

**ENABLES IT GROUP PLC  
(FORMERLY KNOWN AS NEXUS MANAGEMENT  
PLC)**

**ANNUAL REPORT AND AUDITED CONSOLIDATED  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 September 2012**



Company Registration No 03895363  
(England and Wales)

# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

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Enables IT Group plc is a public limited company registered in England and Wales and listed on the Alternative Investment Market (AIM) of the London Stock Exchange plc

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# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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**Directors** M B Battles (Non-executive Chairman)  
M Walliss (Chief Executive Officer)  
P J Weller (Chief Financial Officer)  
M Bradburn (Chief Information Officer)  
M Yeoman (Non-executive)

**Secretary** P J Weller

**Company number** 03895363 (England and Wales)

**Registered office** Unit 5, Mole Business Park  
Randalls Road  
Leatherhead  
Surrey KT22 7BA

**Auditors** haysmacintyre  
Fairfax House  
15 Fulwood Place  
London WC1V 6AY

**Bankers** Barclays Bank plc  
PO Box 166  
Heathrow Airport  
Hounslow  
Middlesex TW6 2RA

**Solicitors** Brown Rudnick LLP  
8 Clifford Street  
London W1S 2LQ

**Nominated adviser** Merchant Securities Limited  
51-55 Gresham Street  
London EC2V 7EL

**Broker** Peterhouse Corporate Finance Limited  
31 Lombard Street  
London EC3V 9BQ

**Financial PR** Bishopsgate Communications  
3rd Floor, 3 London Wall Buildings  
London Wall  
London EC2M 5SY

# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **NON-EXECUTIVE CHAIRMAN'S STATEMENT**

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Dear Shareholder,

I am pleased to announce a small increase in revenue compared with the previous year during this challenging period with a larger increase in operating profits before exceptional items owing to various cost restructuring throughout the Group. As previously announced the Board carried out a strategic review resulting in a number of changes to the existing Board and the appointment of a new Executive Director – Michael Walliss.

During the year, following a review of all the trading activities, it was decided to dispose of the US operating subsidiary Resilience Technology Corporation (RTC) to allow the Group to refocus on core IT Services. The disposal also removed certain liabilities and reduced exposure to long standing creditors. The acquirers were the RTC management team and the deal completed in the summer of 2012.

Focus was then directed towards the completion of the reverse takeover of Enables IT Limited, of which Michael Walliss was the majority shareholder and Managing Director. It was considered a good strategic fit with the current group and management team and brought high level technical skills which are expected to assist in strong future growth.

Finally, I would like to thank the management team and all staff for their continued support and we look forward to the year ahead.

**M Barney Battles**  
Non-Executive Chairman  
Enables IT Group plc  
21 February 2013

# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **CHIEF EXECUTIVE OFFICER'S STATEMENT**

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### **Introduction**

Although I was appointed CEO on the conclusion of the successful reverse takeover at the end of November 2012, I formally joined the Board at the beginning of July 2012 as an Executive Director. This allowed me to review the company performance and the group structure both here in the UK and in the US in readiness for the takeover transaction. We identified a number of challenges that needed immediate attention within the group structure, particularly around the commercial arrangements of managed service contracts, the data centre offering (colocation and cloud services) and staff performance. Additionally, the structure of the data centre in the US needed some upgrades to the environment to ensure we could deal with the current load on the facility with power and cooling. The cloud platform needed further technical design and investment to optimise performance and de-risk outages ensuring our customer's business needs could be met. Happily most of these areas have been dealt with and I am pleased to say both management teams in the UK and US are performing well since this initial review.

One of the reasons for wanting to undertake the reverse takeover was to have the opportunity to raise funds to help us undertake a number of strategic acquisitions. The investment will help us accelerate a full service offering, enhancing the group's technical capabilities and attract new larger corporate customers. This will strengthen the business and minimise our reliance on a small number of existing large customers, and through delivery of increased profits, will create real value for our shareholders.

### **Review of Activities**

Following on from the successful takeover, we ended the year by relocating our head office and operation facility to a newly developed building in Leatherhead, Surrey. Having worked on this facility designing the layout and the structure to a budget that was set at the end of May last year, I am very pleased to say the facility is what we hoped and expected. The centre has been designed to ensure we can deliver all our helpdesk and technical services from one location in the UK. As we move forward and continue the integration with our US managed service, both operations will allow us to offer a fully 24/7 global support managed service desk and technical implementation skills that will be able to compete with the best in our industry. The UK operational centre has growth capability to allow us to quadruple the size of our managed service desk and double our professional services and project management teams along with a technical benching testing and development room for our customers to see their future technology in action.

With the operational and head office function established in Surrey, we decided to maintain the previous head office facility in Moorgate, London to continue the development of our Sales and Marketing team. The team has been operational from this facility since the beginning of January 2013 and initial focus will be on brand alignment and enhancing awareness, strengthening customer relationships across the group and attracting new opportunities and customers. Whilst we anticipate current market conditions will be challenging, we are committed to ensure organic growth is continued and deal with the opportunities that will come from our anticipated acquisitions.

Following on from the takeover transaction we have changed a number of roles within the business and also created a few new ones to ensure the company structure continues to be effective and positioned to deal with future growth. This is well advanced and continues to deliver the efficiencies that were identified in advance of the takeover.

In the last six months we have strengthened our US data centre by further investment in our cloud platform 'HAVEN', and are seeing further good growth by new and existing US customers. Our focus is to change previous arrangements by using the majority of HAVEN as colocation and transferring the data centre to a fully cloud platform offering. We believe this will not only be financially beneficial to existing and new customers, but will offer up to 100% uptime and present a solution to changing data storage compliance. To compliment this offering and having already launched our UK Cloud platform in November 2012 through our Tier 1 Partner in London, our focus and future development will be to have both data centre platforms fully replicated.

# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **CHIEF EXECUTIVE OFFICER'S STATEMENT**

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To compliment this strategy we now have accreditation with world leading technology partners with EMC (Data Storage), VMWare (Cloud Virtualisation Software), Microsoft (Business Operating Systems), Cisco (Network and Security), Good (BYOD – Secure Mobility solutions), Meru (Wireless Infrastructure), to name but a few

### **Financials**

As reported by the Chairman during the year the group disposed of Resilience Technology Corporation (RTC), therefore the operating financial statements only reflect the continuing group operations and not RTC which is shown as a discontinued operation

The turnover increased by £148,000 (3.6%) to £4.3m with operating profits (before exceptional items) growing by 25% to £352,000

As shown in note 5 exceptional items were made up of two main contributing factors. The reconstruction of the Board accounted for £264,000 (including compromise agreements and associated legal fees), and the acquisition costs relating to Enables IT Limited. Excluding these main exceptional items and the profit from discontinued operations (£163,000), the stated loss before taxation of £103,000 would have resulted in a net profit before taxation of £263,000 (6%). The company generated £378,000 of cash during the year of which £262,000 was generated from operating activities.

Whilst the majority of the trading year was spent on restructuring the group and board changes, the Group's operations continued to trade in line with management expectations.

### **Outlook**

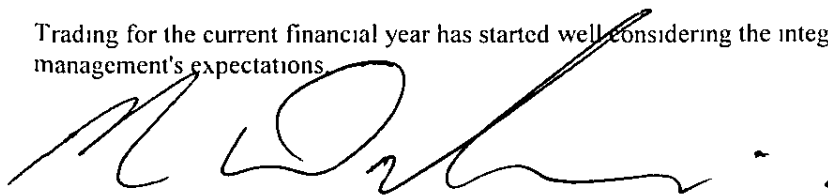
The consolidation of the Group is nearing completion and is expected to be finalised by the end of March 2013 enhancing the Group's service capabilities. The full integration of both the US and UK Managed Service Desk offering a true world-wide dedicated 24/7 support and monitoring service. This will not only strengthen the Group's profitability by driving up efficiencies, but will allow the group marketing opportunities to a wider audience due to better in-house capabilities with dedicated resource.

To support the development of the Group the Board continues to look to strengthen our Sales and Marketing department by the recruitment of a senior individual.

As part of the reverse takeover strategy we are committed to not only growing our business organically, but through selective acquisitions both in the UK and US. The implementation of this strategy is already well advanced.

In addition to this, we continue to work closely with one of our major client's to conclude a longer term contractual situation that will be beneficial to them and to the Group. The reliance on this one customer has now been significantly reduced following the successful reverse takeover.

Trading for the current financial year has started well considering the integration process and is in line with management's expectations.



**Michael Walliss**  
Chief Executive Officer  
Enables IT Group plc  
21 February 2013

# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **BOARD PROFILES**

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### **M Barney Battles (Age 46) Non-Executive Chairman**

Mr M Barney Battles has over 20 years' experience working within the technology, media and telecommunications sector operating as both CEO and CFO of many private and publicly traded businesses. He is currently Non-Executive Director of Avisen plc plus director of many private companies within the technology, media and telephony sectors.

Trained with Ernst & Young as a Scottish Chartered Accountant, Barney Battles built and sold one of London's first and largest digital marketing agencies in 2000 now trading under the brand name of "LBI". Since 2003, Barney Battles has assumed roles as Chairman or non-executive director across a range of international media and technology businesses assisting with their growth and exit strategies.

### **Mike Walliss (Age 48) Chief Executive Officer**

Michael has extensive background knowledge running IT Network Infrastructure and IT Support Services. Working with a variety of leading organisations, Michael has successfully built and operated a number of businesses within the IT sector for over 20 years. Since 1996 he has led Enables IT as Managing Director and has developed and sold a number of successful companies that originated from the company. His development of key accounts, in particular in the private healthcare environment, has delivered substantial growth at Enables IT.

Michael started out his career in the mid-eighties in the property construction industry where he trained as an Architect technician and went on to create his own property construction business specialising in the design and build of high level residential properties. He continues to have an interest within this sector having acquired a number of investment opportunities.

Michael's aspirations are to continue his successes within the IT industry and develop Enables IT as a global company delivering IT Managed Services that will build shareholder value.

### **Peter Weller FCCA (Age 43) Chief Financial Officer**

Peter initially worked for Harvard International, now part of Alba plc. He joined Coral Racing, part of Bass plc, in 1987 where he remained for ten years, becoming assistant financial controller to both Coral Racing and Coral Stadia. Immediately prior to joining the Group, Peter was financial controller at Barkers Interiors, having qualified as a Certified Chartered Accountant in 1999. He joined Enables IT Group plc in October 2000 and was appointed finance director in January 2001.

### **Martin Bradburn (Age 43) Director**

Martin has worked within the IT services industry for over 20 years. In that time Martin has continued to apply his technological expertise whilst developing his commercial experience.

In 1995 Martin joined Hartshead Education Services and was instrumental in creating and building an IT services business within the company. He was responsible for the day to day management of the IT services division. In 1997 the parent company, Hartshead Solway, was acquired by Capita Group plc. As a result Martin was seconded to Capita-SIMS to provide direction on national projects. Two years after the acquisition Martin joined ANS Group, taking management control of the technical support and delivery elements of the business. In August 2000 ANS Group floated on the Ofex (Plus) market and grew substantially under control of the management team. In 2004 Martin was appointed to the board of the company as Chief Technical Officer.

Martin joined Enables IT Limited in 2009. He is currently a director and minority shareholder in the company.

## **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

### **BOARD PROFILES**

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#### **Marcus Yeoman (Age 49) Non-Executive Director**

Mr Marcus Yeoman has been an active investor via Springtime Consultants Ltd since 2003, assisting a number of quoted and private companies with their business development strategies. Mr Yeoman is currently a non-executive director of four additional Aim listed companies and also Chairman of Plus listed ISDX plc. His early career saw him develop a number of IT companies and then move into a role assisting some of the first companies to join Aim when at Corporate Synergy, which was part of Kingston Smith.



# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **DIRECTORS' REPORT**

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The Directors present their report together with the audited financial statements of the Group for the year ended 30 September 2012

The principal activity of the Group was that of provision of IT solutions to small and medium sized businesses

### **Future Developments**

The Directors are continually looking for new ways to reach potential clients. Exploring additional services to offer and refining existing services are both key to the Group's future. Through their network of subsidiaries and business partnerships the Directors are able to listen to the needs of their clients and respond accordingly.

### **Business Review**

A business review of the Group is included in the Chairman's statement on page 2 of this report. A detailed assessment of the going concern basis is included in Note 1 to the financial statements.

### **Results and Dividends**

The Directors do not recommend a dividend in respect of the year ended 30 September 2012 and no dividends were paid during the period under review.

### **Directors and their interests**

The Directors who were in office at the year end had the following interests in the ordinary shares of the Company as at 1 October 2011 and 30 September 2012:

	<b>Ordinary shares of £0.0025 each</b>	
	<b>2012</b>	<b>2011</b>
M B Battles (Executive Chairman)	-	-
M Walliss	-	-
P J Weller (Finance Director)	1,252,715	1,252,715
M Yeoman (Non-executive Director)	-	-
M Hanke (Non-executive Director)	-	-

P O R Paterson and J P Lister resigned as directors on 31 October 2011. On 1 November 2011, M Hanke, M Yeoman and M B Battles were appointed as non-executive directors. On 9 December 2011, R A Richardson resigned as CEO. M B Battles was appointed Executive Chairman on 9 December 2011. M Walliss was appointed Executive Director on 3 July 2012.

G C Stoddart-Stones resigned as a director on 21 March 2012. M Hanke resigned as a director on 26 November 2012.

Details of the share options held by the directors at the year-end are included in note 20 to the financial statements.

### **Principal Risks and Uncertainties**

A description and review of the principal risks and uncertainties facing the Group is included below.

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## DIRECTORS' REPORT

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### Substantial Shareholdings

Apart from the interests of the Directors referred to above, the Company had the following holdings of more than 3% of the share capital of the Company as at 30 September 2012

	Ordinary shares of £0.0025 each	Percentage
The Bank of New York (Nominees)	226,556,605	19.20%
TD Direct Investing Nominees (Europe) Limited	89,286,356	7.57%
Barclayshare Nominees Limited	82,737,487	7.01%
Rathbone Trustees	57,806,992	4.90%
Pershing Nominees Limited	53,553,263	4.54%
LR Nominees Limited	43,902,418	3.72%
Investor Nominees Limited	37,901,991	3.21%

Apart from the interests of the Directors and significant shareholders as at 30 September 2012 referred to above, the Company has received the following notification of holdings of more than 3% of the issued share capital of the Company as at 13 February 2013

	Ordinary shares of £0.0025 each	Percentage
M Walliss	4,378,816	27.64%
M Bradburn	4,092,619	25.83%
E Walliss	3,212,562	20.28%
Webb Capital Group	786,522	4.96%

On 23 November 2012, the 1,179,851,765 issued ordinary shares of £0.0025 each in the capital of the Company were consolidated into new ordinary shares of £0.75 each in the capital of the Company on the basis of 1 consolidated ordinary share for every 300 existing ordinary shares. On 23 November 2012, the Group acquired 100% of the share capital of Enables IT Ltd.

### Financial Instruments and risk management

The Group's financial instruments comprise cash and other items, including trade debtors and trade creditors that arise directly from its operations. The Group seeks to reduce or eliminate financial risk and to invest cash assets safely and profitably. It operates within policies and procedures approved by the Board, which include strict controls on the use of financial instruments in managing the Group's risk. The Group has immaterial transactional currency exposures.

The Group has very limited credit risk with its clients as it invoices monthly for its services with payment due mid month, so that the client carries half the risk. In effect, Enables IT is receiving cash for services not yet provided to its clients. Enables IT also has the ability to turn off service if payments go unpaid which would seriously affect the operations of the clients. For longer-term contracts, one of the subsidiary companies uses a factoring service to ensure that cash is received promptly.

# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **DIRECTORS' REPORT**

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### **Financial Instruments and risk management (continued)**

The Group has taken out loans at current market rates of interest. The Directors monitor the interest rates payable to ensure that the rates are not materially above market rates.

The Group has no investment or trading portfolios that are affected by market risk.

The US subsidiary invoices and receives all in the same currency (US dollars). The UK subsidiary invoices and receives all in the same currency (GBP). Inter-company balances between Enables IT Group plc and its subsidiaries are stated in GBP. Therefore, the sole currency risk facing the Group is the exchange rate between the US dollar and the GBP. The directors monitor the exchange rates and attempt to make funds transfers when the exchange rates are at a reasonable level.

### **Financial Risk Management**

#### **Overview**

The Group has exposure to the following risks from its use of financial instruments:

- Liquidity risk,
- Credit risk, and
- Market risk

This note presents information about the Group's exposure to each of the above risks and the Group's policies and processes for measuring and managing these risks. The risks are managed centrally following Board approved policies. The Group operates a centralised treasury function in accordance with Board approved policies and guidelines covering funding and management of foreign exchange exposure and interest rate risk. Transactions entered into by the treasury function are required to be in support of, or as a consequence of, underlying commercial transactions.

Other than short-term trade receivables and trade payables, as detailed in notes 16 and 17, that arise directly from operations, the Group's financial instruments comprise cash, bank overdraft, bank borrowings and lease payables. The fair values of these instruments are not materially different to their book values. The objective of holding financial instruments is to raise finance for the Group's operations and manage related risks.

#### **Liquidity Risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group closely monitors its access to bank and other credit facilities in comparison to its outstanding commitments to ensure it has sufficient funds to meet its obligations as they fall due. The Group finance function produces regular forecasts that estimate the cash inflows and outflows for 12 months on a rolling basis, so that management can ensure that sufficient financing is in place as it is required. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loan and finance leases.

The table below analyses the Group's and Company's financial liabilities on a contractual gross basis based on amount outstanding at the balance sheet date up to maturity date.

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## DIRECTORS' REPORT

### Liquidity Risk (continued)

Group	Less than 6 months £	Between 6 months and 1 year £	Between 1 and 5 years £	Over 5 years £	Total £
Other loans	-	-	355,293	-	355,293
HP & finance leases	26,135	15,128	20,918	-	62,181
Trade and other payables	698,961	-	-	-	698,961
Provisions for liabilities and charges	-	-	-	-	-
<b>Total liabilities</b>	<b>725,096</b>	<b>15,128</b>	<b>376,211</b>	<b>-</b>	<b>1,116,435</b>
<b>Company</b>					
Other loans	-	-	355,293	-	355,293
Trade and other payables	523,750	-	-	-	523,750
<b>Total liabilities</b>	<b>523,750</b>	<b>-</b>	<b>355,293</b>	<b>-</b>	<b>879,043</b>

The Group would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as disclosed above through effective cash management

The Group has no overdraft facility with the Group's bankers (2011 No facility)

### Credit Risk Exposure

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises predominantly from trade receivables, cash and cash equivalents and deposits with banks

Credit risk is managed on a Group basis. External credit checks are obtained for larger customers. In addition, the credit quality of each customer is assessed internally before accepting any terms of trade. Internal procedures take into account customers' financial position, their reputation in the industry and past trading experience. As a result the Group's exposure to bad debts is not significant.

<i>Financial assets</i>	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other receivables	220,412	293,406	580,050	2,355,303
Estimated irrecoverable amounts	-	-	-	-

Trade and other receivables do not include prepaid amounts. Prepayments for the Group amounted to £80,819 (2011 £117,570) and for the Company £27,735 (2011 £29,245).

The maximum exposure is the carrying amount as disclosed in note 16. The average credit period taken on the sale of services is 30 days. The allowance for estimated irrecoverable amounts has been made based upon the knowledge of the financial circumstances of individual trade receivables at the balance sheet date. The Group holds no collateral against these receivables at the balance sheet date.

The following table provides an analysis of trade and other receivables that were past their due date at 30 September 2012 and 30 September 2011 but against which no provision has been made. The Group believes

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## DIRECTORS' REPORT

that the balances are ultimately recoverable based on a review of past payment history and the current financial status of the customers

### Credit Risk Exposure (continued)

	Group		Company	
	2012	2011	2011	2010
	£	£	£	£
Up to 3 months	2,390	63,911	-	-
3 to 6 months	-	1,032	-	-
Greater than 6 months	-	-	-	-

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest will affect the Group's income or the value of its holding of financial instruments

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return

### Currency risk

The Group is exposed to foreign currency risk of sales, purchases, borrowings and the translation of earnings in a currency other than the functional currency of the business unit. Exposures are primarily to the US Dollar

The Board reduces any risk by the operations invoicing in their local currency where possible. The Board tries to keep foreign inter company balances as low as possible to avoid translation adjustments

To show the impact of the fluctuation of the USD exchange rate on the Group financial statements, the table below shows how the year ended 30 September 2012 results would have been impacted by exchange rates at different dates. As a comparison to the actual exchange rate at 30 September 2012, the highest and lowest exchange rates during the year have been chosen, in order to show the maximum impact possible during the year

	01.05.12	2012 Actual	17.01.12	02.05.11	2011 Actual	24.12.10
	\$1.63:£1	\$1.62:£1	\$1.53:£1	\$1.67:£1	\$1.56:£1	1.54.:£1
	£	£	£	£	£	£
Group net assets	222,521	221,436	211,264	289,268	166,252	139,259
Group turnover	4,142,886	4,273,614	4,401,025	4,022,539	4,125,434	4,239,240
Group (loss)/profit for the year	(155,099)	(102,532)	(51,299)	174,555	168,686	162,194

The above table shows that if the exchange rate for the US dollar was at its lowest during the financial year, the Group's loss would have been £51,299 with net assets of £211,264. At the highest exchange rate, the Group's loss would have been increased to £155,099 with net assets of £222,521

### Interest rate risk

The Group's objective is to minimise the impact of interest rate volatility on interest cost to protect earnings



# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## DIRECTORS' REPORT

### Interest rate risk (continued)

This is achieved by reviewing both the amount of floating rate indebtedness over a certain period of time and its sensitivity to interest rate fluctuations

The Group's interest rate exposure arises mainly from its interest-bearing borrowings. Contractual agreements entered into at floating rates expose the entity to cash flow risk, while fixed-rate borrowings expose the entity to fair value risk

The Group regularly reviews its funding arrangements to ensure they are competitive with the marketplace

The table below shows the Group's and Company's financial assets and liabilities split by those bearing fixed and floating rates and those that are non-interest bearing

30 September 2012	Fixed rate	Floating Rate	Non-interest bearing	Total asset	Total Liability
Group	£	£	£	£	£
Trade and other receivables	-	-	213,687	213,687	-
Total assets	-	-	213,687	213,687	-
Loans and other borrowings	355,293	-	-	-	355,293
HP & finance leases	62,181	-	-	-	62,181
Trade and other payables	-	-	668,961	-	668,961
Total liabilities	417,474	-	668,961	-	1,086,435

30 September 2012	Fixed rate	Floating Rate	Non-interest Bearing	Total asset	Total Liability
Company	£	£	£	£	£
Trade and other receivables	-	-	580,050	505,050	-
Total Assets	-	-	580,050	580,050	-
Bank and other loans	355,293	-	-	-	355,293
Trade and other payables	-	-	523,750	-	523,750
Total liabilities	355,293	-	452,750	-	879,043

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## DIRECTORS' REPORT

### Interest rate risk (continued)

30 September 2011	Fixed Rate	Floating rate	Non-interest Bearing	Total asset	Total Liability
Group	£	£	£	£	£
Trade and other receivables	-	-	293,406	293,406	-
Total assets	-	-	293,406	293,406	-
Bank loans	676,923	59,200	-	-	736,123
HP & finance leases	122,002	-	-	-	122,002
Trade and other payables	-	-	1,821,311	-	1,821,311
Total liabilities	798,925	59,200	1,821,311	-	2,679,436
<b>Company</b>					
Trade and other receivables	-	-	2,355,303	2,355,303	-
Total Assets	-	-	2,355,303	2,355,303	-
Bank and other loans	545,293	-	-	-	545,293
Trade and other payables	-	-	55,419	-	55,419
Total liabilities	545,293	-	55,419	-	600,712

### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business

The Board monitors the return on trading capital employed for each operating division as well as for the Group

### Directors' responsibilities for the financial statements

The directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and the International Financial Reporting Standards (IFRS) as adopted by the European Union

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group 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 estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and



# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## DIRECTORS' REPORT

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### Directors' responsibilities for the financial statements (continued)

- 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 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the directors confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

### Donations

During the year the Group made no charitable donations (2011: £nil).

