

SPECIALIST COMPUTERS INTERNATIONAL LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

SATURDAY



A10A3R62

A33

22/12/2012

#10

COMPANIES HOUSE

SPECIALIST COMPUTERS INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	Sir Peter Rigby Mr J Rigby
Company number	03419927
Registered office	James House Warwick Road Birmingham B11 2LE
Auditor	Deloitte LLP Chartered Accountants & Statutory Auditor Four Brindleyplace Birmingham B1 2HZ
Bankers	HSBC Bank plc 4th Floor 120 Edmund Street Birmingham United Kingdom B3 2QZ
Solicitors	Wragge & Co LLP 55 Colmore Row Birmingham B3 2AS

SPECIALIST COMPUTERS INTERNATIONAL LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 14

SPECIALIST COMPUTERS INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2012

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 31 March 2012

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006

Principal activities and review of the business

The principal activity of the company is to act as an intermediary holding company for the Specialist Computer Holdings plc ("SCH") group. The directors expect the general level of activity to continue in the foreseeable future.

Subsequent to year end, on 5 September 2012, and following a strategic review of the group's operations, SCH announced that it had reached agreement to dispose of its Specialist Distribution Group subsidiaries in the UK, France and the Netherlands to Tech Data Corporation Inc. The disposal will involve ETC BV in the Netherlands, a wholly owned subsidiary of the company. The disposal was completed on 1 November 2012.

Results and dividends

The audited financial statements for the year ended 31 March 2012 are set out on pages 5 to 14. The loss for the year after taxation was £9,000 (2011 - £14,000).

The directors do not recommend the payment of a dividend (2011 - £ Nil).

Going concern

After making enquiries, the directors have a reasonable expectation that the company has access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

Directors

The following directors have held office since 1 April 2011 and up to the signing of this report:

Sir Peter Rigby
Mr J Rigby

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

SPECIALIST COMPUTERS INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

Each of the directors at the date of approval of this report confirms that

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

Mr J Rigby
Director

19 December 2012

SPECIALIST COMPUTERS INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SPECIALIST COMPUTERS INTERNATIONAL LIMITED

We have audited the financial statements of Specialist Computers International Limited for the year ended 31 March 2012 which comprise the Profit and Loss account, the Balance Sheet and the related notes 1 to 14, set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

SPECIALIST COMPUTERS INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SPECIALIST COMPUTERS INTERNATIONAL LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP

Chartered Accountants & Statutory Auditor
Four Brindleyplace
Birmingham
B1 2HZ

21 December 2012

SPECIALIST COMPUTERS INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

	Notes	2012 £'000	2011 £'000
Administrative expenses		-	(1)
		<u>-</u>	<u>(1)</u>
Operating loss		-	(1)
Interest payable and similar charges	2	(8)	(13)
		<u>(8)</u>	<u>(13)</u>
Loss on ordinary activities before taxation		(8)	(14)
Tax on loss on ordinary activities	5	(1)	-
		<u>(1)</u>	<u>-</u>
Loss for the year	10	<u>(9)</u>	<u>(14)</u>

All activities derive from continuing operations

There are no recognised gains or losses in either year other than the result for that year

SPECIALIST COMPUTERS INTERNATIONAL LIMITED

BALANCE SHEET

AS AT 31 MARCH 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Investments	6	3,024	3,024
Current assets			
Debtors	7	2,766	3,490
Cash at bank and in hand		715	-
Net current assets		3,481	3,490
Total assets less current liabilities		6,505	6,514
Net assets		6,505	6,514
Capital and reserves			
Called up share capital	9	6,072	6,072
Profit and loss account	10	433	442
Shareholders' funds	11	6,505	6,514

Approved by the Board and authorised for issue on

19 December 2012

Mr J Rigby
Director

Company Registration No. 03419927

SPECIALIST COMPUTERS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently throughout the current year and the previous year (except as otherwise stated)

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by S400 of the Companies Act 2006 because it is a wholly owned subsidiary of Specialist Computer Holdings plc, which prepared consolidated financial statements for the year ended 31 March 2012 which are publicly available. The company is also, on this basis, exempt from the requirement of Financial Reporting Standard Number 1 to present a cash flow statement

