

Company Registration No. 05131092 (England and Wales)

KAVANAGH ENTERPRISES LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 APRIL 2010

Jeffreys Henry LLP

**Finsgate
5-7 Cranwood Street
London
EC1V 9EE**

TUESDAY



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COMPANIES HOUSE

KAVANAGH ENTERPRISES LIMITED

DIRECTORS AND ADVISERS

Directors	Sir Peter Rigby	(Appointed 6 September 2010)
	J P Rigby	(Appointed 6 September 2010)
Company number	05131092	
Registered office	James House Warwick Road Birmingham B11 2LE	
Registered auditors	Jeffreys Henry LLP Finsgate, 5-7 Cranwood Street London EC1V 9EE	
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP	

KAVANAGH ENTERPRISES LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Consolidated profit and loss account	5
Balance sheets	6
Consolidated cash flow statement	7
Notes to the consolidated cash flow statement	8
Notes to the financial statements	9 - 20

KAVANAGH ENTERPRISES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2010

The directors present their report and financial statements for the year ended 30 April 2010

Principal activities and review of the business

During the year, the company provided IT consultancy, services, support, training and products to its corporate and public sector clients

The majority of products supplied by the company are manufactured by Hewlett- Packard, Cisco, Microsoft and VM Ware

Competition during the year remained strong and turnover declined by 15.4% compared to the prior year. Whilst gross margins were slightly higher at 17.4% compared to 17.2%, this was not sufficient to offset lower turnover and as overheads remained comparable to the prior year, an increased loss was reported.

Following the year end, on 6 September, the company was acquired by Specialist Computer Centres plc, a wholly owned subsidiary of Specialist Computer Holdings plc.

The trade, assets and liabilities as at 30 October 2010, were transferred to Specialist Computer Centres plc and subsequent to that date, the company has ceased to engage in new trade.

Results and dividends

The consolidated profit and loss account for the year is set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 May 2009

Sir Peter Rigby	(Appointed 6 September 2010)
J P Rigby	(Appointed 6 September 2010)
R Campbell	(Resigned 6 September 2010)
A Head	(Resigned 6 September 2010)
D Shackleton	(Resigned 6 September 2010)

Creditor payment policy

The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure the suppliers are made aware of the terms of payment and abide by them.

Auditors

Jeffreys Henry LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

KAVANAGH ENTERPRISES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2010

Statement of directors' responsibilities

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

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

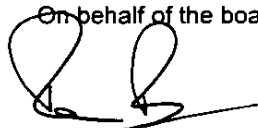
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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.

Statement of disclosure to auditors

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

On behalf of the board



Sir Peter Rigby

Director

16 March 2011

KAVANAGH ENTERPRISES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KAVANAGH ENTERPRISES LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Kavanagh Enterprises Limited for the year ended 30 April 2010 set out on pages 5 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 April 2010 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

KAVANAGH ENTERPRISES LIMITED

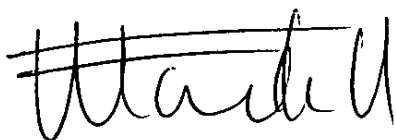
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF KAVANAGH ENTERPRISES LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements 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



Justin Randall (Senior Statutory Auditor)
for and on behalf of Jeffreys Henry LLP

16 March 2011

Chartered Accountants
Statutory Auditor

Finsgate, 5-7 Cranwood Street
London
EC1V 9EE

KAVANAGH ENTERPRISES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2010

		Year ended 30 April 2010	Year ended 30 April 2009 as restated *
	Notes	£	£
Turnover	2	24,877,205	29,414,241
Cost of sales		(20,559,612)	(24,350,781)
Gross profit		4,317,593	5,063,460
Administrative expenses		(6,657,010)	(6,802,265)
Operating loss	3	(2,339,417)	(1,738,805)
Other interest receivable and similar income	4	-	14,982
Interest payable and similar charges	5	(29,565)	(35,144)
Loss on ordinary activities before taxation	3	(2,368,982)	(1,758,967)
Tax on loss on ordinary activities	6	-	115,630
Loss on ordinary activities after taxation		(2,368,982)	(1,643,337)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

* There is a restatement of turnover and cost of sales in 2009, which has no impact on gross profit (see note 2)