### Auditor

During the year, the Group announced that Haysmacintyre had been appointed as the Group's auditor and Buzzacott had resigned. Haysmacintyre have expressed their willingness to continue in office as auditors and a resolution reappointing them will be prepared at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

### Key performance indicators

#### Financial

	2012	2011
Revenue per technician	£72,434	£72,375
Clients per technician	1.80	1.77
Staff cost as % of revenue	61.77%	63.19%

Staff costs as a percentage of revenue has improved owing to lower staff costs from changing the mix of technicians. This has resulted in higher technician numbers with a lower cost to meet the demands of our clients.

#### Non financial

The Directors do not consider any non-financial key performance indicators to be relevant at this time.



# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **DIRECTORS' REPORT**

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### **Creditor Payment Policy**

Neither the Company nor the Group comply with any formal code or standard payment practice. The policy of both the Company and the Group is to agree payment terms with individual suppliers. The average credit taken from suppliers based upon year end creditors for the Company was 30 days (2011: 30 days). The average credit taken from suppliers based upon year end creditors for the Group was 55 days (2011: 99 days).

Unit 5, Mole Business Park  
Randalls Road  
Leatherhead  
Surrey KT22 7BA



**ON BEHALF OF THE BOARD**

P J Weller  
Company Secretary  
21 February 2013



# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **CORPORATE GOVERNANCE REPORT**

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### **Corporate Governance Report** **For the year ended 30 September 2012**

Although the Combined Code on Corporate Governance applies only to companies with a full listing on the London Stock Exchange, it is considered appropriate by the Directors that the Group comply with its principles where possible. The Group complies with the Combined Code except as shown on page 18.

#### **The Board**

The Board during the year was composed of five directors, two of whom were non-executive and three of whom were executive. The Chairman was executive and therefore not considered independent. The non-executive directors were considered to be independent within the meaning of the New Combined Code.

The Board meets regularly throughout the year to monitor the management accounts and performance of the Group and all major decisions are taken by the full Board. The Board in turn delegates the implementation of board policy and the day-to-day operational management of the Group to the Chief Executive Officer and his team. All directors have access to the Company Secretary and any director needing independent advice in the furtherance of his duties may obtain this advice at the expense of the company.

The Board met 15 times during the year. One director did not attend on one occasion. All members attended the remaining Board meetings.

#### **The Audit Committee membership**

The Audit Committee during the year was composed of the Executive Chairman, Mr Battles and a Non-executive Director, Mr Yeoman. The Finance Director attends as necessary.

#### **Timetable**

The Audit Committee meets at least twice a year to review the published financial information, the effectiveness of external audit and internal controls.

#### **Terms of reference**

The terms of reference of the Audit Committee are to assist the Directors in discharging their individual and collective legal responsibilities for ensuring that

- the Group's financial and accounting systems provide accurate and up to date information on its current financial position,
- the Group's published financial statements represent a true and fair reflection of this position and,
- the external audit which the law requires in order to provide independent confirmation that these legal responsibilities are being met, is conducted in a thorough, efficient and effective manner.

In order to meet these terms of reference the Audit Committee will

- a) Consider the appointment of external auditors, their independence, the audit fee and any questions of resignation or dismissal of the auditors
- b) Discuss with the auditors the nature and scope of the audit before it commences

# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **CORPORATE GOVERNANCE REPORT**

---

### **Terms of reference (continued)**

- c) Review half and full year financial statements and accounts, focusing particularly on
- any changes in accounting policies and practices,
  - major judgmental areas,
  - significant adjustments arising from the audit,
  - the going concern assumptions,
  - compliance with accounting and legal standards and requirements
- d) Discuss any problems and reservations arising from the half year and full year audits and any other matters the auditors may wish to discuss
- e) Keep under review the effectiveness of internal control systems and risk management systems and to review the auditor's management letter and management's response to it
- f) Consider any other matter at the request of the Board

The Committee will provide a formal report to the Board at least once a year

The Audit Committee met formally two times during the last financial year where it approved the final accounts for 2010/2011, reviewed financial timetables, reviewed internal policies and reviewed due diligence procedures. All members attended every meeting.

### **The Remuneration and Appointments Committee**

The Remuneration and Appointments Committee ensures that all remuneration and other rewards, and their structure, for executive directors and other senior managers, fully satisfy performance and other criteria and approves them. It also approves all senior management and director level appointments, if necessary meeting the candidates.

The committee consisted of two Non-executive Directors, Mr Yeoman and Mr Hanke. The Executive Chairman and Finance Director attend where appropriate.

The Remuneration Committee met two times during the year and reviewed Executive Pay, Bonus Schemes and Performance Appraisals.

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## CORPORATE GOVERNANCE REPORT

### Compliance with the Combined Code

Enables IT complies with all aspects of the Combined Code except as stated below

Combined Code Reference	Description	Action/Reason
<b>Remuneration</b>		
B 1 3	Remuneration for directors should not include share options and, if exceptionally issued, should not be exercisable until one year after leaving the Board	Executive directors may be rewarded with options as part of their package subject to audit and remuneration committee approval
<b>Procedure</b>		
B 2 4	Shareholders to approve long term incentive schemes	No such schemes introduced
<b>Accountability and auditing</b>		
C 3 5	Internal audit function	Considered inappropriate for a company of our size
<b>Relations with Shareholders</b>		
D 1 1	Chair to discuss governance and strategy with major shareholders	Not currently appropriate for a company of our size
D 1 2	State how members of the Board, in particular non-executive directors, develop understanding of views of major shareholders	The Chair and Chief Executive Officer will feed back shareholders' views to the Board. More than this not considered appropriate for a company of our size

# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **CORPORATE GOVERNANCE REPORT**

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### **Internal Control**

The Directors acknowledge their responsibility for the Group's system of internal control which is designed to ensure adherence to the Group's policies whilst safeguarding the assets of the Group, in addition to ensuring the completeness and accuracy of the accounting records. On the basis that such a system can only provide reasonable but not absolute assurance against material misstatement or loss and that it relates only to the needs of the business at the time, the system as a whole was found by the Directors at the time of approving these financial statements to be generally appropriate to the size of the business.

The key features of internal control that operated throughout the year covered by these financial statements are described under the following headings -

### **Control Environment**

There is a clear organisational structure within which individual responsibilities are identified and can be monitored.

### **Identification and Evaluation of Business Risks and Control Objectives**

The Board has the primary responsibility for identifying major business risks facing the Group and developing appropriate policies to manage these risks. The risk management approach used is to identify the Group's most significant areas of risk and determine key control objectives.

### **Performance Review**

The Directors monitor the Group's performance through the preparation of monthly management accounts which are compared with budgets and other performance targets on a regular basis. Significant variances from targets are analysed and reviewed. There are also monthly reviews of sales and cash projections by the CEO and FD and if variances are significant they are brought to the Board's attention. Sales and cash projections are reviewed at each Board meeting.

### **General Procedures and Monitoring**

Operating controls are detailed in Board minutes and compliance with these procedures is covered by the Group's external auditors only to the extent necessary to form their opinion of the truth and fairness of the financial statements. The Audit Committee will review the operation and effectiveness of this framework.

### **Going Concern**

The Directors have concluded that the Group has adequate resources to continue in operational existence for the foreseeable future and as such has prepared the accounts on the going concern basis. See Note 1 of the financial statements for more detail.



# **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

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We have audited the financial statements of Enables IT Group plc for the year ended 30 September 2012 which comprise the Group and Company Balance Sheets, the Group Statement of Comprehensive Income, the Group and Company Cash Flow Statements, the Group and Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 auditors**

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

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

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 Group's and 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 Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material 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 Group's and Company's affairs as at 30 September 2012 and of the Group's loss for the year then ended,
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006, and, as regards the Group Financial Statements, Article 4 of the IAS Regulation.

## **Opinion on other matters 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.

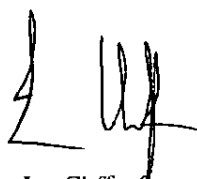
## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

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### **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 parent company 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



Ian Cliffe, Senior statutory auditor  
For and on behalf of haysmacintyre, Statutory Auditor  
Fairfax House,  
15 Fulwood Place,  
London  
WC1V 6AY  
21 February 2013

**ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**  
**GROUP STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2012**

		Year ended 30 September 2012 £	Year ended 30 September 2011 (Restated) £
<b>Continuing operations</b>	<b>Notes</b>		
Revenue	4	4,273,614	4,125,434
Cost of sales		<u>(2,381,454)</u>	<u>(2,261,130)</u>
Gross profit		1,892,160	1,864,304
Operating expenses excluding exceptional expenses		(1,540,236)	(1,582,669)
Operating profit before exceptional items		<u>351,924</u>	<u>281,635</u>
Exceptional items	5	<u>(554,931)</u>	<u>(16,705)</u>
Operating (loss)/profit		(203,007)	264,930
Finance costs	8	<u>(62,470)</u>	<u>(96,244)</u>
(Loss)/profit before tax		(265,477)	168,686
Tax	9	-	-
(Loss)/profit for the year from continuing operations		<u>(265,477)</u>	<u>168,686</u>
<b>Discontinued operations</b>			
Profit/(loss) for the year from discontinued operations		<u>162,945</u>	<u>(283,172)</u>
Loss for the year		<u>(102,532)</u>	<u>(114,486)</u>
Attributable to equity holders of the parent	21	<u>(102,532)</u>	<u>(114,486)</u>
<b>Loss per share</b>			
Basic and diluted	10	(0 0087)p	(0 0102)p
Continuing operations basic and diluted	10	(0 0087)p	(0 0102)p

The accompanying accounting policies and notes form an integral part of these financial statements

**ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**  
**STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO EQUITY**  
**SHAREHOLDERS OF THE PARENT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2012**

<b>Group</b>	<b>Share capital £</b>	<b>Share premium account £</b>	<b>Retained earnings £</b>	<b>Foreign exchange reserve £</b>	<b>Other reserve £</b>	<b>Share options reserve £</b>	<b>Total £</b>
As at 1 October 2010	2,748,738	5,029,843	(8,537,778)	(99,595)	38,876	944,398	124,482
Loss for the year	-	-	(114,486)	-	-	-	(114,486)
Movement in the year	-	-	-	(20,424)	-	-	(20,424)
Shares issued	107,142	42,857	-	-	-	-	149,999
Convertible loan notes	-	-	-	-	-	-	-
Share based payment charge	-	-	-	-	-	26,681	26,681
<b>As at 30 September 2011</b>	<b>2,855,880</b>	<b>5,072,700</b>	<b>(8,652,264)</b>	<b>(120,019)</b>	<b>38,876</b>	<b>971,079</b>	<b>166,252</b>
As at 1 October 2011	2,855,880	5,072,700	(8,652,264)	(120,019)	38,876	971,079	166,252
Loss for the year	-	-	(102,532)	-	-	-	(102,532)
Movement in the year	-	-	-	5,921	-	-	5,921
Shares issued	93,750	56,250	-	-	-	-	150,000
Convertible loan notes	-	-	-	-	-	-	-
Share based payment charge	-	-	-	-	-	1,795	1,795
<b>As at 30 September 2012</b>	<b>2,949,630</b>	<b>5,128,950</b>	<b>(8,754,796)</b>	<b>(114,098)</b>	<b>38,876</b>	<b>972,874</b>	<b>221,436</b>

