	1,007,817	£16.33
Forfeited during the year	**(186,598)**	**£19.24**	(183,219)	£19.03
Exercised during the year*	**(793,428)**	**£11.60**	(706,345)	£8.82
Outstanding at the end of the year	**3,304,459**	**£17.51**	3,615,052	£15.70
Exercisable at the end of the year	**200,980**	**£14.66**	357,535	£9.51

* The weighted average share price at the date of exercise for the options exercised was £24.96 (2022: £22.08).

The weighted average remaining contractual life for the options outstanding as at 31 December 2023 was 2.4 years (2022: 2.3 years).

The fair value of the PSP, Deferred Bonus Plan (DBP) and SAYE plans are estimated as at the date of grant using the Black-Scholes valuation model. The following tables give the assumptions made during the years ended 31 December 2023 and 31 December 2022:

2023

Nature of the arrangement	PSP scheme	PSP scheme	PSP scheme	PSP scheme	PSP scheme	PSP scheme	PSP scheme	PSP scheme
Date of grant	06/04/2023	06/04/2023	06/04/2023	05/06/2023	05/06/2023	14/09/2023	02/10/2023	14/09/2023
Number of instruments granted	193,453	169,047	9,528	33,973	13,527	7,146	5,040	2,684
Exercise price	nil	nil	nil	nil	nil	nil	nil	nil
Share price at date of grant	£21.51	£21.51	£21.51	£23.18	£23.79	£24.49	£25.30	£24.49
Contractual life (years)	3	3	3	3	2	3	3	3
Vesting conditions	See note 1 below	See page 152 of the Annual Report on Remuneration	Three-year service period	See page 152 of the Annual Report on Remuneration	See page 152 of the Annual Report on Remuneration	See page 152 of the Annual Report on Remuneration	See page 152 of the Annual Report on Remuneration	See note 1 below
Expected volatility	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Expected option life at grant date (years)	3	3	3	3	2	3	3	3
Risk-free interest rate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dividend yield	3.7%	3.7%	3.7%	3.5%	3.4%	3.3%	3.2%	3.3%
Fair value per granted instrument determined at grant date	£19.27	£19.27	£19.27	£20.92	£22.26	£22.23	£23.03	£22.23

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

30 Share-based payments continued

2023

Nature of the arrangement	DBP scheme	DBP scheme	DBP scheme	SAYE scheme	SAYE scheme	SAYE scheme
Date of grant	06/04/2023	06/04/2023	05/06/2023	01/12/2023	01/12/2023	01/12/2023
Number of instruments granted	4,587	4,588	5,695	34,474	233,476	401,483
Exercise price	nil	nil	nil	£22.18	£21.48	£20.21
Share price at date of grant	£21.51	£21.51	£23.79	£25.94	£25.94	£25.94
Contractual life (years)	1	2	2	2	3	5
Vesting conditions	See page 151 of the Annual Report on Remuneration	See page 151 of the Annual Report on Remuneration	See page 151 of the Annual Report on Remuneration	Two-year service period and savings requirement	Three-year service period and savings requirement	Five-year service period and savings requirement
Expected volatility	n/a	n/a	n/a	30.70%	29.00%	36.60%
Expected option life at grant date (years)	1	2	2	2	3	5
Risk-free interest rate	n/a	n/a	n/a	0.72%	0.72%	0.72%
Dividend yield	3.7%	3.7%	3.4%	3.11%	3.11%	3.11%
Fair value per granted instrument determined at grant date	£20.73	£19.99	£22.26	£6.07	£6.89	£9.85

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

30 Share-based payments continued

2022

Nature of the arrangement	PSP scheme	PSP scheme	PSP scheme	PSP scheme	PSP scheme	DBP scheme	DBP scheme	SAYE scheme	SAYE scheme	SAYE scheme
Date of grant	21/03/22	21/03/22	21/03/22	21/03/22	21/03/22	21/03/22	21/03/22	01/12/22	01/12/22	01/12/22
Number of instruments granted	101,562	143,189	7,245	1,992	21,677	10,879	10,880	49,100	272,829	685,888
Exercise price	nil	nil	nil	nil	nil	nil	nil	£16.65	£17.72	£15.75
Share price at date of grant	£29.11	£29.11	£29.11	£29.11	£29.11	£29.11	£29.11	£18.99	£18.99	£18.99
Contractual life (years)	3	3	3	3	3	1	2	2	3	5
Vesting conditions	See note 1 below	See page 127 of the Annual Report on Remuneration	Three-year service period	Three-year service period	See note 1 below	See page 127 of the Annual Report on Remuneration	See page 127 of the Annual Report on Remuneration	Two-year service period and savings requirement	Three-year service period and savings requirement	Five-year service period and savings requirement
Expected volatility	n/a	n/a	n/a	n/a	n/a	n/a	n/a	28.80%	38.10%	37.30%
Expected option life at grant date (years)	3	3	3	3	3	1	2	2	3	5
Risk-free interest rate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.45%	0.45%	0.45%
Dividend yield	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	4.25%	4.25%	4.25%
Fair value per granted instrument determined at grant date	£27.32	£27.32	£27.32	£27.32	£27.32	£28.50	£27.90	£4.01	£5.16	£7.01

Note

1. Issued under the terms of the Computacenter Performance Share Plan 2005, as amended at the AGMs held on 19 May 2015 and 18 May 2018. One-quarter of the shares will vest if the compound annual EPS growth over the performance period equals 5% per annum. One-half of the shares will vest if the compound annual EPS growth over the performance period equals 7.5% and the shares will vest in full if the compound annual EPS growth over the performance period equals 10%. If the compound annual EPS growth over the performance period is between 5% and 10%, shares awarded will vest on a straight-line basis. The performance period usually covers a period of three years from 1 January of the year the award is granted.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur.

The expected volatility reflects the assumption that the recent historical volatility is indicative of future trends, which may not necessarily be the actual outcome. No other features of the options granted were incorporated into the measurement of fair value.