KAVANAGH ENTERPRISES LIMITED

BALANCE SHEETS

AS AT 30 APRIL 2010

		Group 2010	2009 as restated	Company 2010	2009
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8	701,116	980,167	-	-
Investments	9	-	-	225,000	225,000
		<u>701,116</u>	<u>980,167</u>	<u>225,000</u>	<u>225,000</u>
Current assets					
Stocks	10	50,995	176,123	-	-
Debtors	11	5,524,894	4,283,241	-	-
Cash at bank and in hand		399	2,301,934	-	-
		<u>5,576,288</u>	<u>6,761,298</u>	<u>-</u>	<u>-</u>
Creditors amounts falling due within one year	12	(9,302,227)	(8,397,306)	(820)	(820)
Net current liabilities		<u>(3,725,939)</u>	<u>(1,636,008)</u>	<u>(820)</u>	<u>(820)</u>
Total assets less current liabilities		<u>(3,024,823)</u>	<u>(655,841)</u>	<u>224,180</u>	<u>224,180</u>
Capital and reserves					
Called up share capital	15	81	81	81	81
Other reserves	16	14	14	14	14
Profit and loss account	16	(3,024,918)	(655,936)	224,085	224,085
Shareholders' funds	17	<u>(3,024,823)</u>	<u>(655,841)</u>	<u>224,180</u>	<u>224,180</u>

Approved by the Board and authorised for issue on 16 March 2011



Sir Peter Rigby
Director

Company Registration No. 05131092 .

KAVANAGH ENTERPRISES LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2010

	Year ended 30 April 2010	Year ended 30 April 2009
£	£	£
Net cash (outflow)/inflow from operating activities	(2,474,744)	1,421,866
Returns on investments and servicing of finance		
Interest received	-	14,982
Interest paid	(29,565)	(35,144)
Net cash outflow for returns on investments and servicing of finance	(29,565)	(20,162)
Taxation	-	(38,265)
Capital expenditure		
Payments to acquire tangible assets	(48,035)	(129,180)
Receipts from sales of tangible assets	-	12,123
Net cash outflow for capital expenditure	(48,035)	(117,057)
Net cash (outflow)/inflow before management of liquid resources and financing	(2,552,344)	1,246,382
Management of liquid resources		
Bank deposits	-	1,000,000
	-	1,000,000
(Decrease)/increase in cash in the year	(2,552,344)	2,246,382

KAVANAGH ENTERPRISES LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2010

1	Reconciliation of operating loss to net cash (outflow)/inflow from operating activities	2010	2009
		£	£
	Operating loss	(2,339,417)	(1,738,805)
	Depreciation of tangible assets	323,462	366,979
	Loss on disposal of tangible assets	3,624	1,179
	Decrease/(increase) in stocks	125,128	250,954
	Decrease/(increase) in debtors	(1,241,653)	2,853,553
	(Decrease)/increase in creditors	654,112	(311,994)
	Net cash (outflow)/inflow from operating activities	(2,474,744)	1,421,866

2	Analysis of net (debt)/funds	1 May 2009	Cash flow	Other non-cash changes	30 April 2010
		£	£	£	£
	Net cash				
	Cash at bank and in hand	2,301,934	(2,301,535)	-	399
	Bank overdrafts	-	(250,809)	-	(250,809)
		<u>2,301,934</u>	<u>(2,552,344)</u>	<u>-</u>	<u>(250,410)</u>
	Net funds/(debt)	<u>2,301,934</u>	<u>(2,552,344)</u>	<u>-</u>	<u>(250,410)</u>

3	Reconciliation of net cash flow to movement in net (debt)/funds	2010	2009
		£	£
	(Decrease)/increase in cash in the year	(2,552,344)	2,246,382
	Cash outflow from increase in liquid resources	-	(1,000,000)
	Movement in net (debt)/funds in the year	(2,552,344)	1,246,382
	Opening net funds/(debt)	2,301,934	1,055,552
	Closing net (debt)/funds	(250,410)	2,301,934

KAVANAGH ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The financial statements have been prepared on a going concern basis. Subsequent to the year end the company was sold to Specialist Computer Centres plc and the company's net liabilities met in full

1.2 Compliance with accounting standards

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

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 April 2010. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation

1.4 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Revenue is recognised when persuasive evidence of an arrangement with a customer exists, delivery has occurred or all significant performance obligations have been completed, the price is fixed or determinable and the collection of the amount due is reasonably assured. Income from service contracts is recognised on a straight line basis over the period of the contracts

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	Over the lease term
Furniture, fixtures, fittings and machinery	20% straight line
Office and demonstration equipment	25% straight line

KAVANAGH ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2010

1 Accounting policies

(continued)

1.6 Leasing

(a) Finance leases

Lease contracts which are not subsequently reassigned and which transfer substantially all of the risks and rewards of ownership to the lessee are classified as financial leases

Finance leases are accounted for on the basis of gross receivables less unearned income and provision for bad debts, and are included within debtors. Unearned income is allocated to future periods to give a constant periodic rate return on the net investment

(b) Operating leases

Other lease contracts which are not subsequently reassigned are classified as operating leases and the equipment is recorded at cost in fixed assets. Depreciation is charged on a reducing balance basis to bring the equipment to a net book value based on the estimated market value