<b>Company</b>	<b>Share capital £</b>	<b>Share premium account £</b>	<b>Retained earnings £</b>	<b>Foreign exchange reserve £</b>	<b>Other reserve £</b>	<b>Share options reserve £</b>	<b>Total £</b>
As at 1 October 2010	2,748,738	5,029,843	(6,497,760)	-	38,876	944,398	2,264,095
Profit for the year	-	-	78,843	-	-	-	78,843
Shares issued	107,142	42,857	-	-	-	-	149,999
Convertible loan notes	-	-	-	-	-	-	-
Share based payment charge	-	-	-	-	-	26,681	26,681
<b>As at 30 September 2011</b>	<b>2,855,880</b>	<b>5,072,700</b>	<b>(6,418,917)</b>	<b>-</b>	<b>38,876</b>	<b>971,079</b>	<b>2,519,618</b>
As at 1 October 2011	2,855,880	5,072,700	(6,418,917)	-	38,876	971,079	2,519,618
Loss for the year	-	-	(1,846,950)	-	-	-	(1,846,950)
Shares issued	93,750	56,250	-	-	-	-	150,000
Convertible loan notes	-	-	-	-	-	-	-
Share based payment charge	-	-	-	-	-	1,795	1,795
<b>As at 30 September 2012</b>	<b>2,949,630</b>	<b>5,128,950</b>	<b>(8,265,867)</b>	<b>-</b>	<b>38,876</b>	<b>972,874</b>	<b>824,463</b>

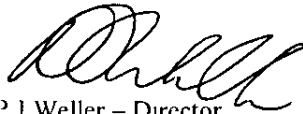
# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

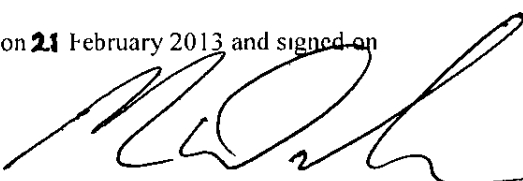
## GROUP BALANCE SHEET

AT 30 SEPTEMBER 2012

		30 September 2012 £	30 September 2011 £
<b>ASSETS</b>	<b>Notes</b>		
<b>Non-current assets</b>			
Property plant and equipment	11	255,789	309,660
Intangible assets	13	-	633,910
Goodwill	12	-	668,810
		<u>255,789</u>	<u>1,612,380</u>
<b>Current assets</b>			
Inventories	15	-	412,941
Trade and other receivables	16	294,844	410,976
Cash and cash equivalents		787,238	409,391
		<u>1,082,082</u>	<u>1,233,308</u>
<b>Total assets</b>		<u>1,337,871</u>	<u>2,845,688</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	17	(698,961)	(1,752,623)
Loans and other borrowings	18	-	(206,362)
Obligations under finance leases	19	(41,263)	(61,806)
		<u>(740,224)</u>	<u>(2,020,791)</u>
<b>Non-current liabilities</b>			
Trade and other payables	17	-	(68,688)
Loans and other borrowings	18	(355,293)	(529,761)
Obligations under finance leases	19	(20,918)	(60,196)
		<u>(376,211)</u>	<u>(658,645)</u>
<b>Total liabilities</b>		<u>(1,116,435)</u>	<u>(2,679,436)</u>
<b>Total assets less liabilities</b>		<u>221,436</u>	<u>166,252</u>
<b>EQUITY</b>			
<b>Shareholders' equity</b>			
Called up share capital	20	2,949,630	2,855,880
Share premium	21	5,128,950	5,072,700
Other reserves	21	897,652	889,936
Retained earnings	21	(8,754,796)	(8,652,264)
<b>Total equity attributable to the equity holders of the parent</b>		<u>221,436</u>	<u>166,252</u>

The financial statements were approved by the Board and authorised for issue on 21 February 2013 and signed on its behalf by

  
P J Weller – Director  
21 February 2013

  
M Walliss – Director  
21 February 2013

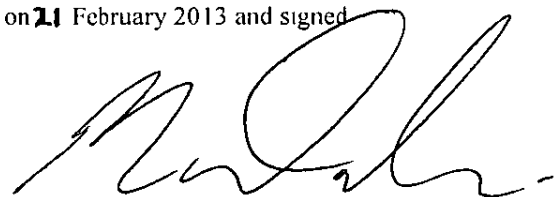
**ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)****COMPANY BALANCE SHEET****AT 30 SEPTEMBER 2012**

		30 September 2012 £	30 September 2011 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	14	362,220	362,220
Trade and other receivables	16	480,446	2,326,537
		<u>842,666</u>	<u>2,688,757</u>
<b>Current assets</b>			
Trade and other receivables	16	127,339	58,011
Cash and cash equivalents		733,501	373,562
		<u>860,840</u>	<u>431,573</u>
<b>Total assets</b>		<u><b>1,703,506</b></u>	<u><b>3,120,330</b></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	17	(523,750)	(55,419)
Loans and other borrowings	18	-	(40,000)
		<u>(523,750)</u>	<u>(95,419)</u>
<b>Non-current liabilities</b>			
Loans and other borrowings	18	(355,293)	(505,293)
<b>Total liabilities</b>		<u><b>(879,043)</b></u>	<u><b>(600,712)</b></u>
<b>Total assets less liabilities</b>		<u><b>824,463</b></u>	<u><b>2,519,618</b></u>
<b>EQUITY</b>			
<b>Shareholders' equity</b>			
Called up share capital	20	2,949,630	2,855,880
Share premium	21	5,128,950	5,072,700
Other reserves	21	1,011,750	1,009,955
Retained earnings	21	(8,265,867)	(6,418,917)
<b>Total equity attributable to the equity holders of the parent</b>		<u><b>824,463</b></u>	<u><b>2,519,618</b></u>

The financial statements were approved by the Board and authorised for issue on 21 February 2013 and signed on its behalf by



P J Weller – Director  
21 February 2013  
Company Registration number 03895363



M Walliss – Director  
21 February 2013

**ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)****GROUP CASH FLOW STATEMENT****AT 30 SEPTEMBER 2012**

	<b>30 September 2012 £</b>	<b>30 September 2011 £</b>
<b>CONTINUING OPERATIONS</b>		
<b>Cash flows from operating activities</b>		
Loss before tax	(102,532)	(114,486)
Adjustments for		
Interest paid	171,258	240,494
Amortisation of customer list	38,477	271,619
Profit on disposal of subsidiary	(33,630)	-
Depreciation	93,840	111,170
Currency exchange adjustment	(3,512)	(31,113)
Operating cash flows before movements in working capital	163,901	477,684
Share option costs	1,795	26,681
Increase in inventories	(896)	(36,659)
Decrease in trade and other receivables	47,226	42,679
Decrease in provisions for liabilities and charges	-	(64,143)
Increase/(decrease) in trade and other payables	221,055	(48,841)
Cash generated from operations	433,081	397,401
Interest paid	(171,258)	(240,494)
<b>Net cash generated from operating activities</b>	<b>261,823</b>	<b>156,907</b>
<b>Investing activities</b>		
Interest received	-	-
Acquisition of goodwill	-	-
Proceeds from disposal of subsidiary	468,946	-
Legal costs on disposal of subsidiary	(11,359)	-
Purchases of property, plant and equipment	(54,981)	(36,974)
<b>Net cash generated from/(used in) investing activities</b>	<b>402,606</b>	<b>(36,974)</b>
<b>Financing activities</b>		
Proceeds from issue of share capital	93,750	107,142
Premium on issue	56,250	42,857
Decrease in borrowings	(375,245)	(172,441)
Repayment of obligations under finance lease	(61,337)	(68,933)
<b>Net cash used in financing activities</b>	<b>(286,582)</b>	<b>(91,375)</b>
<b>Net cash generated from continuing operations</b>	<b>377,847</b>	<b>28,558</b>
<b>DISCONTINUED OPERATIONS</b>		
Net cash from investing activities	-	-
<b>Net cash from discontinuing operations</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>377,847</b>	<b>28,558</b>
Cash and cash equivalents at beginning of year	409,391	380,833
<b>Cash and cash equivalents at end of year</b>	<b>787,238</b>	<b>409,391</b>

**ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**  
**GROUP CASH FLOW STATEMENT**  
**AT 30 SEPTEMBER 2012**

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**Disposal of Resilience Technology Corporation**

During the year, the group disposed of the subsidiary Resilience Technology Corporation The proceeds are as follows

	£
Total sales proceeds	500,000
Less cash of Resilience disposed	(31,054)
	<u>468,946</u>



**ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**  
**COMPANY CASH FLOW STATEMENT**  
**AT 30 SEPTEMBER 2012**

	30 September 2012 £	30 September 2011 £
<b>CONTINUING OPERATIONS</b>		
<b>Cash flows from operating activities</b>		
(Loss)/profit before tax	(1,846,950)	78,843
Adjustments for		
Loss on disposal of subsidiary	1,535,694	-
Interest paid	49,694	68,539
Operating cash flows before movements in working capital	(261,562)	147,382
Share option costs	1,795	26,681
Increase in trade and other receivables	(247,572)	(14,213)
Increase/(decrease) in trade and other payables	468,331	(42,246)
Cash (used in)/generated from operations	(39,008)	117,604
Interest paid	(49,694)	(68,539)
<b>Net cash (used in)/ generated from operating activities</b>	<b>(88,702)</b>	<b>49,065</b>
<b>Investing activities</b>		
Proceeds from disposal of subsidiary	500,000	-
Legal costs on disposal of subsidiary	(11,359)	-
<b>Net cash generated from investing activities</b>	<b>488,641</b>	<b>-</b>
<b>Financing activities</b>		
Proceeds from issue of share capital	93,750	107,142
Premium on issue	56,250	42,857
Decrease in borrowings	(190,000)	(127,126)
<b>Net cash (used in)/generated from financing activities</b>	<b>(40,000)</b>	<b>22,873</b>
<b>Net cash generated from continuing operations</b>	<b>359,939</b>	<b>71,938</b>
<b>Net increase in cash and cash equivalents</b>	<b>359,939</b>	<b>71,938</b>
Cash and cash equivalents at beginning of year	373,562	301,624
<b>Cash and cash equivalents at end of year</b>	<b>733,501</b>	<b>373,562</b>

# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AT 30 SEPTEMBER 2012**

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The financial year represents the year ended 30 September 2012 (prior financial year ended 30 September 2011)  
The consolidated financial statements for the year ended 30 September 2012 comprise the financial statements of the Company and its subsidiaries ('Group')

### **1 GOING CONCERN**

As set out on page 22, the Group recorded a loss of £102,532 including an operating profit on existing businesses (before restructuring costs and finance costs) of £351,924. The steps that the Directors have taken have returned the Group to profitability and they are confident the Group is able to generate positive cash flow from operations going forward, especially taking into account the acquisition of Enables IT Limited since the year end.

The Directors therefore believe that the Group has adequate resources to continue in operational existence in the foreseeable future and as such have prepared the financial statements on the going concern basis.

# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AT 30 SEPTEMBER 2012**

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### **2. PRINCIPAL ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

#### **Basis of accounting**

The financial statements have been prepared in accordance with EU Endorsed International Financial Reporting Standards and IFRIC interpretations (IFRS) and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

#### **Judgements and estimates**

The Group makes judgements and assumptions concerning the future that impact the application of policies and reported amounts. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

#### *Goodwill impairment*

The Group is required to assess whether goodwill has suffered any impairment loss, based on the recoverable amount of its cash generating units (CGUs). The recoverable amounts of the CGUs have been determined based on value in use calculations and these calculations require the use of estimates in relation to future cash flows and suitable discount rates. Actual outcomes could vary from these estimates.

#### *Impairment of assets*

Financial and non-financial assets including other intangibles are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on a calculation of expected future cash flows which includes management assumptions and estimates of future performance.

If there is an indication that impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which this asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of the future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **AT 30 SEPTEMBER 2012**

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Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior years. A reversal of an impairment loss is recognised as income immediately unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **New standards adopted early**

At the date of the authorisation of the financial statements, no standards and interpretations, which are issued but not yet effective, have been adopted early.