31 Analysis of changes in net funds

	At 1 January 2023 £m	Cash flows in year £m	Non-cash flow £m	Exchange differences £m	At 31 December 2023 £m
Cash and short-term deposits	**264.4**	**207.6**	**–**	**(0.8)**	**471.2**
Cash and cash equivalents	**264.4**	**207.6**	**–**	**(0.8)**	**471.2**
Bank loans	**(20.1)**	**6.9**	**–**	**1.0**	**(12.2)**
Adjusted net funds (excluding lease liabilities)	**244.3**	**214.5**	**–**	**0.2**	**459.0**
Lease liabilities	**(127.1)**	**46.1**	**(30.7)**	**(3.7)**	**(115.4)**
Net funds	**117.2**	**260.6**	**(30.7)**	**(3.5)**	**343.6**

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2023

31 Analysis of changes in net funds continued
The financing cash flows included in the table above are detailed as follows:

	Bank loans	Credit facilities	Customer-specific financing	Others	Lease liabilities	Liabilities from financing activities
Balance at 1 January 2023	**(20.1)**	**–**	**–**	**–**	**(127.1)**	**(147.2)**
Changes from financing cash flows:						
Interest paid	0.3	0.4	0.3	1.6	–	2.6
Interest paid on lease liabilities	–	–	–	–	4.7	4.7
Repayment of loans	6.9	–	–	–	–	6.9
Repayment of credit facilities	–	62.9	–	–	–	62.9
Payment of capital element of lease liabilities	–	–	–	–	41.4	41.4
Drawdown of borrowings	–	(62.9)	–	–	–	(62.9)
Total changes from financing cash flows	**7.2**	**0.4**	**0.3**	**1.6**	**46.1**	**55.6**
The effect of changes in foreign exchange rates	1.0	–	–	–	3.7	4.7
Other changes:						
New leases	–	–	–	–	(33.8)	(33.8)
Early termination of leases	–	–	–	–	0.4	0.4
Interest expense	(0.3)	(0.4)	(0.3)	(1.6)	(4.7)	(7.3)
Total other changes	**(0.3)**	**(0.4)**	**(0.3)**	**(1.6)**	**(38.1)**	**(40.7)**
Balance at 31 December 2023	**(12.2)**	**–**	**–**	**–**	**(115.4)**	**(127.6)**

	At 1 January 2022 £m	Cash flows in year £m	Non-cash flow £m	Exchange differences £m	At 31 December 2022 (restated*) £m
Cash and short-term deposits*	285.2	(13.6)	–	(7.2)	264.4
Bank overdrafts*	(12.0)	12.0	–	–	–
Cash and cash equivalents	**273.2**	**(1.6)**	**–**	**(7.2)**	**264.4**
Bank loans and credit facility	(31.8)	12.9	–	(1.2)	(20.1)
Adjusted net funds (excluding lease liabilities)	**241.4**	**11.3**	**–**	**(8.4)**	**244.3**
Lease liabilities	(146.1)	55.2	(28.7)	(7.5)	(127.1)
Net funds	**95.3**	**66.5**	**(28.7)**	**(15.9)**	**117.2**

* Refer to note 2 for restatement of prior-year comparatives.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

31 Analysis of changes in net funds continued

The financing cash flows included in the table above are detailed as follows:

	Bank loans	Credit facility	Bank overdraft (restated*)	Others	Lease liabilities	Liabilities from financing activities (restated*)
Balance at 1 January 2022	(24.8)	(7.0)	(12.0)	–	(146.1)	(189.9)
Changes from financing cash flows:						
Interest paid	0.8	1.4	–	0.7	–	2.9
Interest paid on lease liabilities	–	–	–	–	4.9	4.9
Repayment of loans	9.6	–	–	–	–	9.6
Repayment of credit facility	–	11.0	–	–	–	11.0
Payment of capital element of lease liabilities	–	–	–	–	50.3	50.3
Bank overdraft reduction	–	–	12.0	–	–	12.0
New loans relating to acquisition of a subsidiary	(3.7)	–	–	–	–	(3.7)
Drawdown of borrowings	–	(4.0)	–	–	–	(4.0)
Total changes from financing cash flows	**6.7**	**8.4**	**12.0**	**0.7**	**55.2**	**83.0**
The effect of changes in foreign exchange rates	(1.2)	–	–	–	(7.5)	(8.7)
Other changes:						
New leases	–	–	–	–	(45.0)	(45.0)
New leases relating to acquisition of a subsidiary	–	–	–	–	(0.8)	(0.8)
Early termination of leases	–	–	–	–	22.0	22.0
Interest expense	(0.8)	(1.4)	–	(0.7)	(4.9)	(7.8)
Total other changes	**(0.8)**	**(1.4)**	**–**	**(0.7)**	**(28.7)**	**(31.6)**
Balance at 31 December 2022	**(20.1)**	**–**	**–**	**–**	**(127.1)**	**(147.2)**

32 Capital commitments

As at 31 December 2023, the Group had a £1.0m commitment for capital expenditure (2022: £3.4m).

33 Pensions and other post-employment benefit plans

The Group operates a defined contribution pension scheme available to all UK employees and similar schemes are operating, as appropriate for the jurisdiction, for North America and Germany. The amount recognised as an expense for this plan is detailed in note 9.

The Group has a provision against the retirement benefit obligations in France under the Indemnités de Fin de Carrière (IFC) as described in note 2.12.2. Economic outflows under the obligation only occur if eligible employees reach the statutory retirement age whilst still in employment or are made redundant. The Group made £0.9m of payments during 2023 under this obligation (2022: £0.5m).

In estimating the provision required, Management is required to make a number of assumptions. The key areas of estimation uncertainty are the discount rate applied to future cash flows, the turnover rate of employed personnel and rate of salary increases over the length of their projected employment.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

33 Pensions and other post-employment benefit plans continued

The level of unrealised actuarial gains or losses is sensitive to changes in the discount rate, which is affected by market conditions and therefore subject to variation. Management makes use of an independent actuarial valuation in reaching its conclusions.

The net liability recognised in the Consolidated Balance Sheet as at 31 December 2023 in respect of the Group's French retirement benefit obligations under the IFC was £26.2m (2022: £23.0m). Key movements during the year include a charge to the Consolidated Income Statement of £2.2m (2022: £2.2m) for the service cost and an actuarial loss taken through reserves of £2.8m (2022: gain of £1.7m). The key driver of actuarial loss this year was the change in experience and financial assumptions, mainly due to a change in the discount rate used in the actuarial valuation.

