

Registered No. 2036196

discoverIE Management Services Limited

Annual Report and Financial Statements

31 March 2019



Company information

Directors

N J Jefferies
S M Gibbins

Secretary

G Davidson

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Bankers

Bank of Ireland
Clydesdale Bank plc
Citibank NA Inc
Danske Bank A/S
HSBC Bank UK plc
KBC Bank NV

Registered Office

2 Chancellor Court
Occam Road
Surrey Research Park
Guildford
Surrey GU2 7AH

Strategic report

The directors present their Strategic report, Directors' report and audited financial statements for the year ended 31 March 2019.

Principal activities and review of the business

discoverIE Management Services Limited ('the company') provides IT, finance, management, administration and marketing services to fellow group undertakings within discoverIE Group plc ("The Group"), and its income is, in part, linked to the underlying performance of certain fellow Group undertakings.

The results and key performance indicators are summarised below:

	2019	2018
Turnover (£'000)	20,223	16,827
Operating profit/ (loss) (£'000)	991	(3)
Average monthly number of employees	35	37

The 20% increase in turnover compared to the prior year is in line with the performance of certain fellow group trading companies. The increase of 14% in administrative expenses relates primarily to an increase in cost recharges from fellow group companies, as well as an increase in salary and bonus costs.

Secured bank loan

During the year the company participated in discoverIE Group plc's five year committed multi-currency rolling credit facility. At 31 March 2019, the company had facility drawdowns of £nil (2018– £nil, denominated in Sterling), which would have borne interest based on LIBOR. The facility is secured against the assets of certain Group subsidiaries.

Principal risks and uncertainties

The company's principal risk is its ability to generate its own cash flows and its reliance on the performance of the group companies. To minimise the risk, discoverIE Group plc has guaranteed to provide financial support in order for the Company to meet its financial obligations as they fall due. The company is also exposed to interest rate risk. The directors continuously monitor the market for indicators of changes to interest rates.

Financial risk

The financial risk management policies and procedures are centred on price risk, credit risk, liquidity risk and cash flow risk. In the view of the directors, these are held to minimise risks, which are managed by:

- hedging of foreign exchange exposures by use of forward exchange rate contracts;
- regular monitoring of cash flow against forecast and expected liquidity; and
- availability of short term finance through group resources if needed.

Approved by the Board and signed on its behalf by:



S M Gibbins
Director

Date: 20 DECEMBER 2019

Registered No. 2036196

Directors' report

Results and dividends

The profit for the financial year amounted to £1,293,000 (2018 – profit of £1,636,000). The directors do not recommend a dividend (2018 – £nil).

Change of company name

On the 31 May 2018, Acal Management Services Limited changed its name to discoverIE Management Services Limited.

Going concern

The company's business activities together with the factors likely to affect future developments, performance and position are described in the Strategic report on page 2.

The ultimate parent undertaking, discoverIE Group plc, has agreed to provide financial support to the company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. The discoverIE Group plc has significant financial resources, well established distribution contracts with a number of suppliers and a broad and stable customer base.

Accordingly, the company continues to adopt the going concern basis in preparing the financial statements.

Directors

The directors who served the company during the year, and up to the date of signing this report, were as follows:

N J Jefferies
S M Gibbins

Directors' indemnity

The Articles of Association of the Company contain an indemnity in favour of the Directors, which is a Qualifying Third Party Indemnity within the meaning of s.234 of the Companies Act 2006 and is in force at the time of the approval of this Annual Report

The Company has also arranged appropriate insurance cover in respect of legal action against its directors and officers.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow directors and the company's auditors, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Reappointment of auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the Board



S M Gibbins
Director

Date: 20 DECEMBER 2019

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Independent auditors' report to the members of discoverIE Management Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, discoverIE Management Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2019; the profit and loss account and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue, as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Richard Porter (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 December 2019

Profit and loss account

for the year ended 31 March 2019

	<i>Note</i>	<i>2019</i> £'000	<i>2018</i> £'000
Turnover	2	20,223	16,827
Administrative expenses		<u>(19,232)</u>	<u>(16,830)</u>
Operating profit/ (loss)	3	991	(3)
Interest receivable and similar income	6	829	709
Interest payable and similar expenses	7	<u>(311)</u>	<u>(166)</u>
Profit before taxation		1,509	540
Tax on profit	8	<u>(216)</u>	<u>1,096</u>
Profit for the financial year		<u>1,293</u>	<u>1,636</u>

The results of the current and prior year arise solely from continuing operations.

