

J M Computing Limited

FINANCIAL STATEMENTS

for the year ended

30 June 2009

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COMPANIES HOUSE

J M Computing Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A C Burgess
T C Maxwell
M J Bentley
N J Isherwood
M Sykes
D Gill
R P Jones
L Steele

SECRETARY

D Gill

REGISTERED OFFICE

Riverside
Agecroft Road
Manchester
M27 8SJ

AUDITORS

Saffery Champness
City Tower
Piccadilly Plaza
Manchester
M1 4BT

BANKERS

Lloyds TSB
53 King Street
Manchester
M60 2ES

J M Computing Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of J M Computing Limited for the year ended 30 June 2009.

Business Review and Principal Activities

The principal activity of the company during the year was the provision of IT support services, infrastructure and business management software.

There has not been any significant change in the company's principal activity in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

As anticipated, the challenging conditions in the UK economy had an adverse impact on turnover and profitability of the company during the year. A freeze in the capital investment by clients led to a significant reduction in our project related turnover. Our reaction was to reduce our overheads in our sales and delivery teams to the appropriate level. However our support contract revenue has remained strong, with clients valuing this service even more in difficult times and regarding it as an essential business support service. As a consequence our investment in our support function has remained constant and our client survey statistics indicate record levels of satisfaction.

We have also experienced excellent levels of client attraction, with significantly more new clients gained than in the previous, record turnover, financial year. Poor quality service and concerns over financial stability of their support partner are the major reasons quoted for driving them to market.

As shown in the company's profit and loss account on page 6, sales have decreased by 18.8% over the prior year and profit before tax has declined by 35.2% from 12.9% to 10.3%. The balance sheet on page 7 shows the company's financial position at the year end. The directors consider the level of sales, gross profit and profit before tax to be the key performance measures for the company on a monthly, quarterly and annual basis. There are no further KPIs that are necessary for an understanding of the development, performance or position of the business of the company.

Other financial risks faced by the company include credit risk and liquidity risk. The company manages these risks by performing client credit checks and cash flow forecasting and monitoring.

The last two quarters of the financial year saw a stabilising of our sales performance at forecasted levels. The forecast for the coming year is based on a continuation at these levels and consequently a return to the degree of profitability traditionally experienced. The combination of our sales pipeline, order book, client survey statistics and client attraction and retention rates suggests that this will be achievable.

Dividends and Transfer to Reserves

No dividends have been paid during the year (2008 - £1,879,482). No final dividend is proposed (2008 - £nil). The profit of £640,830 (2008 - £969,636) has been transferred to reserves.

The Directors of the Company

The directors who served the company during the year were as follows:

A C Burgess
T C Maxwell
M J Bentley
N J Isherwood
M Sykes
D Gill
R P Jones
L Steele

J M Computing Limited

DIRECTORS' REPORT

Charitable Donations

During the year the company donated £1,525 (2008 - £3,147) to causes for the benefit of the community.

Employee Share Schemes

The involvement of key employees in the financial performance of the Group is encouraged through participation in the Group's share option scheme, details of which are shown in the consolidated financial statements of jmc.it Group Limited.

Statement as to disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Auditors

Saffery Champness were appointed auditors to the company during the year and have indicated their willingness to continue in office.

By order of the board

D Gill
Company Secretary

14 October 2009

J M Computing Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable laws 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgments and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 proper 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

J M Computing Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF J M COMPUTING LIMITED

We have audited the financial statements of JM Computing Limited set out on pages 6 to 15. 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 section 495 and 496 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 director and auditors

As explained more fully in the Directors Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its profit 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.