	2023 £m	2022 £m
Total defined benefit liability	**26.2**	23.0

Movements in total defined benefit liability:

	2023 £m	2022 £m
Balance at 1 January	**23.0**	21.8
Included in Consolidated Income Statement		
Current service cost	**1.4**	2.0
Interest cost	**0.8**	0.2
	2.2	2.2
Included in Consolidated Statement of Comprehensive Income		
Remeasurements loss		
Actuarial (gain)/loss arising from:	**2.8**	(1.7)
– Changes in demographic assumptions	**(0.2)**	6.7
– Change in financial assumptions	**1.3**	(8.7)
– Experience adjustment	**1.7**	0.3
Effect of movements in exchange rates	**(0.9)**	1.2
	1.9	(0.5)
Other		
Benefits paid	**(0.9)**	(0.5)
	(0.9)	(0.5)
Balance at 31 December	**26.2**	23.0

Actuarial assumptions

The following are the principal actuarial assumptions at 31 December (expressed as weighted averages):

	2023 %	2022 %
Discount rate	**3.2**	3.8
Future salary growth	**3.9**	4.0
Turnover rates:		
– Non-managers	**5.7**	5.7
– Supervisors	**2.7**	2.7
– Executives	**2.7**	2.7

At 31 December 2023, the discount rate used was 3.2% (2022: 3.8%) with reference to the iBoxx € Corporate AA 10y + index.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	2023 £m		2022 £m	
	Increase (1%)	Decrease (1%)	Increase (1%)	Decrease (1%)
Discount rate	**2.8**	**(3.3)**	2.3	(2.8)
Future salary growth	**(3.3)**	**2.9**	(2.7)	2.4
Turnover rates	**2.9**	**(2.0)**	2.5	(2.9)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2023

34 Related-party transactions

During the year, the Group entered into transactions, in the ordinary course of business, with related parties. Transactions entered into are as described below:

Biomni Limited provides the Computacenter e-procurement system used by many of Computacenter's major customers. An annual fee has been agreed on a commercial basis for use of the software for each installation. Both Peter Ogden and Philip Hulme are Directors of and have a material interest in Biomni Limited. Biomni Limited ceased to be a related party on 22 December 2023.

The table below provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	2023 £m	2022 £m
Biomni Limited		
Sales to related parties	–	–
Purchase from related parties	0.9	0.6

There was no outstanding balance as at 31 December 2023 (31 December 2022: nil).

In addition to the above, a relative of a Director of the Company is employed by a subsidiary of the Company under normal terms and conditions and with remuneration commensurate with the role. Total remuneration for 2023 was £0.2m (2022: £0.2m).

Terms and conditions of transactions with related parties

Outstanding balances at the year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related-party receivables. The Group has not recognised any allowance for expected credit losses relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel (including Directors)

The Board of Directors is identified as the Group's key management personnel. Please refer to the information given in the remuneration table on page 145 and the gains on exercise of Director long-term incentive plan options table on page 153, both within the Annual Report on Remuneration, for details of compensation given. A summary of the compensation of key management personnel is provided below:

	2023 £m	2022 £m
Short-term employee benefits	3.7	2.1
Social security costs	0.9	0.5
Share-based payment transactions	1.9	3.7
Pension costs	0.1	0.1
Total compensation paid to key management personnel	6.6	6.4

The interests of the key management personnel in the Group's share incentive schemes are disclosed in the Annual Report on Remuneration on pages 150 to 153.

Company Balance Sheet

As at 31 December 2023

	Note	2023 £m	2022 (restated*) £m
Non-current assets			
Intangible assets	4	–	8.2
Investment property	5	9.9	10.9
Investments*	6	540.7	486.1
		550.6	505.2
Current assets			
Debtors		0.2	0.1
Prepayments		2.4	2.5
		2.6	2.6
Total assets		553.2	507.8
Current liabilities			
Trade and other payables	7	65.8	52.3
Income tax payable		–	0.9
		65.8	53.2
Total liabilities		65.8	53.2
Net assets		487.4	454.6
Capital and reserves			
Issued share capital	8	9.3	9.3
Share premium		4.0	4.0
Capital redemption reserve	8	–	75.0
Merger reserve	8	–	55.9
Own shares held		(140.4)	(127.7)
Retained earnings*		614.5	438.1
Shareholders' equity		487.4	454.6

* Refer to note 13 for adjustment for the year ended 31 December 2022.

The profit for the year ended 31 December 2023 included in the accounts of the Company is £131.2m (2022*: £158.2m). The accompanying notes on pages 234 to 239 form an integral part of these financial statements.

Approved by the Board on 19 March 2024.

MJ Norris
Chief Executive Officer

MC Jehle
Chief Financial Officer

Company Statement of Changes in Equity

For the year ended 31 December 2023

	Issued share capital £m	Share premium £m	Capital redemption reserve £m	Merger reserve £m	Own shares held £m	Retained earnings £m	Shareholders' equity £m
At 1 January 2023	**9.3**	**4.0**	**75.0**	**55.9**	**(127.7)**	**438.1**	**454.6**
Profit for the year	–	–	–	–	–	131.2	131.2
Total comprehensive income for the year	–	–	–	–	–	131.2	131.2
Transactions with owners:							
– Exercise of options	–	–	–	–	25.3	(16.1)	9.2
– Share options granted to employees of subsidiary companies	–	–	–	–	–	7.7	7.7
– Purchase of own shares	–	–	–	–	(38.0)	–	(38.0)
– Capital Reduction	–	–	(75.0)	(55.9)	–	130.9	–
– Equity dividends	–	–	–	–	–	(77.3)	(77.3)
Total	–	–	(75.0)	(55.9)	(12.7)	45.2	(98.4)
At 31 December 2023	**9.3**	**4.0**	**–**	**–**	**(140.4)**	**614.5**	**487.4**
At 1 January 2022	9.3	4.0	75.0	55.9	(115.5)	367.8	396.5
Profit for the year (restated*)	–	–	–	–	–	158.2	158.2
Total comprehensive income (restated*)	–	–	–	–	–	158.2	158.2
Transactions with owners:							
– Exercise of options	–	–	–	–	22.2	(16.0)	6.2
– Share options granted to employees of subsidiary companies	–	–	–	–	–	8.6	8.6
– Purchase of own shares	–	–	–	–	(34.4)	–	(34.4)
– Equity dividends	–	–	–	–	–	(80.5)	(80.5)
Total					(12.2)	(87.9)	(100.1)
At 31 December 2022	9.3	4.0	75.0	55.9	(127.7)	438.1	454.6

* Refer to note 13 for adjustment for the year ended 31 December 2022.