1.2 Going concern

The company is part of the Specialist Computer Holdings plc ("SCH") group, which has secured banking facilities in both the UK and Continental Europe which are used to meet its day to day working capital requirements. The current economic conditions create uncertainty particularly over (a) the level of demand for the group's products and services, (b) the exchange rate between Sterling and Euro and (c) the availability of bank finance in the foreseeable future

The company and the SCH group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group and company should be able to operate within the level of its current facilities

As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook

The directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

1.3 Investments

Fixed asset investments are shown at cost less provision for impairment

SPECIALIST COMPUTERS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

1.4 Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more than likely that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

1.5 Finance costs

Finance costs of debt and non-equity shares are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount

2 Finance charges (net)	2012 £'000	2011 £'000
Foreign exchange loss	<u>8</u>	<u>13</u>

3 Loss on ordinary activities before taxation

Fees payable to the company's auditor for the audit of the company's financial statements of £2,000 (2011 - £2,000) were borne by another group undertaking

Amounts payable to the auditor by the company for non-audit services were £Nil (2011 - £Nil)

SPECIALIST COMPUTERS INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2012

4 Staff costs

Number of employees

The average monthly number of employees (including directors) during the year was

2012	2011
Number	Number
2	2
<hr/>	<hr/>

There were no staff costs charged in either year

Directors' Remuneration

There were no directors' emoluments charged in either year

The emoluments of Sir Peter Rigby and Mr J P Rigby are paid by other group companies, and it is not practicable to determine the proportion of such emoluments which are attributable to the directors' services to the company. The total emoluments for these directors are taken into account in the disclosure of directors' emoluments in the financial statements of Rigby Family Holdings Limited, the ultimate parent company.

SPECIALIST COMPUTERS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

5	Tax on loss on ordinary activities	2012 £'000	2011 £'000
	Deferred tax		
	Deferred tax adjustments arising in previous periods	1	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(8)	(14)
		<u> </u>	<u> </u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26% (2011 - 28%)	(2)	(4)
		<u> </u>	<u> </u>
	Effects of		
	Surrender of group relief not paid for	3	4
	Capital allowances in excess of depreciation	(1)	-
		<u> </u>	<u> </u>
		2	4
		<u> </u>	<u> </u>
	Current tax charge for the year	-	-
		<u> </u>	<u> </u>

The company earns its profits primarily in the UK, therefore the tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 26%

The corporation tax rate reduced from 28% to 26% with effect from 1 April 2011. The Government previously announced that the main rate of corporation tax would reduce by a further 1% per annum to 23% with effect from 1 April 2014. On 17 July 2012, the Government announced that the tax rate would be reduced to 23% with effect from 1 April 2013, with a further annual 1% reduction to 22% by 1 April 2014. These tax rate reductions had not been enacted at the balance sheet date and therefore have not been reflected in these financial statements.

The legislation to reduce the tax rate to 24% with effect from 1 April 2012 was substantively enacted on 21 March 2012 and therefore has been reflected in the financial statements for the purpose of calculating deferred tax assets and liabilities (2011 - 26%). The effect of the further tax rate reductions on the deferred tax balance will be accounted for in the periods in which the future tax rate reductions are substantively enacted.

SPECIALIST COMPUTERS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

6 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 April 2011 and at 31 March 2012	3,024
Net book value	
At 31 March 2012	3,024
At 31 March 2011	3,024

Holdings of more than 20%

Investments comprise of ordinary shares held by the company in Specialist Computer Holdings International Limited ("SCHI"), a company registered in England and Wales

The company holds the entire issued ordinary share capital of SCHI, comprising 5,000,000 ordinary shares of €1 each at both year ends

The company has investments in the following subsidiary undertakings To avoid a statement of excessive length, details of investments which are not significant have been omitted

Subsidiary undertakings	Country of incorporation	Principal activity	Percentage holding %
Specialist Computer Holdings International Limited	England and Wales	Holding company	100
SCH International BV	The Netherlands	Holding company	100
SCH Nederland BV	The Netherlands	Holding company	100
ETC BV	The Netherlands	Systems	100
ETC Nederland BV	The Netherlands	Holding company	100
SCC Services BV	The Netherlands	Systems	100
ETC NV	Belgium	Dormant	100

All of the above subsidiary undertakings are indirectly held, with the exception of Specialist Computer Holdings International Limited

7 Debtors	2012 £'000	2011 £'000
Amounts owed by subsidiary undertakings	2,766	3,489
Deferred tax asset (see note 8)	-	1
	<u>2,766</u>	<u>3,490</u>