Rental income from such leases is recognised on a straight line basis over the period of the contract. Rental costs represent the depreciation charge of the leased equipment

Leased assets

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate

1.9 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

KAVANAGH ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2010

1 Accounting policies

(continued)

1.10 Deferred taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

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

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

1.11 Foreign currency translation

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at the date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account

1.12 Fixed asset investments

Fixed asset investments are shown at cost less any provision for impairment

2 Turnover

For the year ended 30 April 2009, the company had recorded the revenue for certain maintenance contracts provided by vendors on an agency basis, recognising profit only to the extent that the contract had been completed

During the year, the company reviewed the substance of these contracts and concluded that the revenue on such contracts should be recognised in full and profit recognised as soon as the company has completed all significant performance obligations in accordance with the companies accounting policies as set out in note 1.4 to these financial statements

The effect of this change is an increase in revenue and cost of sales of £4,559k for the year ended 30 April 2009

KAVANAGH ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2010

3	Operating loss	2010	2009
		£	£
	Operating loss is stated after charging		
	Depreciation of tangible assets	323,462	366,978
	Loss on disposal of tangible assets	3,624	1,179
	Loss on foreign exchange transactions	275	73
	Operating lease rentals	707,783	604,992
	Auditors' remuneration		
	- audit services	16,950	27,800
	- tax compliance services	1,750	8,500
		<u> </u>	<u> </u>
4	Interest receivable and similar income	2010	2009
		£	£
	Bank interest	-	2,982
	Other interest	-	12,000
		<u> </u>	<u> </u>
		-	14,982
		<u> </u>	<u> </u>
5	Interest payable	2010	2009
		£	£
	On bank loans and overdrafts	29,565	35,144
		<u> </u>	<u> </u>

KAVANAGH ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2010

6	Taxation	2010 £	2009 £
	Domestic current year tax		
	U K corporation tax	-	(61,012)
	Adjustment for prior years	-	1,746
	Current tax charge	-	(59,266)
	Deferred tax		
	Origination of timing differences	-	(57,216)
	Effect of decrease in tax rate on opening liability	-	852
	Total deferred tax	-	(56,364)
	Total tax/(loss) on loss on ordinary activities	-	(115,630)
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(2,368,982)	(1,758,967)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2009 - 21.00%)	(497,486)	(369,383)
	Effects of		
	Non deductible expenses	7,999	20,914
	Capital allowances	67,927	60,971
	Excess losses carried forward	421,560	225,445
	Adjustments to previous periods	-	1,746
	Other tax adjustments	-	1,041
	Current tax charge	-	(59,266)

The group has estimated losses of £ 3,120,000 (2009 - £ 1,070,000) available for carry forward against future trading profits

7 Loss for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows

	2010 £	2009 £
Holding company's loss for the financial year	-	-

KAVANAGH ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2010

8 Tangible fixed assets

Group

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 May 2009	654,362	1,135,181	351,736	2,141,279
Additions	-	47,520	515	48,035
Disposals	-	(4,045)	-	(4,045)
At 30 April 2010	654,362	1,178,656	352,251	2,185,269
Depreciation				
At 1 May 2009	189,436	750,717	220,959	1,161,112
Charge for the year	65,556	204,401	53,505	323,462
On disposals	-	(421)	-	(421)
At 30 April 2010	254,992	954,697	274,464	1,484,153
Net book value				
At 30 April 2010	399,370	223,959	77,787	701,116
At 30 April 2009	464,926	384,463	130,778	980,167

KAVANAGH ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2010

9 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 May 2009 & at 30 April 2010	225,000
Net book value	
At 30 April 2010	225,000
At 30 April 2009	225,000

The company holds 100% (2009 100%) of the ordinary share capital of Kavanagh Systems Limited, a company incorporated and trading in the United Kingdom. Kavanagh Systems provides IT consultancy, services, support, training and products to its corporate and public sector clients. The key services include business analysis, and the technical design, implementation and integration of enterprise class IT solutions.

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

10 Stocks

	Group 2010 £	2009 £	Company 2010 £	2009 £
Finished goods and goods for resale	50,995	176,123	-	-

There is no material difference between the balance sheet value of stocks and their replacement cost.