The accompanying notes on pages 234 to 239 form an integral part of these financial statements.

Notes to the Company Financial Statements

For the year ended 31 December 2023

1 Authorisation of Financial Statements

The Parent Company's Financial Statements of Computacenter plc (the Company) for the year ended 31 December 2023 were authorised for issue by the Board of Directors on 19 March 2024 and the Balance Sheet was signed on the Board's behalf by MJ Norris and MC Jehle. Computacenter plc is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on the London Stock Exchange.

2 Summary of significant accounting policies

Basis of preparation and statement of compliance with FRS 101

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The financial statements are prepared under the historical cost convention.

No profit and loss account is presented by the Company as permitted by section 408 of the Companies Act 2006. The results of Computacenter plc are included in the Consolidated Financial Statements of Computacenter plc which are available from Computacenter plc, Hatfield Business Park, Hatfield Avenue, Hatfield, AL10 9TW. The accounting policies which follow set out those policies which apply in preparing the Financial Statements for the year ended 31 December 2023. The Financial Statements are prepared in pound sterling and all values are rounded to the nearest hundred thousand, except when otherwise indicated.

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards (adopted IFRSs), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

(a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based Payment;

(b) the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;

(d) the requirements of IFRS 7 Financial Instruments: Disclosures;

(e) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;

(f) 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;

  (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;

  (iii) paragraph 118(e) of IAS 38 Intangible Assets; and

  (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property.

(g) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;

(h) the requirements of IAS 7 Statement of Cash Flows;

(i) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;

(j) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;

(k) 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; and

(l) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As applicable, equivalent disclosures are included in the Consolidated Financial Statements of the Group in which the entity is consolidated.

Intellectual property

Licences purchased in respect of intellectual property are capitalised, classified as an intangible asset on the Balance Sheet and amortised on a straight-line basis over the period of the licence, normally 20 years.

Depreciation of fixed assets

Freehold land is not depreciated. Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	25 years

Investment property

Investment property is defined as land and/or buildings held by the Company to earn rental income or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in supply of goods or services or for administrative purposes. The Company recognises any part of an owned (or leased under a finance lease) property that is leased to third parties as investment property, unless it represents an insignificant portion of the property.

Investment property is measured initially at cost including transaction costs. Subsequent to initial recognition, the Company elected to measure investment property at cost less accumulated depreciation and accumulated impairment losses, if any (i.e. applying the same accounting policies, including useful lives, as for property, plant and equipment). The fair values, which reflect the market conditions at the balance sheet date, are disclosed in note 5.

Investments

Fixed-asset investments are shown at cost less provision for impairment.

Notes to the Company Financial Statements continued

For the year ended 31 December 2023

2 Summary of significant accounting policies continued

Impairment of assets

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Amounts owed by/to subsidiary undertakings

Intra-group receivables are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method, less an allowance for any uncollectable amounts. The Company assesses for doubtful debts (impairment) using the expected credit losses model, as required by IFRS 9.

Intra-group payables are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method.

Share-based payment transactions

The accounting policy in relation to share-based payment transactions is disclosed in full in the Consolidated Financial Statements. In addition, the financial effect of awards by the Company of options over its equity shares to employees of subsidiary undertakings is recognised by the Company in its individual financial statements as an increase in its investment in subsidiaries, with a credit to equity equivalent to the IFRS 2 cost in subsidiary undertakings.

On transition to IFRS, the Group did not apply the measurement rules of IFRS 2 to equity-settled awards granted before 7 November 2002 or granted after that date and vested before 1 January 2005. However, later modifications of such equity instruments are measured under IFRS 2.

Taxation

Corporation tax payable is provided on taxable profits at the current tax rate. Where Group relief is surrendered from other subsidiaries in the Group, the Company is required to pay to the surrendering company an amount equal to the loss surrendered multiplied by the current tax rate.

Deferred tax is recognised in respect of all timing differences that have originated, but not reversed, at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Own shares held

Shares in the Company, held by the Company, are classified in shareholders' equity as own shares held and are recognised at cost. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost being taken to revenue reserves. No gain or loss is recognised in the performance statements on the purchase, sale, issue or cancellation of equity shares.

Merger accounting and the merger reserve

Prior to 1 January 2013, certain significant business combinations were accounted for using the pooling of interests method (or merger accounting), which treats the merged groups as if they had been combined throughout the current and comparative accounting periods. Merger accounting principles for these combinations gave rise to a merger reserve in the balance sheet, being the difference between the nominal value of new shares issued by the Parent Company for the acquisition of the shares of the subsidiary and the subsidiary's own share capital and share premium account. These transactions have not been restated, as permitted by the IFRS 1 transitional arrangements.

The merger reserve is also used where more than 90% of the shares in a subsidiary are acquired and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under the Companies Act 1985 and, from 1 October 2009, the Companies Act 2006.

The merger reserve of £55.9m was created on acquisition of Computacenter (UK) Limited on 14 October 1995 by Computacenter plc. Immediately following the acquisition, this merger reserve was reduced to nil in the Group's Consolidated Financial Statements due to the write off of goodwill arising on the consolidation of Computacenter (UK) Limited.

As disclosed in note 8, the issued share capital was increased by £109.0m by the issue of deferred shares of 0.01p each (the 'New Deferred Shares'). The New Deferred Shares were issued through capitalisation of the merger reserves and the dividend in specie made to the Company by Computacenter (UK) Limited in December 2020 in respect of shares in Pivot Technology Solutions, Ltd (together the 'Capitalised Amount'). This reduced the Company's merger reserve of £55.9m to nil.