#### **New standards and interpretations not yet adopted**

At the date of the authorisation of the financial statements, the following standards, and interpretations, which are issued but not yet effective, have not been applied.

Effective for the Group for future financial years

Amendment to IAS 12 'Accounting for Taxes on Income' (effective date year beginning 1 January 2012)

Amendment to IAS 36 'Impairment of Assets' (effective date year beginning 1 January 2012)

Amendment to IAS 1 'Presentation of Financial Statements' (effective date year beginning 1 July 2012)

Amendment to IFRS 1 'First-time Adoption of International Financial Reporting Standards' (effective date year beginning 1 January 2013)

Amendment to IFRS 7 'Financial Instruments Disclosures' (effective date year beginning 1 January 2013)

Re-issue of IFRS 9 'Financial Instruments' (effective date year beginning 1 January 2013)

Amendment to IFRS 10 'Consolidated Financial Statements' (effective date year beginning 1 January 2013)

Amendment to IFRS 11 'Joint Arrangements' (effective date year beginning 1 January 2013)

Amendment to IFRS 12 'Disclosure of Interests in Other Entities' (effective date year beginning 1 January 2013)

IFRS 13 'Fair Value Measurement' (effective date year beginning 1 January 2013)

Amendment to IAS 1 'Presentation of Financial Statements' (effective date year beginning 1 January 2013)

Amendment to IAS 16 'Property, Plant and Equipment' (effective date year beginning 1 January 2013)

Amendment to IAS 19 'Employee Benefits' (effective date year beginning 1 January 2013)

Reissued IAS 27 'Separate Financial Statements' (effective date year beginning 1 January 2013)

Reissued IAS 28 'Investments in Associates and Joint Ventures' (effective date year beginning 1 January 2013)

Amendment to IAS 32 'Financial Instruments Presentation' (effective date year beginning 1 January 2013)

Amendment to IAS 34 'Interim Financial Reporting' (effective date year beginning 1 January 2013)

IFRIC 20 'Stripping Costs in the Production Phase of a Surface Mine' (effective date year beginning 1 January 2013)

Amendment to IAS 32 'Financial Instruments Presentation' (effective date year beginning 1 January 2014)

Amendment to IFRS 7 'Financial Instruments Disclosures' (effective date year beginning 1 January 2015)

Amendment to IFRS 9 'Financial Instruments' (effective date year beginning 1 January 2015)

The Group has considered the above new standards, interpretations and amendments to published standards that are not yet effective and concluded that except for the amendments to IAS 1 'Presentation of Financial Statements' and IFRS 10 'Consolidated Financial Statements', they are either not relevant to the Group or that they would not have a significant impact on the Group's financial statements.

# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **AT 30 SEPTEMBER 2012**

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#### **New standards adopted during the year**

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accountancy Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASB that are relevant to its operations and effective for reporting dates beginning on 1 October 2011

#### **Basis of consolidation**

The Group accounts consolidate the accounts of Enables IT Group plc and all its subsidiary undertakings drawn up to 30 September each year. No income statement is presented for Enables IT Group plc as permitted by section 408 of the Companies Act 2006.

The results of any subsidiaries acquired during the year are included in the consolidated income statement from the date on which control is transferred to the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. They are deconsolidated from the date that control ceases.

The acquisition of subsidiaries is accounted for using the purchase method. The cost of an acquisition is measured at the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions under IFRS3 are recognised at their fair value at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the 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 recognised.

Where necessary, adjustments are made to the financial statements of subsidiaries and associates to bring accounting policies used in line with those used by the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

#### **Revenue recognition**

Revenue is taken on fee income in the year to which it relates. Project income is recognised in the year in which the project is worked on. For projects which fall over the financial year end income is recognised to reflect the partial performance of the contractual obligations.

The income from annual maintenance contracts is recognised in equal instalments over the period to which the service is provided. The income from product sales is recognised at the date of shipment.

#### **Goodwill policy**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets and liabilities of the acquired subsidiary at the date of acquisition.

#### **Goodwill impairment**

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. (Any impairment charge is recognised in the income statement in the year in which it occurs.) Impairment losses on

# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **AT 30 SEPTEMBER 2012**

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goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Goodwill is allocated to cash-generating units that represent each business segment.

#### **Impairment of property, plant and equipment and intangible assets**

At each balance sheet date, the Group reviews the carrying amounts of its property, plant & equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset, which is the higher of its fair value less costs to sell and its value in use, is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Any impairment charge is recognised in the income statement in the year in which it occurs for assets carried at cost if recoverable amount is less than the carrying value. Where an impairment loss, other than an impairment loss on goodwill, subsequently reverses due to a change in the original estimate, the carrying amount of the asset is increased to the revised estimate of its recoverable amount.

#### **Investments**

Available for sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Available for sale investments are initially recognised at fair value plus transaction costs. After initial recognition, available for sale investments are measured at fair value, with gains or losses recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

The fair values of investments are based on current bid prices. If the market for an available for sale investment is not active the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

#### **Property, plant and equipment**

Property, plant and equipment assets are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated to write down their cost to their estimated residual values by equal annual instalments over the year of their estimated useful economic lives, which are considered to be:

Fixtures & Fittings	3 years
Office & Computer Equipment	3 years
Short Leasehold Improvements	Over the remaining term of the lease

# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AT 30 SEPTEMBER 2012**

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### **Intangible assets**

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be reliably measured. All intangible assets, other than goodwill and indefinite lived assets, are amortised over their useful economic life. The method of amortisation reflects the pattern in which the assets are expected to be consumed. If the pattern cannot be determined reliably, the straight line method is used.

Brand, trade names and customer lists acquired through business combinations are recorded at fair value at the date of acquisition. Assumptions are used in estimating the fair values of acquired intangible assets. These include management's estimates of revenue and profits to be generated by the acquired business.

The estimated useful lives of intangible assets are:

Brands and trade names	10 years straight line
Customer lists	10 years straight line

### **Pension costs**

The Group makes defined contributions to its employees' personal plans. The pension costs charged in the financial statements represent the contributions payable by the Group during the period.

### **Leased assets and obligations**

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases. For property leases, the land and building elements are treated separately to determine the appropriate lease classification.

#### *Finance leases*

Assets funded through finance leases are capitalised as property, plant and equipment and depreciated over their estimated useful lives or the lease term, whichever is shorter. The amount capitalised is the lower of the fair value of the asset or the present value of the minimum lease payments during the lease term at the inception of the lease. The resulting lease obligations are included in liabilities determined. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs on finance leases are charged directly to the income statement.

#### *Operating leases*

Assets leased under operating leases are not recorded on the balance sheet. Rental payments are charged directly to the income statement on a straight line basis over the lease term.

### **Foreign currencies**

Transactions in foreign currencies are translated into Sterling using the exchange rates prevailing at the date of the transaction. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the balance sheet date are recognised in the income statement. On consolidation, assets and liabilities of foreign undertakings are translated into Sterling using the year end exchange rates. The results of foreign undertakings are translated into Sterling at average rate of exchange for the year. Foreign exchange differences arising on retranslation are recognised directly in equity.

### **Current and deferred taxation**

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AT 30 SEPTEMBER 2012**

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Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits ('temporary differences') and is accounted for using the balance sheet liability method

Deferred tax liabilities are generally recognised for all taxable temporary differences. Where there are taxable temporary differences arising on subsidiaries, deferred tax liabilities are recognised.

Deferred tax assets are generally recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Where there are deductible temporary differences arising on subsidiaries, deferred tax assets are recognised only where it is probable that they will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient tax profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

### **Share based payments**

The Group has applied the requirements of IFRS 2 'Share-Based Payments'. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2005.

The Group issues equity-settled share-based payments to certain employees, including share options with non-market based vesting conditions. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Fair value is measured by use of a Black-Scholes model for the majority of share options in issue. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

### **Financial Instruments**

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group has become party to the contractual provisions of the instrument.

### **Trade and other receivables**

Trade receivables are stated at fair value. A provision for impairment is made where there is objective evidence of impairment (including customers in financial difficulty or seriously in default against agreed payment terms). There is no material variance between carrying and fair values.

### **Inventories**

Inventories are valued at the lower of cost or net realisable value. The directors carry out an annual valuation of inventories. The cost of any inventories that are valued below the current book value is written off to the income statement. Cost is determined using the average cost basis.

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# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AT 30 SEPTEMBER 2012**

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### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

### **Trade and other payables**

Trade payables are recognised at fair value. There is no material variance between book and fair values.

### **Borrowings**

Bank loans and overdrafts are recorded initially at their fair value, net of direct transaction costs and finance charges are recognised in the income statement over the term of the instrument. Note 18 provides details of the applicable interest rates. There is no material variance between book and fair values.

### **Equity instruments**

Equity instruments are recorded at the proceeds received, net of direct issue costs.

## **3. DISPOSAL OF SUBSIDIARY**

During the year, the group disposed of Resilience Technology Corporation. The details of the disposal are

	<b>£</b>	<b>2012 Total £</b>
Disposal proceeds		500,000
Net assets and liabilities disposed of		
Cash and cash equivalents	31,054	
Fixed assets	5,675	
Inventories	413,837	
Trade and other receivables	87,642	
Trade and other payables	(1,362,143)	
		<hr/>
		823,935
Goodwill and intangible assets written off		(1,265,077)
Legal costs		(11,358)
Exchange loss		(13,870)
		<hr/>
<b>Reported profit on disposal</b>		<b>33,630</b>

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## NOTES TO THE FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2012

### 4. BUSINESS AND GEOGRAPHICAL SEGMENTS

The segment reporting format is determined to be the geographical segments as the Group's risk and rates of return are affected predominately by the location of its customers. The Group has two main geographical segments, namely the USA and Europe.

The segment results for the year ended 30 September 2012 are as follows:

	Europe	USA	Inter-Group trading	Continuing operations	Discontinued operations	Consolidated
Year ended 30 September 2012	£	£	£	£	£	£
<b>Revenue</b>						
Segmental revenue – external	1,522,267	2,751,347	-	4,273,614	1,525,865	5,799,479
Segmental revenue – internal	191,834	-	(191,834)	-	-	-
<b>Total segmental revenue</b>	<b>1,714,101</b>	<b>2,751,347</b>	<b>(191,834)</b>	<b>4,273,614</b>	<b>1,525,865</b>	<b>5,799,479</b>
<b>Operating profit</b>	<b>307,830</b>	<b>44,094</b>	<b>-</b>	<b>351,924</b>	<b>275,169</b>	<b>627,093</b>
Restructuring costs				(263,552)	-	(263,552)
Acquisition costs re Enables IT Limited				(265,000)	-	(265,000)
Amortisation of intangible assets				-	(38,477)	(38,477)
Share based payments				(1,795)	-	(1,795)
Foreign currency translation				(24,584)	1,411	(23,173)
Finance costs				(62,470)	(108,788)	(171,258)
Profit on disposal of subsidiary				-	33,630	33,630
<b>(Loss)/profit for the year</b>				<b>(265,477)</b>	<b>162,945</b>	<b>(102,532)</b>

### Year ended 30 September 2011

<b>Revenue</b>						
Segmental revenue – external	1,444,386	2,681,048	-	4,125,434	1,777,704	5,903,138
Segmental revenue – internal	280,531	-	(280,531)	-	-	-
<b>Total segmental revenue</b>	<b>1,724,917</b>	<b>2,681,048</b>	<b>(280,531)</b>	<b>4,125,434</b>	<b>1,777,704</b>	<b>5,903,138</b>
<b>Operating profit</b>	<b>128,375</b>	<b>153,260</b>	<b>-</b>	<b>281,635</b>	<b>114,576</b>	<b>396,211</b>
Amortisation of intangible assets				-	(271,619)	(271,619)
Share based payments				(26,681)	-	(26,681)
Foreign currency translation				9,976	18,121	28,097
Finance income				-	-	-
Finance costs				(96,244)	(144,250)	(240,494)
<b>Loss for the year</b>				<b>168,686</b>	<b>(283,172)</b>	<b>(114,486)</b>