SPECIALIST COMPUTERS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

8 Provisions for liabilities

	Deferred tax liability £'000
Balance at 1 April 2011	(1)
Profit and loss account	1
	<hr/>
Balance at 31 March 2012	-
	<hr/>

Deferred tax is provided as follows:

	2012 £'000	2011 £'000
Accelerated (Decelerated) capital allowances	-	(1)
	<hr/>	<hr/>

A deferred tax asset amounting to £30,000 (2011 - £32,000) for non-trade losses has not been recognised because it is not sufficiently certain that there could be suitable taxable profits available in the foreseeable future to utilise these tax losses

There is no other unrecognised deferred taxation at either year end

SPECIALIST COMPUTERS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

9	Share capital	2012 £'000	2011 £'000
	Allotted, called up and fully paid		
	10,000 Ordinary shares of £1 each	10	10
	6,062,100 Preference shares of £1 each	6,062	6,062
		<u>6,072</u>	<u>6,072</u>

The redeemable preference shares are held by Specialist Computer Holdings plc, an intermediate holding company with effect from 28 March 2011. Previously, the shares were held by Specialist Computer Holdings (UK) plc, a fellow group undertaking.

The redeemable preference shares carry a fixed cumulative preferential dividend for the period expiring on 31 December 2003 at the rate of 25% of aggregate retained profits, thereafter they carry a fixed cumulative preferential dividend at the rate of EURIBOR plus 1% per annum. The preference shares may be redeemed at any time at the option of the company.

Holders of the redeemable preference shares have one vote for every one share held but only on a resolution directly or adversely affecting any of the special rights attached to the share, or if the preference dividend has remained unpaid for six months. Holders of the redeemable preference shares have the right on a winding-up to receive, in priority to any other classes of shares, repayment of capital paid up together with any arrears of dividend.

The preferential dividends for the period 1 January 2004 to 31 March 2012 have been waived by Specialist Computer Holdings (UK) plc and Specialist Computer Holdings plc.

10 Statement of movements on profit and loss account

	Profit and loss account £'000
Balance at 1 April 2011	442
Loss for the year	(9)
Balance at 31 March 2012	<u>433</u>

11	Reconciliation of movements in shareholders' funds	2012 £'000	2011 £'000
	Loss for the financial year	(9)	(14)
	Opening shareholders' funds	6,514	6,528
	Closing shareholders' funds	<u>6,505</u>	<u>6,514</u>

SPECIALIST COMPUTERS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

12 Financial commitments

The company has provided a €3,000,000 (2011 - €3,000,000) guarantee covering the funding facilities provided to ETC BV, a subsidiary undertaking

The company has provided letters of comfort in favour of two finance institutions in The Netherlands to cover liabilities of its wholly owned subsidiary, SCC Services BV. The maximum liability under the respective facilities at year end was €Nil (2011 - €1,671,000)

13 Control

Ultimate parent undertaking

The company is a subsidiary undertaking of SCI Jersey Limited, a company registered in England and Wales

The results of SCI Jersey Limited are consolidated into those of an intermediate holding company, Specialist Computer Holdings plc, registered in England and Wales, whose principal place of business is at James House, Warwick Road, Birmingham, B11 2LE. The largest group of which the company is a member, and for which consolidated financial statements are drawn up, is that headed by Rigby Family Holdings Limited. Consolidated financial statements are available at James House, Warwick Road, Birmingham, B11 2LE.

As a wholly owned subsidiary of SCI Jersey Limited, the company has taken advantage of the exemption in Financial Reporting Standard Number 8 from disclosing transactions with members of the group headed by Rigby Family Holdings Limited.

Ultimate controlling party

Sir Peter Rigby, a director of Rigby Family Holdings Limited, controlled the company as a result of holding 79% of the issued ordinary share capital of Rigby Family Holdings Limited, the ultimate parent undertaking.

14 Post balance sheet events

Subsequent to year end, on 5 September 2012, and following a strategic review of the groups operations, SCH announced that it had reached agreement to dispose of its Specialist Distribution Group subsidiaries in the UK, France and the Netherlands to Tech Data Corporation Inc. The disposal will involve ETC BV in the Netherlands, a wholly owned subsidiary of the company. The disposal was completed on 1 November 2012.