Notes to the Company Financial Statements continued

For the year ended 31 December 2023

3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 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 statements, are disclosed below.

Due to the inherent uncertainty in making these critical judgements and estimates, actual outcomes could be different.

Recoverability of investments

On an annual basis the Company is required to perform a review of its investments to identify if indicators of impairment or impairment reversal exist. If such indicators are identified, the Company compares the net carrying value to the recoverable amounts of the relevant investments, based on a value-in-use calculation.

The value-in-use determination requires the Company to estimate the future cash flows expected to arise from the investee, which include estimates of future performance, and a suitable discount rate applied in order to calculate the present value.

The main assumptions used in the calculation of the recoverable amount are revenue growth and contribution margin (resulting in annual earnings before interest and tax ("EBIT")) and the discount rate.

Recoverability of investments has been included as a critical estimate in the current year as the impairment reversal recognised for the Company's investment in Computacenter France SAS (CC France) means that estimates used in determining its value-in-use are sensitive enough to affect the calculation materially.

A 5% decrease in EBIT over the five-year forecast would decrease the impairment reversal recorded for CC France by £7.5m and a 5% increase in EBIT over this same period would increase the impairment reversal by £7.5m. A 1% increase in the discount rate would decrease the impairment reversal recorded for CC France by £4.4m and a 1% decrease in the discount rate would increase the impairment reversal by £5.4m. No other reasonably possible changes in the value-in-use calculations would see material change in the carrying value of any other investments in subsidiary undertakings.

4 Intangible assets

	Intellectual property £m
Cost	
At 1 January 2023 and 31 December 2023	**169.7**
Accumulated amortisation	
At 1 January 2023	**161.5**
Charge in the year	**8.2**
At 31 December 2023	**169.7**
Net book value	
At 31 December 2023	**–**
At 31 December 2022	8.2

Notes to the Company Financial Statements continued

For the year ended 31 December 2023

5 Investment properties

	Freehold land and buildings £m
Cost	
At 1 January 2023 and 31 December 2023	**42.4**
Accumulated depreciation	
At 1 January 2023	**31.5**
Charge in the year	**1.0**
At 31 December 2023	**32.5**
Net book value	
At 31 December 2023	**9.9**
At 31 December 2022	10.9

Investment property represents a building owned by the Company that is rented under a short-term rolling arrangement to Computacenter (UK) Ltd, a wholly-owned subsidiary of the Company. Rental income during the year was £4.2m (2022: £4.2m).

The fair value of investment property amounted to £32.2m at 31 December 2023 (2022: £33.5m). The fair values for disclosure purposes have been determined using either the support of qualified independent external valuers or by internal valuers with the necessary recognised and relevant professional qualification, applying a combination of the present value of future cash flows and observable market values of comparable properties. Management's most recent external valuation of this property took place in February 2016. As this property is rented to a subsidiary and is carried at depreciated cost value, an updated external valuation was not sought at 31 December 2023.

6 Investments

	Investments in subsidiary undertakings £m	Loans to subsidiary undertakings £m	Total £m
Cost			
At 31 December 2022	597.0	2.8	599.8
Additions	17.4	–	17.4
Adjustment relating to a disposed subsidiary	(23.4)	(0.7)	(24.1)
Share-based payments	5.4	–	5.4
At 31 December 2023	596.4	2.1	598.5
Amounts provided			
At 31 December 2022 (reported)	122.0	2.8	124.8
Adjustment (note 13)	(11.1)	–	(11.1)
At 31 December 2022 (restated)	110.9	2.8	113.7
Adjustment relating to a disposed subsidiary	(23.4)	(0.7)	(24.1)
Reversed during the year	(31.8)	–	(31.8)
At 31 December 2023	55.7	2.1	57.8
Net book value			
At 31 December 2023	540.7	–	540.7
At 31 December 2022 (restated)	486.1	–	486.1

During the year, the Company made an investment of $21.2m into Computacenter Holdings Inc., a wholly-owned US subsidiary, by way of a capital contribution.

The carrying values of investments are reviewed annually or when events or changes in circumstances indicate that the carrying value may not be recoverable. The Company assesses if such indicators exist at the end of each reporting period by considering external and internal factors including whether the carrying amount of an investment exceeds the investee's net assets or if a dividend exceeds the total comprehensive income of the investee. The Company also evaluates its investments annually for any indicators of impairment reversal.

Notes to the Company Financial Statements continued
For the year ended 31 December 2023

6 Investments continued
During the year there was a merger of our wholly owned subsidiaries, Computacenter France SAS and Computacenter NS (hereinafter 'Computacenter France SAS'). Following this, and against the backdrop of continually improving forecasts for Computacenter France SAS and Computacenter NV/SA (another wholly owned subsidiary), the Company concluded that there has been a favourable change in estimates previously used to determine the recoverable amounts when the last impairment loss was recognised on the investments. Consequently, the Company compared the net carrying value to the recoverable amounts of these investments, based on a value-in-use calculation. The Company also assessed if the favourable change had an impact in the prior year, which is disclosed in note 13.

The Company has determined that an impairment reversal of £31.8m should be recognised in 2023, which has been included within the current year's profit of £131.2m.

The discount rates used in the estimates of value in use were:

- Computacenter France SAS: 12.2% (previous estimate: 12.0%)
- Computacenter NV/SA: 14.1% (previous estimate: 8.0%)

Details of the principal investments at 31 December in which the Company holds more than 20% of the nominal value of ordinary share capital are given in note 18 to the Consolidated Financial Statements.