Matters on which we are required to report by exception

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

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

Simon Kite FCA
Senior Statutory Auditor

For and on behalf of Saffery Champness

Chartered Accountants
Statutory Auditors

14/10/09
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City Tower
Piccadilly Plaza
Manchester
M1 4BT

J M Computing Limited
PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2009

	<i>Notes</i>	2009 £	2008 £
TURNOVER	1	8,191,565	10,092,608
Cost of sales		(2,319,964)	(3,281,660)
Gross profit		<u>5,871,601</u>	<u>6,810,948</u>
Administrative expenses		(5,049,091)	(5,565,678)
OPERATING PROFIT	2	<u>822,510</u>	<u>1,245,270</u>
Interest receivable and similar income	5	18,461	52,693
		<u>840,971</u>	<u>1,297,963</u>
Interest payable	6	(65)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>840,906</u>	<u>1,297,963</u>
Taxation	7	(196,580)	(328,327)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	<u>644,326</u>	<u>969,636</u>

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

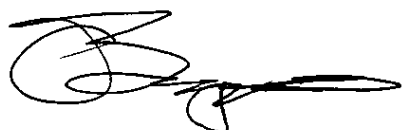
J M Computing Limited

BALANCE SHEET

As at 30 June 2009

	<i>Notes</i>	2009 £	2008 £
FIXED ASSETS			
Tangible assets	9	166,202	281,654
CURRENT ASSETS			
Stocks	10	64,579	86,393
Debtors	11	2,011,537	1,322,905
Cash at bank and in hand		1,644,610	1,381,878
		<u>3,720,726</u>	<u>2,791,176</u>
CREDITORS			
Amounts falling due within one year	12	(3,022,249)	(2,932,477)
NET CURRENT ASSETS /(LIABILITIES)		<u>698,477</u>	<u>(141,301)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		864,679	140,353
CREDITORS: Amounts falling due after more than one year	13	(80,000)	-
		<u>784,679</u>	<u>140,353</u>
CAPITAL AND RESERVES			
Called up equity share capital	14	10,000	10,000
Profit and loss account	15	774,679	130,353
SHAREHOLDERS' FUNDS	16	<u>784,679</u>	<u>140,353</u>

These financial statements were approved by the directors, authorised for issue on 14 October 2009 and are signed on their behalf by:



A C Burgess
Director

Company Registration No: 1131358

J M Computing Limited

ACCOUNTING POLICIES

for the year ended 30 June 2009

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

CASH FLOW STATEMENT

The company is a wholly owned subsidiary of jmc.it Holdings Limited and is included in the consolidated financial statements of jmc.it Group Limited, the ultimate parent company, which are publicly available. Consequently the company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements.

TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is provided on all tangible fixed assets calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Leasehold improvements	15% straight line
Computer equipment	33% to 50% straight line
Vehicles	25% reducing balance
Fixtures, fittings and equipment	20% reducing balance

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

STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing and selling costs.

DEFERRED TAXATION

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

The deferred tax balance has not been discounted.

LEASES

Rentals under operating leases are charged to the profit and loss account in equal amounts over the life of the lease.

PENSION COSTS

The company operates a defined contribution money purchase scheme for eligible employees. Contributions made by the company are charged to the profit and loss account as incurred. Differences between contributions payable and contributions actually paid are shown as prepayments or accruals in the balance sheet. There were no amounts outstanding at the year end.

J M Computing Limited

ACCOUNTING POLICIES

for the year ended 30 June 2009

SUPPORT INCOME

First year support income is matched with direct expenditure and is weighted accordingly over the initial contract period. Thereafter, support income is accrued equally over the period of the support contract.

SHARE-BASED COMPENSATION

The Group operates an equity-settled, share based compensation plan. Details of the scheme are shown in the consolidated financial statements of jmc.it Group Limited.

J M Computing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

1	TURNOVER	2009 £	2008 £
	An analysis of turnover which is all attributable to the company's principal activity is given below:		
	United Kingdom & Eire	<u>8,191,565</u>	<u>10,092,608</u>
2	OPERATING PROFIT		
	Operating profit is stated after charging:		
		2009 £	2008 £
	Loss on disposal of tangible fixed assets	6,435	829
	Depreciation – owned assets	148,313	157,059
	Rentals under operating leases		
	Land & buildings	200,000	100,000
	Other	146,868	142,704
	Auditors Remuneration – audit	11,500	15,000
	- other services	<u>2,500</u>	<u>3,550</u>
3	EMPLOYEES	2009 No.	2008 No.
	The average monthly number of persons (including directors) employed by the group during the year was:		
	Management	8	8
	Technical	53	58
	Sales and distribution	12	17
	Administration	19	21
		<u>92</u>	<u>104</u>
		2009 £	2008 £
	Staff costs for above persons:		
	Wages and salaries	3,320,692	3,722,139
	Social security costs	387,873	458,342
	Other pension costs	112,094	121,373
		<u>3,820,659</u>	<u>4,301,854</u>
4	DIRECTORS' EMOLUMENTS	2009 £	2008 £
	The directors' aggregate emoluments in respect of qualifying services were:		
	Aggregate emoluments	657,817	764,401
	Company contributions to a money purchase pension scheme	41,623	35,106
		<u>699,440</u>	<u>799,507</u>