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## NOTES TO THE FINANCIAL STATEMENTS

### AT 30 SEPTEMBER 2012

Revenues from one customer of the Group amounted to more than 10% of the Group's total revenue. The total revenues from this customer are detailed below, by segment

	2012 £	2011 £
Revenue - Europe	746,110	723,980
Revenue - USA	1,402,737	1,421,490
	<u>2,148,847</u>	<u>2,145,470</u>

### Segmental Analysis of the Balance Sheet

	Europe	USA	Inter-Group balances	Continuing operations	Discontin- ued operation s	Consoli- dated
Year ended 30 September 2012	£	£	£	£	£	£
Additions to non-current assets	2,659	47,343	-	50,002	4,979	54,981
Depreciation	(6,597)	(83,916)	-	(90,513)	(3,327)	(93,840)
Impairment	-	-	-	-	-	-
Amortisation	-	-	-	-	(38,477)	(38,477)
Segment assets	<u>1,826,152</u>	<u>394,522</u>	<u>(882,803)</u>	<u>1,337,871</u>	<u>-</u>	<u>1,337,871</u>
Segment liabilities	<u>(1,400,970)</u>	<u>(598,268)</u>	<u>882,803</u>	<u>(1,116,435)</u>	<u>-</u>	<u>(1,116,435)</u>
Year ended 30 September 2011						
Additions to non-current assets	3,448	33,526	-	36,974	-	36,974
Depreciation	(6,397)	(104,773)	-	(111,170)	-	(111,170)
Impairment	-	-	-	-	-	-
Amortisation	-	(271,619)	-	(271,619)	-	(271,619)
Segment assets	<u>3,205,488</u>	<u>2,275,652</u>	<u>(2,635,452)</u>	<u>2,845,688</u>	<u>-</u>	<u>2,845,688</u>
Segment liabilities	<u>(1,109,676)</u>	<u>(4,205,212)</u>	<u>2,635,452</u>	<u>(2,679,436)</u>	<u>-</u>	<u>(2,679,436)</u>

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## NOTES TO THE FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2012

### 5. EXPENSES AND AUDITOR'S REMUNERATION

The Group's results include charges/(credits) for the following

	2012 Total £	2011 Total £
Depreciation on tangible fixed assets owned	39,410	40,909
Depreciation on tangible fixed assets held under finance lease	51,103	70,261
Auditor's remuneration	44,000	44,750
Operating lease costs	137,327	201,044
<b>Exceptional items</b>		
Share based payment	1,795	26,681
Restructuring costs	263,552	-
Committed acquisition costs re Enables IT Limited	265,000	-
Net loss/(profit) on foreign currency translation	24,584	(9,976)
<b>Total Exceptional items</b>	<b>554,931</b>	<b>16,705</b>

The loss attributable to the parent company profit and loss account for the year was £1,846,950 (2011 profit £78,843)

### Auditor's remuneration

The fees charged by the auditors can be further analysed under the following headings for services rendered

	2012 £	2011 £
<b>Audit services</b>		
Fees payable to Company auditor for the audit of parent Company and consolidated accounts	14,000	15,500
<b>Non-audit services</b>		
Fees payable to the Company's auditor and its associates for other services		
The audit of Company's subsidiaries pursuant to legislation	20,000	23,500
Tax compliance and advisory services	10,000	5,750
Fees relating to the acquisition of Enables IT Limited	60,000	-
	<b>104,000</b>	<b>44,750</b>

### 6. EMPLOYEES

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

	2012 Number	2011 Number
Management and administration	8	10
Technicians	59	57
Sales	2	3
	<b>69</b>	<b>70</b>

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## NOTES TO THE FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2012

Staff costs during the year were as follows

	2012 £	2011 £
Wages and salaries	2,418,655	2,389,302
Social security costs	177,980	197,797
Other pension costs	21,278	24,196
Share based payment expense	1,795	26,681
	<u>2,619,708</u>	<u>2,637,976</u>

### 7. DIRECTORS

Total emoluments of Directors included in staff costs were as follows

	2012 £	2011 £
Directors' remuneration (including benefits in kind)	408,265	372,014
Company pension fund contributions to money purchase schemes	16,628	28,115
Share based payment expense	1,795	17,848
	<u>426,688</u>	<u>417,977</u>

Directors' emoluments split by director are shown in the table below

	2012 Remuneration (inc BIKs) £	Pension contributions £	Total £
P O R Paterson	23,850	500	24,350
R A Richardson	79,793	3,168	82,961
M Walliss	20,300	-	20,300
M B Battles	49,000	-	49,000
M Hanke	44,500	-	44,500
M Yeoman	44,500	-	44,500
P J Weller	99,448	12,960	112,408
G C Stoddart-Stones	35,774	-	35,774
J P Lister	11,100	-	11,100
	<u>408,265</u>	<u>16,628</u>	<u>424,893</u>

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## NOTES TO THE FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2012

	2011 Remuneration (inc BIKs) £	Pension contributions £	Total £
P O R Paterson	49,934	6,000	55,934
R A Richardson	110,209	11,815	122,024
P J Weller	98,582	10,300	108,882
G C Stoddart-Stones	95,589	-	95,589
J P Lister	17,700	-	17,700
	<b>372,014</b>	<b>28,115</b>	<b>400,129</b>

Details of Directors' share options are disclosed in note 20

### 8. NET FINANCE COSTS

	2012 £	2011 £
<b>Finance Expense</b>		
Interest on finance lease	9,019	14,702
Interest on other borrowings	53,451	81,542
	<b>62,470</b>	<b>96,244</b>

### 9. TAXATION

	2012 £	2011 £
<b>i) Current tax charge</b>		
The tax charge comprises		
UK taxation		
Corporation tax at 24.00% (2011: 27.00%)	-	-
Non-UK taxation		
Current	-	-
Deferred taxation		
Origination and reversal of temporary differences	-	-
	<b>-</b>	<b>-</b>

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## NOTES TO THE FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2012

### ii) Tax reconciliation

The taxation expense on the loss for the year differs from the amount computed by applying the corporation tax rate to the loss before tax for the following reasons

	2012 £	2011 £
Loss on ordinary activities before tax	(102,532)	(114,486)
Theoretical tax charge at 24.00% (2011: 27.00%)	(24,607)	(30,911)
Effects of		
Expenses (including goodwill) not deductible for tax purposes	69,263	8,566
Capital allowances less than depreciation	10,957	3,312
Other timing differences		38,913
Accounting profit on disposal	(8,071)	-
Adjustments in respect of prior periods		-
Utilisation of tax losses	(63,594)	(52,023)
Unrelieved losses c/f	16,052	32,143
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

### Factors that may affect future tax charges

At 30 September 2012 the Group has tax losses of approximately £560,808 (2011: £2,112,463) to set against future profits of the same trade

A deferred tax asset of £129,954 (2011: £564,932) arising from the tax losses in place has not been recognised. Although the directors ultimately expect sufficient taxable profits to arise, there is currently insufficient evidence to support the recognition of a deferred tax asset in these financial statements.

## 10. LOSS PER SHARE

### Basic

Basic profit/(loss) per share is calculated by dividing the loss attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year.

### Diluted

The weighted average number of the Group's ordinary shares used in the calculation of diluted earnings per share has been adjusted for the effect of potentially dilutive share options granted under the Group's share option schemes. (Potentially dilutive share options are options with an exercise price less than the middle market price at 30 September 2012).

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## NOTES TO THE FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2012

			2012			2011
	Loss attributable to equity holders of the parent £	Weighted average Number of shares	Loss per share £	Loss attributable to equity holders of the parent £	Weighted average Number of shares	Loss per share £
Basic EPS calculation	(102,532)	1,179,441,929	(0 000087)	(114,486)	1,115,518,105	(0 000102)
Effect of dilutive options		295,712,646			424,106,019	
Diluted EPS calculation	(102,532)	1,475,154,575	(0 000087)	(114,486)	1,539,624,124	(0 000102)
Discontinued operations basic and diluted EPS	162,945	1,179,441,929	0 000138	(283,172)	1,115,518,105	(0 000254)

In the current year the Group has made a loss and the potential share options are therefore anti-dilutive

### Potential dilutive items

	2012 Weighted average Number of shares	2011 Weighted average Number of shares
Loan note 1 (see note 18)	93,750,000	93,750,000
Loan note 2 (see note 18)	6,250,000	43,750,000
Share options (see note 20)	195,712,646	286,606,019
	295,712,646	424,106,019

As the current year shows a loss, the other potential dilutive items are anti-dilutive and therefore do not alter the EPS calculations



# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## NOTES TO THE FINANCIAL STATEMENTS

### AT 30 SEPTEMBER 2012

#### 11. PROPERTY, PLANT AND EQUIPMENT

Group	Short leasehold improvements £	Fixtures and fittings £	Office and computer equipment £	Total £
<b>Cost</b>				
At 1 October 2010	415,575	52,992	927,686	1,396,253
Additions	-	1,155	35,819	36,974
Disposals	-	-	-	-
Currency exchange adjustment	4,893	408	11,606	16,907
At 1 October 2011	420,468	54,555	975,111	1,450,134
Additions	2,157	886	51,938	54,981
Disposals	-	(4,987)	(23,046)	(28,033)
Currency exchange adjustment	(14,074)	(957)	(32,278)	(47,309)
<b>At 30 September 2012</b>	<b>408,551</b>	<b>49,497</b>	<b>971,725</b>	<b>1,429,773</b>
<b>Accumulated depreciation</b>				
At 1 October 2010	172,490	42,981	799,303	1,014,774
Provided in the year	27,972	5,633	77,565	111,170
Disposals	-	-	-	-
Currency exchange adjustment	2,812	400	11,318	14,530
At 1 October 2011	203,274	49,014	888,186	1,140,474
Provided in the year	26,342	4,865	62,633	93,840
Disposals	-	(4,987)	(17,048)	(22,035)
Currency exchange adjustment	(7,430)	(935)	(29,930)	(38,295)
<b>At 30 September 2012</b>	<b>222,186</b>	<b>47,957</b>	<b>903,841</b>	<b>1,173,984</b>
<b>Net Book Value</b>				
<b>At 30 September 2012</b>	<b>186,365</b>	<b>1,540</b>	<b>67,884</b>	<b>255,789</b>
At 30 September 2011	217,194	5,541	86,925	309,660
At 30 September 2010	243,085	10,011	128,383	381,479

Included in the total net book value of £255,789 is £78,718 (2011 £128,522) in respect of assets held under hire purchase agreements. The categories of these assets are short leasehold improvements of £48,716 and computer and office equipment of £30,002.

The depreciation charged to the Income Statement in the year in respect of such assets is £51,103 (short leasehold improvements of £4,117 and computer and office equipment of £46,986 (2011 £70,261)).

The Company had no property, plant and equipment.