7 Trade and other payables

	2023 £m	2022 £m
Accruals	–	0.3
Amount owed to subsidiary undertaking	65.8	52.0
	65.8	52.3

8 Issued share capital and reserves
Share capital

Issued and fully paid	7⅗p ordinary shares No. '000	0.01p deferred shares No. '000	Total £m
At 1 January 2022 and 1 January 2023	122,688	–	9.3
Deferred shares issued during the year for the capitalisation of reserves	–	10,895,383.8	109.0
Deferred shares capital reduction	–	(10,895,383.8)	(109.0)
At 31 December 2023	122,688	–	9.3

During the year, the issued share capital was increased by £109.0m by the issue of deferred shares of 0.01p each (the 'New Deferred Shares'). The New Deferred Shares were issued through the capitalisation of the following reserves (together the 'Capitalised Amount') in the Company:

i. an amount of up to £55.9m, being the full amount standing to the credit of the merger reserve account of the Company as at 31 December 2022 (being the date of the latest audited accounts of the Company); and

ii. an amount of up to £53.1m, being part of the amount standing to the credit of the Company's retained earnings reserve as at 31 December 2022 (being the date of the latest audited accounts of the Company) and attributable to the dividend in specie made to the Company by Computacenter (UK) Limited in December 2020 in respect of shares in Pivot Technology Solutions, Ltd.

The Capitalised Amount was applied in paying up in full and at par 10,895,383,765 New Deferred Shares in the capital of the Company.

These New Deferred Shares were allotted and issued to a nominee appointed by the Company on behalf of the holders of ordinary shares entered in the register of members of the Company at the Capitalisation Record Time (in proportion, as nearly as practicable to the aggregate nominal amount of the ordinary shares held by such holders at the Capitalisation Record Time, subject to such adjustments as the Directors saw fit to deal with any fractional entitlements).

The holders of the New Deferred Shares were conferred no material rights from the New Deferred Shares, including no rights to receive any dividend or other distribution of the Company, nor any right to participate in the profits of the Company, with further details of these rights limitations available within the 2023 Notice of General Meeting. The New Deferred Shares were then subject to a Capital Reduction and creation of distributable reserves within the Company for £109.0m.

Capital redemption reserve
The capital redemption reserve is used to maintain the Company's capital following the purchase and cancellation of its own shares. During the year, the Company repurchased nil of its own shares for cancellation (2022: nil).

The High Court of Justice of England and Wales on 20 June 2023 confirmed an application for a Capital Reduction that subsequently became effective on 21 June 2023 following the necessary regulatory filings. This Capital Reduction reduced the Company's Capital Redemption Reserve of £75.0m to nil and created distributable reserves for this same amount.

Notes to the Company Financial Statements continued

For the year ended 31 December 2023

9 Financial liabilities

Bank loans

On 9 December 2022, Computacenter Group entered into a new multi-currency revolving loan facility of £200.0m in order to rationalise its treasury operations. The new facility has a term of five years plus two one-year extension options exercisable on the first and second anniversary of the facility. The Company paid arrangement fees of £2.5m which are included within Prepayments on the Balance Sheet and are being amortised over the term of the facility. The facility was not used and the amount outstanding as at 31 December 2023 was nil (2022: nil).

10 Auditor's remuneration

All auditor's remuneration is borne by Computacenter (UK) Ltd, a wholly-owned UK subsidiary of the Company. The amount payable to the auditor in respect of the audit of the Company is £1.1m (2022: £0.2m).

Following a tender process carried out in 2022 by the Company, KPMG LLP stepped down as auditor of the Company and Grant Thornton UK LLP was appointed as auditor for the year ended 31 December 2023. Therefore, the amount payable to the auditor for 2023 and 2022 is based on services provided by each firm in the respective year. The Company is exempt from providing details of non-audit fees as it prepares Consolidated Financial Statements in which the details are required to be disclosed on a consolidated basis (see note 7 to the Consolidated Financial Statements).

11 Employee costs

The average number of Directors employed during the financial year was 2 (2022: 2) who are remunerated through other Group companies. The Company has no other employees.

12 Distributable reserves

Dividends are paid from the standalone balance sheet of Computacenter plc, and as at 31 December 2023 the distributable reserves are approximately £474.1m (2022: £257.4m). Previously reported distributable reserves for 2022 of £246.3m have increased by £11.1m due to the prior-year adjustment (note 13).

13 Impairment reversal

Based on reviews in previous years, the Company had recorded a cumulative impairment of £94.7m relating to investments in two wholly-owned subsidiaries, Computacenter France SAS and Computacenter NV/SA.

As disclosed in note 6, the Company compared the net carrying value of these investments to their recoverable amounts. Based on this analysis, the Company determined that an impairment reversal of £11.1m relates to the prior year and this has been reflected by restating each of the affected financial statement line items for the year ended 31 December 2022.

The following summarises the impact on the Company's financial statements.

(i) Company Balance Sheet as at 31 December 2022

	As previously reported £m	Adjustment £m	Restated £m
Investments	475.0	11.1	486.1
Others	21.7	–	21.7
Total assets	496.7	11.1	507.8
Retained earnings	427.0	11.1	438.1
Others	16.5	–	16.5
Shareholders' equity	443.5	11.1	454.6
Net assets	443.5	11.1	454.6

(ii) Company Statement of Changes in Equity for the year ended 31 December 2022

The above adjustment of £11.1m has been reported within profit for the year of £158.2m in the Company Statement of Changes in Equity for the year ended 31 December 2022. There is no tax impact as a tax deduction was not claimed on the initial recording of the impairment loss and, therefore, the subsequent reversal will not result in any additional tax.

There is no impact on the Computacenter Group's retained earnings and basic/diluted earnings per share for the year ended 31 December 2022, and no impact on the total assets, net assets and shareholders' equity position as at 31 December 2022.

(iii) Opening Balance Sheet as at 1 January 2022

The above adjustment has no impact on the Company Balance Sheet or Computacenter Group's Consolidated Balance Sheet as at 1 January 2022.

Group five-year financial review

Group five-year summary results
As of 31 December

	2019 £m	2020 £m	2021 £m	2022 £m	2023 £m
Revenue	5,052.8	5,441.3	5,034.5*	6,470.5	**6,922.8**
Adjusted operating profit	151.5	206.4	262.8	269.1	**271.5**
Adjusted profit before tax	146.3	200.5	255.6	263.7	**278.0**
Profit for the year	101.6	154.2	186.5	184.2	**199.4**
Adjusted diluted earnings per share	92.5p	126.4p	165.6p	169.7p	**174.8p**
Adjusted net funds	137.1	188.6	241.4	244.3	**459.0**
Average monthly number of full-time equivalent employees	15,816	16,764	17,496	18,708	**19,576**

* Revenue for the year ended 31 December 2021 has been restated to reflect the change in revenue recognition policies relating to software licences and third-party services agreements resold on a standalone basis following the finalisation of an agenda decision by the IFRS Interpretation Committee.