J M Computing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

4 DIRECTORS' EMOLUMENTS (continued)

Pension benefits are accruing to eight directors (2008– eight) under a money purchase pension scheme.

Options over shares in the parent company were granted to no directors (2008 – 1) during the year.

	2009 £	2008 £
Remuneration of highest paid director		
Aggregate emoluments	124,633	149,261
Company contributions to a money purchase pension scheme	10,450	9,115
	<u>135,083</u>	<u>158,376</u>

5 INTEREST RECEIVABLE

	2009 £	2008 £
Bank credit interest	<u>18,461</u>	<u>52,693</u>

6 INTEREST PAYABLE

	2009 £	2008 £
Interest on underpaid taxation	<u>65</u>	<u>-</u>

7 TAXATION

	2009 £	2008 £
Current tax:		
UK corporation tax at 28% (2008 – 29.5%) based on the profit for the period	211,178	332,155
Adjustment in respect of prior years	(11,102)	-
Total current tax	<u>200,076</u>	<u>332,155</u>
Deferred tax	(3,496)	(3,828)
Total tax on profit on ordinary activities	<u>196,580</u>	<u>328,327</u>

J M Computing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

7 TAXATION (continued)

The tax assessed for the period is higher than that resulting from applying the standard rate of corporation tax in the UK 28% (2008- 29.5%). The differences are explained below:

Factors affecting tax charge for period:	2009	2008
	£	£
Profit on ordinary activities before taxation	840,906	1,297,963
Profit on ordinary activities multiplied by the standard rate of tax at 28% (2008 29.5%)	235,454	382,935
Expenses not deductible for tax purposes	8,740	18,686
Depreciation in excess of capital allowances	9,266	3,975
Prior period adjustments	(11,102)	-
Group relief claimed	(42,655)	(73,499)
Marginal relief	(285)	-
Other tax adjustments	658	58
	<u>200,076</u>	<u>332,155</u>

8 DIVIDENDS

	2009	2008
	£	£
Equity dividends on 10,000 ordinary £1 shares		
Interim paid - £nil per ordinary share (2008- £187.95)	<u>nil</u>	<u>1,879,482</u>

9 TANGIBLE FIXED ASSETS

	Leasehold Improvements	Computer Equipment	Fixtures, fittings and equipment	Vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2008	57,798	732,322	98,620	38,414	927,154
Additions	9,401	55,137	3,745	3,101	71,384
Disposals	28,325	130,737	-	27,629	186,691
At 30 June 2009	<u>38,874</u>	<u>656,722</u>	<u>102,365</u>	<u>13,886</u>	<u>811,847</u>
Depreciation					
At 1 July 2008	52,426	501,823	77,758	13,493	645,500
Charged in the year	2,625	136,628	4,471	4,589	148,313
Disposals	28,325	105,968	-	13,875	148,168
At 30 June 2009	<u>26,726</u>	<u>532,483</u>	<u>82,229</u>	<u>4,207</u>	<u>645,645</u>
Net book value					
At 30 June 2009	<u>12,148</u>	<u>124,239</u>	<u>20,136</u>	<u>9,679</u>	<u>166,202</u>
At 30 June 2008	<u>5,372</u>	<u>230,499</u>	<u>20,862</u>	<u>24,921</u>	<u>281,654</u>

J M Computing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

10	STOCKS		
		2009	2008
		£	£
	Raw materials and consumables	<u>64,579</u>	<u>86,393</u>

11	DEBTORS		
		2009	2008
		£	£
	Trade debtors	1,093,810	1,138,232
	Amounts owed by group undertakings	737,474	6,303
	Other debtors	156,664	158,277
	Deferred taxation	23,589	20,093
		<u>2,011,537</u>	<u>1,322,905</u>