There are no items of comprehensive income other than the profit for the financial year of £1,293,000 in the year ended 31 March 2019 (2018 – profit of £1,636,000).

Balance sheet

at 31 March 2019

	2019	2018
Note	£'000	£'000
Fixed assets		
Tangible assets	9	800
Current assets		
Debtors	10	30,240
Cash at bank and in hand		7,530
		37,770
Creditors: amounts falling due within one year	11	(29,625)
Net current assets		8,145
Total assets less current liabilities		8,945
Net assets		8,945
Capital and reserves		
Called up share capital	12	35,000
Share scheme reserve		218
Capital contribution reserve		6,260
Profit and loss account		(32,533)
Total shareholders' funds		8,945

The notes on pages 10 to 17 form part of these financial statements.

The financial statements on pages 7 to 17 were authorised for issue by the Board and signed on its behalf by:



S M Gibbins

Director

Date 20 DECEMBER 2019

Statement of changes in equity

for the year ended 31 March 2019

	<i>Called up share capital £'000</i>	<i>Share scheme reserve £'000</i>	<i>Capital contribution reserve £'000</i>	<i>Profit and loss account £'000</i>	<i>Total shareholders' funds £'000</i>
At 1 April 2017	35,000	218	4,533	(35,462)	4,289
Increase to capital contribution reserve	–	–	660	–	660
Profit for the financial year	–	–	–	1,636	1,636
At 31 March 2018	35,000	218	5,193	(33,826)	6,585
Increase to capital contribution reserve	–	–	1,067	–	1,067
Profit for the financial year	–	–	–	1,293	1,033
At 31 March 2019	35,000	218	6,260	(32,533)	8,945

The share scheme reserve arose due to share options being granted to certain employees of the company by the company's parent, discoverIE Group plc.

The capital contribution reserve is the investment by discoverIE Group plc in order to meet the cost of issuing share options.

Notes to the financial statements

for the year ended 31 March 2019

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), applicable accounting standards and the Companies Act 2006. discoverIE Management Services Limited is a private limited company incorporated and domiciled in England and Wales.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2019. The accounting policies have been applied consistently other than where new policies have been adopted.

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

- 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; and
 - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- The requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- The requirements of IAS 7 Statement of Cash Flows;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- The requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- 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;
- The requirements of paragraphs 6-30 of IFRS 1 First time adoption of International Financial Standards;
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers and
- The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;

The company's ultimate parent undertaking, discoverIE Group plc, includes the company in its consolidated financial statements. The consolidated financial statements of discoverIE Group plc are prepared in accordance with International Financial Reporting Standard and are available to be publicly and may be obtained from 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey GU2 7AH.

New standards, amendments and IFRIC interpretations

IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from contracts" are new accounting standards that are effective for the year ended 31 March 2019. They have not had a material impact on the company. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2019 that have had a material impact on the company.

Going concern

The ultimate parent undertaking, discoverIE Group plc, has agreed to provide financial support to the company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. The discoverIE Group plc has significant financial resources, well established distribution contracts with a number of suppliers and a broad and stable customer base.

Accordingly, the company continues to adopt the going concern basis in preparing the financial statements.

Revenue recognition

In accordance with IFRS 15, a five-step approach is taken for recognising revenue from contracts with customers. The Company generates revenue ('turnover') by providing services to fellow group companies. The amount of revenue recorded represents the fair value of the consideration received or receivable, after

Notes to the financial statements (continued)

for the year ended 31 March 2019

1. Accounting policies (continued)

deducting discounts, VAT and similar taxes levied overseas and is recognised over the life of the contract reflecting performance of the contractual obligations to the company.

Interest income is recognised as the interest accrues using the effective interest method.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets from their time of first use, at rates calculated to write off the cost less estimated residual value of each asset, evenly over its expected useful life, as follows:

Leasehold improvements	straight line over the remaining lease period
Computer software and equipment	10-33% per annum

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Debtors

Debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables. To measure the expected credit losses, receivables are grouped based on shared credit risk characteristics and the days past due. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised in respect of all timing differences arising between the tax bases of assets and liabilities and their carrying amount if the financial statements, with the following exceptions:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Foreign currencies

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the resultant gains or losses on translation are included in the profit and loss account.