Group five-year summary balance sheet
As at 31 December

	2019 £m	2020 £m	2021 £m	2022 £m	2023 £m
Tangible assets	101.4	107.0	90.0	94.1	**96.1**
Right-of-use assets	110.9	129.6	138.1	119.4	**104.5**
Intangible assets	175.6	274.7	273.7	342.1	**322.4**
Investment in associate	0.1	0.1	0.1	0.1	**0.1**
Deferred tax asset	9.2	10.1	30.2	11.3	**11.6**
Non-current trade and other receivables*	–	–	–	9.9	**21.1**
Non-current prepayments	3.5	23.6	16.6	19.4	**10.3**
Inventories	122.2	211.3	341.3	417.7	**216.0**
Trade and other receivables (including income tax receivables)*	996.5	1,105.9	1,263.5	1,698.4	**1,510.6**
Prepayments and accrued income*	176.3	228.2	251.1	259.7	**291.6**
Derivative financial instruments	3.3	1.6	3.6	7.5	**2.5**
Cash and short-term deposits	217.9	309.8	285.2	264.4	**471.2**
Current liabilities*	(1,257.8)	(1,586.2)	(1,763.2)	(2,210.6)	**(1,972.3)**
Non-current liabilities	(166.6)	(184.8)	(185.4)	(161.4)	**(136.3)**
Net assets	492.5	630.9	744.8	872.0	**949.4**

* Refer to note 2 for restatement of prior-year comparatives.

Corporate information

Financial calendar

Title	Date
AGM	14 May 2024
Ex-dividend date	6 June 2024
Dividend record date	7 June 2024
Dividend payment date	5 July 2024
Interim results announcement	9 September 2024

Board of Directors

Peter Ryan (Non-Executive Chair)
Mike Norris (Chief Executive Officer)
Chris Jehle (Chief Financial Officer)[1]
Tony Conophy (Chief Financial Officer)[2]
Philip Hulme (Non-Executive Director)
Ljiljana Mitic (Non-Executive Director)
Peter Ogden (Non-Executive Director)
Ros Rivaz (Senior Independent Director)
Pauline Campbell (Non-Executive Director)
René Carayol (Non-Executive Director)

1. Appointed on 1 June 2023.
2. Retired on 1 June 2023.

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Company Secretary

Simon Pereira

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Company registration number

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Glossary

Contents

Alternative performance measures

Alternative Performance Measures are used by the Group to understand and manage performance. These are not defined under International Financial Reporting Standards (IFRS) or UK-adopted International Accounting Standards (UK-IFRS) and are not intended to be a substitute for any IFRS or UK-IFRS measures of performance but have been included as Management considers them to be important measures, alongside the comparable Generally Accepted Accounting Practice (GAAP) financial measures, in assessing underlying performance. Wherever appropriate and practical, we provide reconciliations to relevant GAAP measures. The table below sets out the basis of calculation of the Alternative Performance Measures and the rationale for their use.

Measure	Description	Rationale
Adjusted net funds and net funds	Adjusted net funds or adjusted net debt includes cash and cash equivalents, other short- or long-term borrowings and current asset investments. Following the adoption of IFRS 16, this measure excludes all lease liabilities recognised under IFRS 16. Net funds is adjusted net funds including all lease liabilities recognised under IFRS 16.	A table reconciling this measure, including the impact of lease liabilities, is provided within note 31 to the Consolidated Financial Statements.

Measure	Description	Rationale
Adjusted (expense and profit) measures	Adjusted administrative expense, adjusted operating profit or loss, adjusted profit or loss before tax, adjusted tax, adjusted profit or loss, adjusted earnings per share and adjusted diluted earnings per share are, as appropriate, are each stated before: exceptional and other adjusting items, including gains or losses on business acquisitions and disposals, amortisation of acquired intangibles, utilisation of deferred tax assets (where initial recognition was as an exceptional item or a fair value adjustment on acquisition), and the related tax effect of these exceptional and other adjusting items. • Recurring items include purchase price adjustments, including amortisation of acquired intangible assets and adjustments made to reduce deferred income arising on acquisitions and acquisition-related items. Recurring items are adjusted each period irrespective of materiality, to ensure consistent treatment. • Non-recurring items are those that Management judge to be one-off or non-operational, such as gains and losses on the disposal of assets, impairment charges and reversals, and restructuring related costs.	Adjusted measures exclude items which in Management's judgement need to be disclosed separately by virtue of their size, nature or frequency to aid understanding of the performance for the year or comparability between periods. Adjusted measures allow Management and investors to compare performance without these recurring or non-recurring items. Management does not consider these items when reviewing the underlying performance of the Segment or the Group as a whole. A reconciliation to adjusted measures is provided on page 49 of the Chief Financial Officer's review, which details the impact of exceptional and other adjusted items when compared to the non-GAAP financial measures, in addition to those reported in accordance with IFRS. Further detail is provided within note 4 to the Consolidated Financial Statements.
Constant currency	We evaluate the long-term performance and trends within our strategic KPIs on a constant-currency basis. The performance of the Group and its overseas Segments are also shown, where indicated, in constant currency. The constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates.	We believe providing constant currency information gives valuable supplemental detail regarding our results of operations, consistent with how we evaluate our performance.