Deferred tax asset

The deferred tax included in the balance sheet is as follows:

	2009	2008
	£	£
At 1 July 2008	20,093	16,265
Movement in year	3,496	3,828
At 30 June 2009	<u>23,589</u>	<u>20,093</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2009	2008
	£	£
Depreciation in excess of capital allowances	22,443	18,947
Short term timing differences	840	840
Losses and other deductions	306	306
Deferred tax asset	<u>23,589</u>	<u>20,093</u>

The deferred tax asset has been recognised because, in the opinion of the directors, it is regarded more likely than not that it will be recovered.

J M Computing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

12	CREDITORS: Amounts falling due within one year		
		2009	2008
		£	£
	Trade creditors	383,003	543,397
	Amounts owed to group undertakings	100	100
	Other taxation and social security	725,904	535,969
	Corporation tax	200,076	215,555
	Deferred support income	1,621,432	1,375,648
	Other creditors	56,073	182,044
	Accruals and deferred income	35,661	79,764
		<u>3,022,249</u>	<u>2,932,477</u>
13	CREDITORS: Amounts falling due after more than one year		
		2009	2008
		£	£
	Rent Accrual	<u>80,000</u>	<u>-</u>
14	SHARE CAPITAL		
		2009	2008
		£	£
	Authorised:		
	10,000 (2008- 10,000) Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
		2009	2008
		£	£
	Allotted, called up and fully paid:		
	10,000 (2008- 10,000) Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
15	PROFIT AND LOSS ACCOUNT		
		2009	2008
		£	£
	At 1 July 2008	130,353	1,040,199
	Accumulated profit/ (loss) for the financial year	644,326	(909,846)
	At 30 June 2009	<u>774,679</u>	<u>130,353</u>
16	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
		2009	2008
		£	£
	Profit for the financial year	644,326	969,636
	Dividends	-	(1,879,482)
		<u>644,326</u>	<u>(909,846)</u>
	Opening shareholders' equity funds	140,353	1,050,199
	Closing shareholders' equity funds	<u>784,679</u>	<u>140,353</u>

J M Computing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

17 COMMITMENTS UNDER OPERATING LEASES

	Land & buildings 2009 £	Land & Buildings 2008 £	Other 2009 £	Other 2008 £
Leases which expire:				
Within one year	-	100,000	19,802	29,561
Within two to five years	-	-	86,216	101,607
Over five years	200,000	-	-	-
	<u>200,000</u>	<u>100,000</u>	<u>106,018</u>	<u>131,168</u>

18 CONTINGENCIES

The company is subject to cross company guarantees in respect of the bank borrowings of its ultimate parent company jmc.it Group Limited and its fellow group companies, JMC Group Limited and jmc.it Holdings Limited. These guarantees are unlimited. The total group bank borrowings as at 30 June 2009 were £1,984,409 (2008 - £2,551,091).

The company is party to group VAT registration; the total liability at 30 June 2009 was £290,072 (2008 - £330,778).

19 PENSION COSTS

The company makes contributions to a defined contribution pension scheme for eligible employees. During the year contributions of £112,094 (2008 - £121,373) were made. At the end of the year there was £nil outstanding (2008 - £nil). The assets of the scheme are held in a separate trustee administered scheme.

20 ULTIMATE PARENT COMPANY

The immediate parent company, jmc.it Holdings Limited, is a subsidiary undertaking of JMC Group Limited, a company incorporated in Great Britain and registered in England and Wales. JMC Group Limited is a subsidiary undertaking of jmc.it Group Limited, a company incorporated in Great Britain and registered in England and Wales, and which, in the opinion of the directors, is the ultimate parent company. The ultimate controlling parties of the company are its directors by virtue of their respective interests in jmc.it Group Limited.

jmc.it Group Limited is the parent of the smallest and largest group to prepare consolidated financial statements. Copies of the consolidated financial statements can be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

21 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in Financial Reporting Standard No 8 from disclosing group transactions and balances on the grounds that consolidated accounts are prepared.