KAVANAGH ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2010

11 Debtors

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	4,329,068	2,795,316	-	-
Corporation tax	61,012	61,012	-	-
Other debtors	622,324	879,535	-	-
Prepayments and accrued income	512,490	547,378	-	-
	<u>5,524,894</u>	<u>4,283,241</u>	<u>-</u>	<u>-</u>

12 Creditors : amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£	as restated *	£	£
Bank loans and overdrafts	250,809	-	-	-
Trade creditors	5,372,451	6,482,739	-	-
Amounts owed to group undertakings	-	-	820	820
Taxes and social security costs	1,271,870	403,719	-	-
Other creditors	197,571	-	-	-
Accruals and deferred income	2,209,526	1,510,848	-	-
	<u>9,302,227</u>	<u>8,397,306</u>	<u>820</u>	<u>820</u>

Included in creditors for the group is an amount of £4,122,766 (2009 £3,769,443) due to Bell Microproducts Limited and a bank overdraft of £250,809 (2009 £nil) from Barclays Bank Plc which are secured against the company's assets

* Deferred revenues in relation to Support contracts provided by the group have been included within current liabilities for the year

In the prior year accruals and deferred income was not analysed between liabilities arising within 12 months and those arising thereafter. These liabilities include billed service credits which either must be drawn against within the next 12 months as the contract expires within that period, or where the obligation exists to provide service within the coming 12 months, even though the customer contract may extend beyond the same period. As the liability exists at the balance sheet date and may be drawn against within the next 12 months, all such deferred revenue has been presented within current liabilities.

The impact on the balance sheet as at 30 April 2009, is to show £1,510,848 within current liabilities which was previously shown on the face of the balance sheet outside of this category.

KAVANAGH ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2010

13 Provisions for liabilities

Group and Company

	Deferred taxation £
Balance at 1 May 2009 & at 30 April 2010	-
Balance at 30 April 2010	-

Deferred taxation comprises

	2010 £	2009 £
Timing differences between depreciation and capital allowances	(42,360)	5,850
Other timing differences	-	(1,893)
Trading losses	(655,420)	(225,445)
Provision for deferred tax	(697,780)	(221,758)

An estimated deferred tax asset balance of £698,000 (2009 £222,000) has not been recognised because in the opinion of the directors there were not at the balance sheet date suitable taxable gains available in the foreseeable future

14 Pension and other post-retirement benefit commitments

Defined contribution

	2010 £	2009 £
Contributions payable by the group for the year	18,337	27,022

15 Share capital

	2010 £	2009 £
Authorised		
100,000 Ordinary shares of 10p each	10,000	10,000
Allotted, called up and fully paid		
810 Ordinary shares of 10p each	81	81

KAVANAGH ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2010

16 Statement of movements on reserves Group

	Other reserves (see below) £	Profit and loss account £
Balance at 1 May 2009	14	(655,936)
Loss for the period	-	(2,368,982)
Balance at 30 April 2010	14	(3,024,918)

Other reserves

Capital redemption reserve

Balance at 1 May 2009 & at 30 April 2010

14

Company

	Other reserves (see below) £	Profit and loss account £
Balance at 1 May 2009	14	224,085
Balance at 30 April 2010	14	224,085

Other reserves

Capital redemption reserve

Balance at 1 May 2009 & at 30 April 2010

14

KAVANAGH ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2010

17 Reconciliation of movements in shareholders' funds	2010	2009
	£	£
Group		
Loss for the financial year	(2,368,982)	(1,643,337)
Opening shareholders' funds	(655,841)	987,496
Closing shareholders' funds	(3,024,823)	(655,841)
Company	2010	2009
	£	£
Loss for the financial year	-	-
Opening shareholders' funds	224,180	224,180
Closing shareholders' funds	224,180	224,180

18 Financial commitments

At 30 April 2010 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2010	2009
	£	£
Expiry date		
Between two and five years	67,089	-
In over five years	665,455	732,544
	732,544	732,544

19 Directors' emoluments	2010	2009
	£	£
Emoluments for qualifying services	831,555	1,056,479
Company pension contributions to defined contribution schemes	5,353	4,771
	836,908	1,061,250
Emoluments disclosed above include the following amounts paid to the highest paid director		
Emoluments for qualifying services	301,500	356,500

KAVANAGH ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2010

20 Employees

Number of employees

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

	2010 Number	2009 Number
Directors	3	3
Finance and administrative staff	15	17
Projects and consultants	32	39
Sales, sales support and pre-sales consultants	43	43
	<u>93</u>	<u>102</u>

Employment costs

	2010 £	2009 £
Wages and salaries	5,294,861	6,567,214
Social security costs	408,047	764,149
Other pension costs	18,337	50,214
	<u>5,721,245</u>	<u>7,381,577</u>

21 Control

In the opinion of the directors, the ultimate controlling parties at the year end were R Campbell, A Head and D Shackleton, directors of the company

22 Related party transactions

Group and company

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking

23 Post Balance Sheet Events

Group and company

Following the year end on 6 September 2010, the entire share capital of the company's holding company Kavanagh Enterprises Limited, was acquired by Specialist Computer Centres plc, a wholly owned subsidiary of Specialist Computer Holdings plc

The trade, assets and liabilities as at 30 October 2010, were transferred to Specialist Computer Centres plc and subsequent to that date, the company has ceased to engage in new trade