Alternative performance measures continued

Measure	Description	Rationale
Free cash flow	Free Cash Flow is Cash Flow from Operations minus net interest received, interest and payments related to lease liabilities, income tax paid and gross capital expenditure.	To measure the cash generated by the operating activities during the period that is available to repay debt, undertake acquisitions or distribute to shareholders.
Gross invoiced income and IFRS revenue	Gross invoiced income is based on the value of invoices raised to customers, net of the impact of credit notes and excluding VAT and other sales taxes. Gross invoiced income includes all items recognised on an 'agency' basis within revenue, on a gross income billed to customers basis, as adjusted for deferred and accrued revenue. A reconciliation of revenue to gross invoiced income is provided within note 4 to the Consolidated Financial Statements. IFRS revenue refers to revenue recognised in accordance with International Financial Reporting Standards including IFRS 15 ' Revenue from Contracts with Customers' and IFRS 16 'Leases'.	Gross invoiced income reflects the cash movements to assist Management and the users of the Annual Report and Accounts in understanding revenue growth on a 'principal' basis and to assist in their assessment of working capital movements in the Consolidated Balance Sheet and Consolidated Cash Flow Statement. This measure allows an alternative view of growth in adjusted gross profit, based on the product mix differences and the accounting treatment thereon.
Organic (revenue and profit) measures	In addition to the adjustments made for adjusted measures, organic measures: • exclude the contribution from discontinued operations, disposals and assets held for sale of standalone businesses in the current and prior period; • exclude the contribution from acquired businesses until the year after the first full year following acquisition; and • adjust the comparative period to exclude prior-period acquired businesses if they were acquired part-way through the prior period. Acquisitions and disposals where the revenue and contribution impact would be immaterial are not adjusted.	Organic measures allow management and investors to understand the like-for-like revenue and current-period margin performance of the continuing business. The result for the year benefited from £221.4m of revenue (2022: £187.1m), and £9.3m of adjusted profit before tax (2022: £7.1m), resulting from all acquisitions made since 1 January 2022. All figures reported throughout this Annual Report and Accounts include the results of these acquired entities. The results of these acquisitions are excluded where narrative discussion refers to 'organic' growth in this Annual Report and Accounts.
Product order backlog	The total value of committed outstanding purchase orders placed with our technology vendors against non-cancellable sales orders received from our customers for delivery within 12 months, on a gross invoiced income basis.	The Technology Sourcing backlog, alongside the Managed Services contract base and the Professional Services forward order book, allows us visibility of future revenues in these areas.
Return on capital employed (ROCE)	ROCE is calculated as adjusted operating profit, divided by capital employed, which is the closing total net assets excluding adjusted net funds.	As an indicator of the current period financial return on the capital invested in the Company.

Terminology

Term	Meaning
Annual reporting and financial terminology	
AGM	Annual General Meeting
CAGR	Compound Annual Growth Rate
CGU	Cash Generating Unit
DTR	Disclosure Guidance and Transparency Rules
EBITDA	Earnings Before Interest Taxes Depreciation and Amortisation
EBT	Employee Benefit Trust
EPS	Earnings Per Share
ETR	Effective Tax Rate
EU	European Union
H1/H2	First half/second half of the year
IFRS	International Financial Reporting Standards
KPI	Key Performance Indicator
LTIP	Long Term Incentive Plan
OECD	Organisation for Economic Co-operation and Development
PBT	Profit Before Tax
PSP	Performance Share Plan
%	per cent
m	millions
p	pence

Term	Meaning
Technology terminology	
DC	Data Center
DaaS	Device as a Service
SaaS	Software as a Service
AI	Artificial Intelligence
CRM	Customer Relationship Management
ERP	Enterprise Resource Planning
Computacenter terminology	
TS	Technology Sourcing
MS	Managed Services
PS	Professional Services
Services	Managed Services and Professional Services that Computacenter delivers
VAR	Value-added reseller
BITS	Business IT Source Holdings, Inc.
Emerge	Emerge 360 Japan k.k (Emerge) and subsidiaries
Pivot	Pivot Technology Solutions Ltd. and subsidiaries
Group	The term Group refers to Computacenter plc and its subsidiaries
Company	Computacenter plc
ONE CC	Computacenter intranet site
Our Purpose	Computacenter plc Purpose Statement
Public Sector	Central and local government
Segments	IAS8 Reporting Segments
ITL	ITL logistics GmbH
RDC	R.D. Trading Ltd, our Circular Services business

Term	Meaning
Management terminology	
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Management	The Group Executive Management Team
ELT	Executive Leadership Team
NED	Non-Executive Director
ED	Executive Director
HR	Human Resources
ESG terminology	
GHG	Greenhouse Gas
TCFD	Task Force on Climate-Related Financial Disclosures
ESG	Environmental, Social and Governance
CDP	Carbon Disclosure Project
D&I	Diversity and Inclusion

Disclaimer: forward-looking statements

This Annual Report and Accounts includes statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'anticipates', 'believes', 'estimates', 'expects', 'intends', 'may', 'plans', 'projects', 'should' or 'will', or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Annual Report and Accounts and include, but are not limited to, statements regarding the Group's intentions, beliefs or current expectations concerning, amongst other things, results of operations, prospects, growth, strategies and expectations of its respective businesses.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Group's operations and the development of the markets and the industry in which it operates or are likely to operate and its respective operations may differ materially from those described in, or suggested by, the forward-looking statements contained in this Annual Report and Accounts. In addition, even if the results of operations and the development of the markets and the industry in which the Group operates are consistent with the forward-looking statements contained in this Annual Report and Accounts, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, those risks in the risk factor section of this Annual Report and Accounts, as well as general economic and business conditions, industry trends, competition, changes in regulation, currency fluctuations or advancements in research and development.

Forward-looking statements speak only as of the date of this Annual Report and Accounts and may, and often do, differ materially from actual results. Any forward-looking statements in this Annual Report and Accounts reflect the Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations and growth strategy.

Neither Computacenter plc nor any of its subsidiaries undertakes any obligation to update the forward-looking statements to reflect actual results or any change in events, conditions or assumptions or other factors unless otherwise required by applicable law or regulation.

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FSC
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Printed on FSC® certified paper by an EMAS-certified printing company, with its Environmental Management System is certified to ISO 14001. 100% of the inks used are vegetable oil based, 95% of press chemicals are recycled for further use and, on average, 99% of any waste associated with this production will be recycled. This Report is printed on Amadeus Silk paper and board. FSC® certified paper from well-managed forests and other controlled sources.

Computacenter is a leading independent technology and services provider, trusted by large corporate and public sector organisations. We are a responsible business that believes in winning together for our people and our planet. We help our customers to Source, Transform and Manage their technology infrastructure to deliver digital transformation, enabling people and their business. Computacenter plc is a public company quoted on the London Stock Exchange (CCC.L) and a member of the FTSE 250. Computacenter employs over 20,000 people worldwide.

Computacenter

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