Notes to the financial statements (continued)

for the year ended 31 March 2019

1. Accounting policies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Operating leases

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases. Operating lease rentals are charged to the profit and loss account on a straight-line basis over the lease period. Rentals payable under operating leases are charged to the profit and loss financial statements as incurred.

2. Turnover

Turnover represents amounts (excluding value added tax) invoiced for the provision of services to companies within discoverIE Group plc. An analysis of turnover by geographical market is given below:

	2019 £'000	2018 £'000
United Kingdom	6,403	5,676
Europe (excluding United Kingdom)	13,794	11,124
North America	26	27
	<u>20,223</u>	<u>16,827</u>

3. Operating profit/ loss

This is stated after charging/ (crediting):

	2019 £'000	2018 £'000
Depreciation of tangible fixed assets (note 9)	264	266
Foreign exchange loss/(gain)	48	(152)
Operating lease rentals – land and buildings	112	114

The audit fee of £5,200 (2018: £5,000) was borne by a fellow group undertaking in both years.

4. Directors' remuneration

	2019 £'000	2018 £'000
Aggregate remuneration in respect of qualifying services	1,408	1,224
	<u>1,408</u>	<u>1,224</u>
	<i>No.</i>	<i>No.</i>
Retirement benefits accruing to the following number of directors under a defined contribution pension scheme	<u>2</u>	<u>2</u>

Notes to the financial statements (continued)

for the year ended 31 March 2019

The remuneration of the highest paid director (excluding pension contributions and notional gains on share options but including pay in lieu of pension) was £915,395 (2018 – £785,482). No pension contributions were made by the company to the defined contribution scheme (2018 – £nil).

The directors also provide services to other group undertakings. It is not possible to identify the proportion of this remuneration that relates to services to the other group undertakings.

5. Staff costs

	2019 £'000	2018 £'000
Employment costs for all employees (including directors) were:		
Salaries, bonuses and other payments	5,572	5,059
Social security costs	828	473
Pension contributions	245	207
	<u>6,645</u>	<u>5,739</u>

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

	No.	No.
Administration	<u>35</u>	<u>37</u>

6. Interest receivable and similar income

	2019 £'000	2018 £'000
Interest on bank accounts	771	12
Interest on amounts owed from other group undertakings	58	697
	<u>829</u>	<u>709</u>

7. Interest payable and similar expenses

	2019 £'000	2018 £'000
Interest on overdrafts	223	144
Finance charges relating to cash pooling	88	22
	<u>311</u>	<u>166</u>

Notes to the financial statements (continued)

for the year ended 31 March 2019

8. Tax on profit

(a) Tax on profit

The tax charge is made up as follows:

	2019 £'000	2018 £'000
Current taxation:		
UK corporation tax on the profit for the year	(323)	(41)
Adjustments in respect of previous years	(2)	(23)
Total current tax (credit)/charge	<u>(325)</u>	<u>(64)</u>
Deferred taxation:		
Timing differences, origination and reversal	575	(1,024)
Adjustments to deferred tax assets arising in prior years	(34)	(8)
Total deferred tax charge/(credit)	<u>541</u>	<u>(1,032)</u>
Total tax charge/(credit) on profit (note 8(b))	<u>216</u>	<u>(1,096)</u>

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2018 – differs from 19%). The differences are explained below:

	2019 £'000	2018 £'000
Profit before taxation	<u>1,509</u>	<u>540</u>
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2018 – 19%)	287	103
Effects of:		
Tax losses not recognised	264	321
Expenses not deductible for tax purposes	(299)	(1,489)
Adjustments to current tax in respect of prior years	(2)	(23)
Adjustments to deferred tax in respect of prior years	(34)	(8)
Total tax charge/(credit) for the year (note 8(a))	<u>216</u>	<u>(1,096)</u>

(c) Deferred tax

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Notes to the financial statements (continued)

for the year ended 31 March 2019

8. Tax on profit (continued)

Deferred tax is recognised at rates of 17% and 19% (2018 – 19%) in the financial statements based on an estimate of when the deferred tax is expected to crystallise as follows:

	2019 £'000	2018 £'000
Decelerated capital allowances	364	462
Share options	1,213	2,345
Tax losses	646	-
Other timing differences	62	19
Deferred tax asset (note 10)	<u>2,285</u>	<u>2,826</u>
		£'000
At 1 April 2018		2,826
Charge to the profit and loss account (note 8(a))		(801)
Recognised in equity		260
At 31 March 2019		<u>2,285</u>

The company has not recognised a deferred tax asset of £3,073,000 (2018 – £3,232,000) on losses due to the uncertainty of recovery in the foreseeable future.

(d) Factors that may affect future tax charges

A reduction in the UK corporation tax rate to 17% had been substantively enacted at 1 April 2017 with effect from 1 April 2020. From 1 April 2017 a rate of 19% will be applicable until the 17% rate becomes effective.

9. Tangible assets

	<i>Leasehold im- provements</i> £'000	<i>Computer software and other equip- ment</i> £'000	<i>Total</i> £'000
Cost:			
At 1 April 2018	238	8,237	8,475
Additions	2	481	483
At 31 March 2019	<u>240</u>	<u>8,718</u>	<u>8,958</u>
Accumulated depreciation and impairment:			
At 1 April 2018	162	7,732	7,894
Charge for the year	26	238	264
At 31 March 2019	<u>188</u>	<u>7,970</u>	<u>8,158</u>
Net book value:			
At 31 March 2019	<u>52</u>	<u>748</u>	<u>800</u>
At 31 March 2018	<u>76</u>	<u>505</u>	<u>581</u>

Notes to the financial statements (continued)

for the year ended 31 March 2019

10. Debtors

	2019	2018
	£'000	£'000
Amounts due from group undertakings	26,972	48,387
Other debtors	558	334
Corporation tax	–	40
Prepayments	425	421
Deferred tax (note 8(c))	2,285	2,826
	<u>30,240</u>	<u>52,008</u>

Amounts due from group undertakings bore interest at a sterling base rate plus a margin of 3.07% or at a nil rate.

11. Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Bank overdrafts	13,086	32,441
Amounts due to group undertakings	11,591	12,309
Trade creditors	511	391
Other creditors including taxation and social security costs	1,152	2,081
Accruals and deferred income	2,312	1,746
Corporation tax	973	–
	<u>29,625</u>	<u>48,968</u>

Amounts due to group undertakings bore interest at a nil rate.

During February 2019, the Group increased its syndicated banking facility from £120m to £180m and extended the remaining term of the facility by two years out to four years ending in June 2023, with an option exercisable by the Company this year to extend the facility by a further year to June 2024. In addition, the Group has a £60m accordion facility, which it can use to extend the total facility up to £240m. The syndicated facility is available both for acquisitions and for working capital purpose, and now comprises 6 lending banks. At 31 March 2019 the facility drawdown allocated to discoverIE Management Services Limited was £nil. Any drawdown bears interest on the aggregate of margin and a relevant base rate. Margin varies between 1.90% and 2.85% and is based on the leverage of the enlarged group of which the company is a member. The relevant base rate is LIBOR. The facility is secured against the assets of certain fellow discoverIE Group plc subsidiaries.

12. Called up share capital

	No.	2019	No.	2018
		£'000		£'000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	35,000,002	<u>35,000</u>	35,000,002	<u>35,000</u>

Notes to the financial statements (continued)

for the year ended 31 March 2019

13. Obligations under leases

At 31 March 2019 future minimum lease payments under operating leases are as follows:

	<i>Land and buildings</i>	
	<i>2019</i>	<i>2018</i>
Future minimum lease payments due:	£'000	£'000
Not later than one year	122	122
After one year but not later than five years	122	244
	<u>244</u>	<u>366</u>

14. Guarantees

The Company is a guarantor to the Group's £180m Revolving Credit Facility which is provided by a syndicate of banks.

15. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking and controlling party is discoverIE Group plc, a company incorporated in England and Wales.

The parent undertaking of the smallest and largest group that prepares group financial statements and of which the company is a member is discoverIE Group plc. Copies of the group financial statements of discoverIE Group plc can be obtained from 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey GU2 7AH.