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## NOTES TO THE FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2012

### 12. GOODWILL

Group	Goodwill on consolidation £	Purchased Goodwill £	Total £
<b>Cost</b>			
At 1 October 2010	641,137	661,025	1,302,162
Currency exchange adjustment	-	7,785	7,785
Additions	-	-	-
Disposals	-	-	-
At 1 October 2011	641,137	668,810	1,309,947
Disposals	-	(668,810)	(668,810)
<b>At 30 September 2012</b>	<b>641,137</b>	<b>-</b>	<b>641,137</b>
<b>Impairment</b>			
At 1 October 2010	641,137	-	641,137
Impairment charge	-	-	-
Disposal	-	-	-
At 1 October 2011	641,137	-	641,137
<b>At 30 September 2012</b>	<b>641,137</b>	<b>-</b>	<b>641,137</b>
<b>Net book value</b>			
<b>At 30 September 2012</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 30 September 2011	-	668,810	668,810
At 30 September 2010	-	661,025	661,025

	Group 2012	2011
Resilience Technology Corporation	-	668,810
	<b>-</b>	<b>668,810</b>

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## NOTES TO THE FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2012

### 13. INTANGIBLE ASSETS

Group	Customer List £	Total £
<b>Cost</b>		
At 1 October 2010	1,072,555	1,072,555
Currency exchange adjustment	10,628	10,628
Additions		
Disposals	-	-
At 1 October 2011	1,083,183	1,083,183
Currency exchange adjustment	-	10,628
Disposals	(1,083,183)	(1,083,183)
<b>At 30 September 2012</b>	<b>-</b>	<b>-</b>
<b>Amortisation</b>		
At 1 October 2010	169,773	169,773
Currency exchange adjustment	7,881	7,881
Provided in the year	271,619	271,619
At 1 October 2011	449,273	449,273
Currency exchange adjustment	-	-
Provided in the year	38,477	38,477
Disposals	(487,750)	(487,750)
<b>At 30 September 2012</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>		
<b>At 30 September 2012</b>	<b>-</b>	<b>-</b>
At 30 September 2011	633,910	633,910
At 30 September 2010	902,482	902,482

	Group 2012 £	2011 £
Resilience Technology Corporation	-	633,910
	<b>-</b>	<b>633,910</b>

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## NOTES TO THE FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2012

### 14. NON CURRENT ASSET INVESTMENTS

Group	Available-for-sale investments £	Total £
At 1 October 2010	-	-
Additions	-	-
Exchange adjustments	-	-
Impairment of investment	-	-
Transfer	-	-
Revaluation	-	-
<b>At 1 October 2011</b>	-	-
Additions	-	-
Exchange adjustments	-	-
Impairment of investment	-	-
<b>At 30 September 2012</b>	-	-

Company	Subsidiary Undertakings £	Available-for-sale investments £	Total £
At 1 October 2010	362,220	-	362,220
<b>At 1 October 2011</b>	<b>362,220</b>	-	<b>362,220</b>
<b>At 30 September 2012</b>	<b>362,220</b>	-	<b>362,220</b>

The Company directly owns 100% of the issued share capital of the following subsidiary undertakings, which have been included in the consolidated financial statements

Subsidiary undertaking	Country of registration	Principal activity
Enables IT (UK) Limited	England and Wales	IT Support services
FixIT Worldwide Limited	England and Wales	IT Support services
PC Medics Group Limited	England and Wales	Holding Company
Nexus Management Inc *	USA	IT Support services

\* Investment held via PC Medics Group Limited

The Company owned 14.78% of the ordinary issued share capital of PD Financial, a company incorporated in the USA, as at 30 September 2012. PD Financial's principal activity is direct marketing. PD Financial has now ceased actively trading. In the directors' opinion this investment currently has no value.

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## NOTES TO THE FINANCIAL STATEMENTS

### AT 30 SEPTEMBER 2012

#### 15. INVENTORIES

	Group	
	2012 £	2011 £
Raw Materials	-	301,837
DX Units	-	111,104
Total Inventories	-	<b>412,941</b>

All inventories were held by Resilience Technology Corporation and were disposed of during the year ended 30 September 2012. Raw materials recognised as cost of sales amounted to £Nil (2011 £224,405). There has been no write down of inventories to net realisable value in 2012 (2011 £Nil).

The company had no inventories at 30 September 2012.

#### 16. TRADE AND OTHER RECEIVABLES

	2012 £	Group 2011 £	2012 £	Company 2011 £
Trade receivables	122,663	268,276	-	25,125
Amounts owed by Group undertakings	-	-	480,446	2,326,537
VAT recoverable	-	-	27,265	3,641
Other receivables	91,024	25,130	-	-
Prepayments and accrued income	81,157	117,570	100,074	29,245
	<b>294,844</b>	<b>410,976</b>	<b>607,785</b>	<b>2,384,548</b>

Included in the Company total above is £480,446 (2011 £2,326,537) relating to debtors due after more than one year.

There is no material variance between carrying and fair values.

#### 17. TRADE AND OTHER PAYABLES

	2012 £	Group 2011 £	2012 £	Company 2011 £
Trade payables	60,039	830,325	22,679	12,503
Other payables	83,537	150,117	-	-
Accruals and deferred income	555,385	840,869	501,071	42,916
	<b>698,961</b>	<b>1,821,311</b>	<b>523,750</b>	<b>55,419</b>

Included within Other payables for the Group total above is £Nil (2011 £68,688) relating to amounts falling due after more than one year.

There is no material variance between carrying and fair values.

**ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

**NOTES TO THE FINANCIAL STATEMENTS**

**AT 30 SEPTEMBER 2012**

**18. LOANS AND OTHER BORROWINGS**

	<b>2012</b>	<b>Group</b>	<b>2012</b>	<b>Company</b>
	<b>£</b>	<b>2011</b>	<b>£</b>	<b>2011</b>
		<b>£</b>		<b>£</b>
Bank loans	-	59,200	-	-
Other loans	355,293	676,923	355,293	545,293
	355,293	736,123	355,293	545,293
Disclosed within current liabilities	-	(206,362)	-	(40,000)
Disclosed as non-current liabilities	<b>355,293</b>	<b>529,761</b>	<b>355,293</b>	<b>505,293</b>

The borrowings are repayable as follows

	<b>2012</b>	<b>Group</b>	<b>2012</b>	<b>Company</b>
	<b>£</b>	<b>2011</b>	<b>£</b>	<b>2011</b>
		<b>£</b>		<b>£</b>
On demand or within one year	-	206,362	-	40,000
In the second to fifth years inclusive	355,293	529,761	355,293	505,293
	355,293	736,123	355,293	545,293
Less Amount due for settlement within 12 months (shown under current liabilities)	-	(206,362)	-	(40,000)
Amount due for settlement after 12 months	<b>355,293</b>	<b>529,761</b>	<b>355,293</b>	<b>505,293</b>

Included within other loans is an amount of £Nil (2011 £5,760) relating to the trade and asset acquisition of Resilience Technology Corporation

Bank overdrafts and loans are arranged at floating rates, exposing the Group to cash flow interest rate risk

The weighted average interest rates paid were as follows

	<b>2012</b>	<b>2011</b>
	<b>%</b>	<b>%</b>
Bank loans	-	9.63

Sensitivity analysis on the level of interest rates has not been undertaken as the Directors believe that any increase/decrease in interest rates during the current and previous year would have had no material impact on the level of interest payable

The other principal features of the Group's borrowings are as follows

The Group has two loans taken out in previous years

- (i) Convertible loan notes of £375,000, convertible no later than 2015. The rate of interest is 10% p.a.
- (ii) Convertible loan notes of £25,000, convertible no later than 2015. The rate of interest is 10% p.a.

**ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

**NOTES TO THE FINANCIAL STATEMENTS**

**AT 30 SEPTEMBER 2012**

**19. NET OBLIGATIONS UNDER FINANCE LEASES**

Group	Minimum lease payments		Present value of lease payments	
	2012	2011	2012	2011
	£	£	£	£
<b>Amounts payable under finance lease</b>				
Within one year	44,824	70,383	44,824	70,383
In the second to fifth years inclusive	21,785	64,103	21,785	64,103
	66,609	134,486	66,609	134,486
Less Future finance charges	(4,428)	(12,484)	(4,428)	(12,484)
Present value of lease obligations	62,181	122,002	62,181	122,002
Less Amount due to settlement within 12 months (shown under current liabilities)	(41,263)	(61,806)	(41,263)	(61,806)
Amount due to be settled after 12 months	<b>20,918</b>	<b>60,196</b>	<b>20,918</b>	<b>60,196</b>

Net obligations under finance leases contracts are secured on the assets concerned

The main finance leases within the Group are

Desktop PC's and laptops for Nexus Management Inc The lease, which was for 32 replacement PC's and laptops, commenced in 2012 A monthly rental of £194 is payable over 36 months, with an option to purchase at a nominal amount after 36 months

Addition to the "High availability virtual environment" (HAVEN) for Nexus Management Inc The lease commenced in 2011 A monthly rental of £1,601 is payable over 36 months, with an option to purchase at a nominal amount after 36 months The "High availability virtual environment" contains five servers and storage units that house the virtual server Nexus Management Inc offer HAVEN as a remote storage or virtual server product to its clients

High availability virtual environment for Nexus Management Inc The lease commenced in 2010 A monthly rental of £2,371 is payable over 36 months, with an option to purchase at a nominal amount after 36 months

HVAC Air conditioning system for Nexus Management Inc The lease commenced in 2009 A monthly rental of £1,349 is payable over 60 months, with an option to purchase at a nominal amount after 60 months

**Company**

Amounts payable under finance leases in the company are £nil (2011 £nil)

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## NOTES TO THE FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2012

### 20. SHARE CAPITAL

	2012 £	Group 2011 £	2012 £	Company 2011 £
<b>Authorised</b>				
4,000,000,000 (2011 4,000,000,000) Ordinary shares of £0.0025 each	10,000,000	10,000,000	10,000,000	10,000,000
<b>Allotted, called up and fully paid</b>				
1,179,851,765 (2011 1,142,351,765) Ordinary shares of £0.0025	2,949,630	2,855,880	2,949,630	2,855,880
<b>Shares to be issued</b>				
Nil (2011 Nil) Ordinary shares of £0.0025	-	-	-	-
			<b>No. of shares</b>	<b>£</b>
<b>Reconciliation – Allotted, called up and fully paid</b>				
At 1 October 2011			1,142,351,765	2,855,880
Shares issued in the year				
Consideration for acquisition 0.40p per share			37,500,000	93,750
<b>At 30 September 2012</b>			<b>1,179,851,765</b>	<b>2,949,630</b>

### Share option schemes

On 6 April 2001 the Company adopted an Enterprise Management Incentive Scheme. As set out below during the year the Company did not grant any options (2011 16,500,000 options). Due to the value of these options or the tax status of the recipients, none of these options will be treated as if they were issued under an unapproved share option scheme. No provision is made for National Insurance on the options, which are exercisable at the balance sheet date due to a joint election in place between the Company and the individual under which the individual has agreed to take on the Company's National Insurance liability.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	2012 Number	WAEP Pence	2011 Number	WAEP Pence
Outstanding at the beginning of the year	286,606,019	0.63p	297,672,007	0.63p
Granted during the year	-	0.40p	16,500,000	0.40p
Exercised during the year	-	-	-	-
Lapsed during the year	(90,893,373)	0.61p	(27,565,988)	0.86p
<b>Outstanding at the end of the year</b>	<b>195,712,646</b>	<b>0.63p</b>	<b>286,606,019</b>	<b>0.59p</b>
<b>Exercisable at the end of the year</b>	<b>195,712,646</b>	<b>0.63p</b>	<b>266,272,686</b>	<b>0.61p</b>



# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **AT 30 SEPTEMBER 2012**

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The weighted average share price at the date of exercise for share options exercised during the year was nil (2011 nil)

At 30 September 2012 the following options were granted but not exercised. Options granted to the directors of the Company are detailed separately

- i) 3,850,000 options at 0.25p per share exercisable between 31/12/03 and 29/7/13 granted to P J Weller
- ii) 45,881,443 options at 0.6p per share exercisable between 2/8/04 and 1/2/14 granted. The options to directors were as follows:

P J Weller	1,666,667
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- iii) 9,016,394 options at 0.61p per share exercisable between 1/7/04 and 1/2/14 granted. The options to directors were as follows:

P J Weller	3,278,869
------------	-----------
- iv) 28,186,276 options at 0.68p per share exercisable between 9/12/04 and 8/6/14. The options to directors were as follows:

P J Weller	1,225,490
------------	-----------
- v) 1,376,148 options at 1.09p per share exercisable between 1/2/05 and 1/8/14 granted
- vi) 12,865,617 options at 0.75p per share exercisable between 1/10/05 and 17/5/15 granted
- vii) 2,380,953 options at 0.63p per share exercisable between 29/9/05 and 27/4/14 granted
- viii) 38,736,842 options at 0.59p per share exercisable between 18/11/05 and 17/5/15. The options to directors were as follows:

P J Weller	1,684,211
------------	-----------
- ix) 6,000,000 options at 0.49p per share exercisable between 31/5/06 and 31/5/15 granted. The options to directors were as follows:

P J Weller	2,400,000
------------	-----------
- x) 1,200,000 options at 0.64p per share exercisable between 8/5/06 and 7/11/15 granted
- xi) 5,172,414 options at 0.58p per share exercisable between 13/10/06 and 12/4/16 granted
- xii) 3,600,000 options at 0.63p per share exercisable between 16/4/07 and 15/10/16 granted
- xiii) 347,372 options at 0.75p per share exercisable between 16/4/07 and 15/10/16 granted

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## NOTES TO THE FINANCIAL STATEMENTS

### AT 30 SEPTEMBER 2012

- xiv) 365,854 options at 1 64p per share exercisable between 1/8/07 and 31/1/17 granted
- xv) 5,100,000 options at 0 65p per share exercisable between 3/9/09 and 8/12/18 granted
- xvi) 10,000,000 options at 0 81p per share exercisable between 17/8/09 and 16/2/19 granted to P J Weller
- xvii) 13,333,333 options at 0 81p per share exercisable between 17/2/10 and 16/2/19 granted The options to directors are as follows
- |            |            |
|------------|------------|
| P J Weller | 10,000,000 |
|------------|------------|
- xviii) 5,000,000 options at 0 40p per share exercisable between 15/6/11 and 14/6/20 granted
- xix) 3,300,000 options at 0 40p per share exercisable between 8/3/12 and 7/3/21 granted to P J Weller

The options outstanding at the end of the year have a range of exercise prices from 0 25p to 1 09p The estimate fair values of options granted since 30 July 2003 were calculated using the Black-Scholes option pricing model with the following inputs and subsequent assumptions

Grant date	30 Jul 03	02 Feb 04	02 Feb 04	09 Jun 04	02 Aug 04	28 Apr 05
Share price at grant date	0 0025	0 0053	0 0053	0 0059	0 0095	0 0055
Exercise price	0 0025	0 0060	0 0061	0 0068	0 0109	0 0063
Number of employees	3	7	7	6	3	3
Shares under option	3,850,000	45,881,443	9,016,394	28,186,276	1,376,148	2,380,953
Vesting period (years)	0 5	0 5	0 5	0 5	0 5	0 5
Expected volatility	85%	85%	85%	85%	85%	78%
Option life (years)	10	10	10	10	10	10
Expected life (years)	10	10	10	10	10	10
Risk free rates	4 60%	4 60%	4 60%	4 60%	4 60%	4 60%
Expected dividends	-	-	-	-	-	-
Fair value per option	0 0016	0 0034	0 0034	0 0038	0 0061	0 0034

Grant date	18 May 05	18 May 05	31 May 05	08 Nov 05	13 Apr 06	16 Oct 06
Share price at grant date	0 0048	0 0048	0 0043	0 0056	0 0050	0 0063
Exercise price	0 0075	0 0059	0 0049	0 0064	0 0058	0 0063
Number of employees	40	6	9	5	3	3
Shares under option	12,865,617	38,736,842	6,000,000	1,200,000	5,172,414	2,400,000
Vesting period (years)	3	0 5	3	3	0 5	0 5
Expected volatility	78%	78%	78%	78%	78%	78%
Option life (years)	10	10	10	10	10	10
Expected life (years)	10	10	10	10	10	10
Risk free rates	4 60%	4 60%	4 60%	4 60%	4 60%	4 60%
Expected dividends	-	-	-	-	-	-
Fair value per option	0 0028	0 0029	0 0026	0 0034	0 0031	0 0039

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## NOTES TO THE FINANCIAL STATEMENTS

### AT 30 SEPTEMBER 2012

Grant date	16 Oct 06	16 Oct 06	01 Feb 07	09 Dec 08	17 Feb 09	17 Feb 09
Share price at grant date	0 0063	0 0063	0 0164	0 0056	0 0081	0 0081
Exercise price	0 0063	0 0075	0 0164	0 0065	0 0081	0 0081
Number of employees	2	1	2	7	3	3
Shares under option	1,200,000	347,372	365,854	5,100,000	10,000,000	13,333,333
Vesting period (years)	3	3	3	3	0 5	3
Expected volatility	79%	77%	79%	66%	65%	65%
Option life (years)	10	10	10	10	10	10
Expected life (years)	10	10	10	10	10	10
Risk free rates	4 60%	4 60%	4 60%	4 50%	4 50%	4 50%
Expected dividends	-	-	-	-	-	-
Fair value per option	0 0039	0 0038	0 0103	0 0031	0 0046	0 0046

Grant date	15 Jun 10	8 Mar 11
Share price at grant date	0 0030	0 0033
Exercise price	0 0040	0 0040
Number of employees	7	5
Shares under option	5,000,000	3,300,000
Vesting period (years)	3	3
Expected volatility	65%	47%
Option life (years)	10	10
Expected life (years)	10	10
Risk free rates	2 50%	2 50%
Expected dividends	-	-
Fair value per option	0 0015	0 0013

No other conditions were included in the fair value calculations

The expected volatility is based on historical volatility over the expected life period. The expected life of the average expected period to exercise based on historical experience. The risk free rate of return is the yield on zero-coupon UK government bonds of a term consistent with the assumed option life.

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## NOTES TO THE FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2012

### 21. RESERVES

	Share premium account £	Profit and loss account £	Foreign currency reserve £	Other reserve £	Share options reserve £
<b>Group</b>					
Balance at 1 October 2011	5,072,700	(8,652,264)	(120,019)	38,876	971,079
Currency exchange	-	-	5,921	-	-
Premium in respect of shares issued in the year	56,250	-	-	-	-
Share option movement in the year	-	-	-	-	1,795
Retained loss for the year	-	(102,532)	-	-	-
<b>At 30 September 2012</b>	<b>5,128,950</b>	<b>(8,754,796)</b>	<b>(114,098)</b>	<b>38,876</b>	<b>972,874</b>

	Share premium account £	Profit and loss account £	Other reserve £	Share options reserve £
<b>Company</b>				
Balance at 1 October 2011	5,072,700	(6,418,917)	38,876	971,079
Premium in respect of shares issued in the year	56,250	-	-	-
Share option movement in the year	-	-	-	1,795
Retained loss for the year	-	(1,846,950)	-	-
<b>At 30 September 2012</b>	<b>5,128,950</b>	<b>(8,265,867)</b>	<b>38,876</b>	<b>972,874</b>

### 22. COMMITMENTS UNDER OPERATING LEASES

Future minimum operating lease payments for the Group were as follows

	2012 £	2011 £
<b>Land and buildings</b>		
In one year or less	117,921	174,140
Between one and five years	465,293	460,733
Over five years	113,140	363,657
	<b>696,354</b>	<b>998,530</b>

The main operating leases within the Group are

**ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

**NOTES TO THE FINANCIAL STATEMENTS**

**AT 30 SEPTEMBER 2012**

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**22. COMMITMENTS UNDER OPERATING LEASES (CONTINUED)**

**4 Industrial Parkway, Maine**

The property is the subject of a 10 year lease, commencing in 2009. If Nexus Management Inc. is not in arrears, the lease will be automatically renewed for 2 further periods, each of 5 years. Nexus Management Inc. can terminate the lease by giving the landlord notice of 180 days. The rent is currently £106,652 per annum, increasing by 2.5% annually. If the rent payment is late, the landlord charges a late payment fee of 5% of the rent.

**120 Moorgate, London**

The property is the subject of a 3 year lease, commencing in June 2012. There is no provision for automatic renewal of this lease. The rent/service charge is currently £18,508 per annum, with a provision to increase by the Retail Price Index for "all items". The lease terminates in 2015.

**Station Square, Dornoch, Sutherland, Scotland**

The property is the subject of a 5 year lease, terminating in 2012. There is no provision for automatic renewal of this lease. The rent is currently £15,500 per annum, fixed until the date of termination.

**Unit 5, Mole Business Park, Randalls Road, Leatherhead, Surrey**

The Group entered into a 10 year lease commencing June 2012 for the property at Unit 5, Mole Business Park, Randalls Road, Leatherhead, Surrey KT22 7BA. The rent/service charge is £31,726 per annum up to July 2013 and increases to £57,976 thereafter.

**23. CAPITAL COMMITMENTS**

As at 30 September 2012, the Group and Company had capital commitments amounting to c. £270,000 relating to the property at Unit 5, Mole Business Park, Randalls Road, Leatherhead, Surrey (2011: £nil).

**24. POST BALANCE SHEET EVENTS**

In November 2012, the company consolidated its shares at a ratio of 300:1 and a division of the existing ordinary shares of £0.0025 in the capital of the Company into new ordinary shares of £0.01 each and deferred shares of £0.74 each in the capital of the Company.

In November 2012, the Group completed the acquisition of Enables IT Limited for £4.25 million consideration, which was satisfied by the issue of 11,798,475 consideration shares. The Group acquired 100% of the share capital of Enables IT Limited. The acquisition constitutes a reverse takeover under the AIM rules. The legal name of the company was changed to Enables IT Group plc.

# ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)

## NOTES TO THE FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2012

### 25. RELATED PARTY TRANSACTIONS

#### Group

The key management personnel of the Group comprise members of the Enables IT Group plc Board of Directors and the Managing Directors of the Group's subsidiary undertakings

The key management personnel compensation is as follows

	2012	2011
	£	£
Remuneration including benefits in kind and pension	315,172	661,155
Share based payments	1,795	26,681
	<b>316,967</b>	<b>687,836</b>

#### Company

At 30 September 2012 the following amounts were due from related companies

	2012	2011
	£	£
Enables IT (UK) Limited	399,107	305,665
Nexus Management Inc	463,165	289,700
PC Medics Group Limited	17,281	17,281
Resilience Technology Corporation	-	2,019,556

No interest is payable on the inter-company balances. The balances will be paid when funds allow.

Mr M. Walliss, a director of Enables IT Limited, joined the board of Enables IT Group plc in July 2012. During the year, Enables IT (UK) Limited made sales to Enables IT of £2,880 and purchases from Enables IT of £3,884, all excluding VAT. The balance between the two companies as at 30 September 2012 was £1,195.20 owing to Enables IT (UK) Limited.

#### Transactions with Directors

The following loans were received from directors and related parties during the year

	Loan	Balance at	Interest
	£	Year End	Charged
		£	£
Janet Richardson	-	-	-
Jeremy Lister	-	-	-
Sean Scott	-	-	-
At 30 September 2012	-	-	-

# **ENABLES IT GROUP PLC (FORMERLY NEXUS MANAGEMENT PLC)**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AT 30 SEPTEMBER 2012**

### **25. RELATED PARTY TRANSACTIONS (CONTINUED)**

	<b>Loan £</b>	<b>Balance at Year End £</b>	<b>Interest Charged £</b>
Janet Richardson	49,000	40,000	7,889
Jeremy Lister	8,500	-	1,275
Sean Scott	53,113	24,468	-
<b>At 30 September 2011</b>	<b>110,613</b>	<b>64,468</b>	<b>9,164</b>

Mrs Richardson is the spouse of CEO Roger Richardson and therefore treated as a related party to the company  
Sean Scott is the Managing Director of Resilience Technology Corporation Mrs Richardson's balance of £40,000 was paid in full in October 2011

#### **Guarantees**

Enables IT Group plc has provided a parent company guarantee to the landlord of the property at 120 Moorgate, London in respect of the lease of the premises

The Company has an outstanding debt from a subsidiary, Enables IT (UK) Limited of £399,107 at 30 September 2012 The directors have taken the view that it is doubtful the debt will be repaid in the near future, so the company has provided for the full balance of £399,107 in 2012 (2011 £305,665)

### **26. CONTROLLING PARTY**

The Directors consider there to be no ultimate controlling party