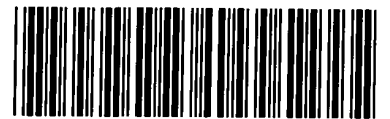


Registration number: 01131358

J.M. COMPUTING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 2 MAY 2015 TO 30 JUNE 2016

WEDNESDAY



A70PJ8GB

A21

28/02/2018

#208

COMPANIES HOUSE

J.M. COMPUTING LIMITED

CONTENTS

Company Information	1
Strategic Report	2
Director's Report	3
Statement of Director's Responsibilities	4
Independent Auditor's Report	5 to 6
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 to 20

J.M. COMPUTING LIMITED

COMPANY INFORMATION

Directors	S C Gray
Registered office	Found Studios 1 Lindsey Street London EC1A 9HP
Bankers	Lloyds Bank Manchester M60 2ES
Auditors	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

J.M. COMPUTING LIMITED

STRATEGIC REPORT FOR THE PERIOD FROM 2 MAY 2015 TO 30 JUNE 2016

The directors present their strategic report for the period from 2 May 2015 to 30 June 2016.

Principal activity

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

Fair review of the business

The accounting period has changed to align with the group. The prior year figures are not comparable due to the period being 13 months (2015 - 10 months).

The company has reported an increase in turnover from £9,362,587 in the period ended 1 May 2015 to £12,441,019 in the period ended 30 June 2016. The company has reported an operating profit of £9,984,381 in the period ended 30 June 2016, which is inclusive of £8,358,757 for the consideration for the assets of the company.

The directors do not consider there are any additional key performance indicators that assist in the understanding of the business.

On 23 June 2016 the trade and assets of the company were hived into I.T.Lab Limited.

Principal risks and uncertainties

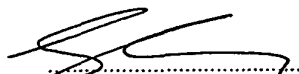
Liquidity risk

The directors aim to ensure that the company has sufficient liquid resources to meet its operational requirements. This is closely monitored by the directors.

Credit risk

The company offers certain of its customer's credit. Before credit terms are agreed, an assessment of the customer's credit rating is undertaken to ensure the customer does not represent a major credit risk to the company. Credit terms are set accordingly.

Approved by the Board on 27/02/18 and signed on its behalf by:



S C Gray
Director

J.M. COMPUTING LIMITED

DIRECTORS' REPORT FOR THE PERIOD FROM 2 MAY 2015 TO 30 JUNE 2016

The directors present their report and the financial statements for the period from 2 May 2015 to 30 June 2016.

Directors of the company

The directors who held office during the period were as follows:

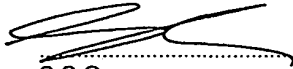
R K Howard (resigned 23 June 2016)

S C Gray

Disclosure of information to the auditors

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 27.02.16 and signed on its behalf by:



S C Gray
Director

J.M. COMPUTING LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Directors Report, Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable to ensure that the financial statements comply with the Companies Act 2006. 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 J.M. Computing Limited for the period from 2 May 2015 to 30 June 2016, set out on pages 7 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 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 the director and auditor

As explained more fully in the Statement of Director's Responsibilities (set out on page 4), the director is 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 to the financial statements.

Scope of the audit of the financial statements

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

Opinion on the 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 2016 and of its profit for the period 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Director's Report have been prepared in accordance with applicable legal requirements.

J.M. COMPUTING LIMITED

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

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.

.....
Paul Fussell (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Staverton Court
Staverton
Cheltenham
GL51 0UX

27 February 2018

J.M. COMPUTING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 2 MAY 2015 TO 30 JUNE 2016

	Note	2 May 2015 to 30 June 2016 £	1 July 2014 to 1 May 2015 £
Turnover	3	12,441,019	9,362,587
Cost of sales		<u>(5,914,555)</u>	<u>(3,163,624)</u>
Gross profit		6,526,464	6,198,963
Administrative expenses		(4,900,840)	(5,482,008)
Exceptional operating income	5	<u>8,358,757</u>	-
Operating profit	4	9,984,381	716,955
Other interest receivable and similar income	6	<u>-</u>	<u>2,760</u>
Profit before tax		9,984,381	719,715
Taxation	9	<u>(107,948)</u>	<u>49,804</u>
Profit for the financial period		<u><u>9,876,433</u></u>	<u><u>769,519</u></u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the period.

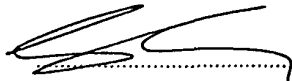
The notes on pages 11 to 20 form an integral part of these financial statements.

J.M. COMPUTING LIMITED

**(REGISTRATION NUMBER: 01131358)
BALANCE SHEET AS AT 30 JUNE 2016**

	Note	30 June 2016 £	1 May 2015 £
Fixed assets			
Tangible assets	10	-	153,828
Current assets			
Stocks	11	-	87,966
Debtors	12	10,000	4,425,301
Cash at bank and in hand		177,947	640,946
		187,947	5,154,213
Creditors: Amounts falling due within one year	16	(177,947)	(4,015,333)
Net current assets		10,000	1,138,880
Total assets less current liabilities		10,000	1,292,708
Provisions for liabilities		-	(1,193)
Net assets		10,000	1,291,515
Capital and reserves			
Called up share capital	13	10,000	10,000
Retained earnings		-	1,281,515
Total equity		10,000	1,291,515

Approved and authorised by the Board on 27/02/18 and signed on its behalf by:



S C Gray
Director

The notes on pages 11 to 21 form an integral part of these financial statements.

J.M. COMPUTING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 2 MAY 2015 TO 30 JUNE 2016

	Share capital	Profit and loss	Total
	£	account	£
		£	
At 2 May 2015	10,000	1,281,515	1,291,515
Profit for the period	-	9,876,433	9,876,433
Dividends	-	(11,157,948)	(11,157,948)
At 30 June 2016	<u>10,000</u>	<u>-</u>	<u>10,000</u>

	Share capital	Profit and loss	Total
	£	account	£
		£	
At 1 July 2014	10,000	880,874	890,874
Profit for the period	-	769,519	769,519
Dividends	-	(368,878)	(368,878)
At 1 May 2015	<u>10,000</u>	<u>1,281,515</u>	<u>1,291,515</u>

The notes on pages 11 to 20 form an integral part of these financial statements.

J.M. COMPUTING LIMITED

STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 2 MAY 2015 TO 30 JUNE 2016

	Note	2 May 2015 to 30 June 2016 £	1 July 2014 to 1 May 2015 £
Cash flows from operating activities			
Profit for the period		9,876,433	769,519
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	112,664	178,518
Loss on disposal of property plant and equipment		918	-
Interest received	6	-	(2,760)
Income tax expense	9	107,948	(49,804)
		<u>10,097,963</u>	<u>895,473</u>
Working capital adjustments			
Decrease in inventories	11	87,966	78,652
Increase in trade and other receivables	12	(435,809)	(1,737,076)
(Decrease)/increase in trade and other payables	16	(890,844)	145,946
(Decrease)/increase in deferred income		<u>(899,821)</u>	<u>57,102</u>
Cash generated from operations		7,959,455	(559,903)
Income taxes received/(paid)	9	147,975	(235,121)
Net cash flow from operating activities		<u>8,107,430</u>	<u>(795,024)</u>
Cash flows from investing activities			
Interest received	6	-	2,760
Acquisitions of property plant and equipment		(31,750)	(64,308)
Proceeds from sale of property plant and equipment		328	7,461
Net cash flows from investing activities		<u>(31,422)</u>	<u>(54,087)</u>
Cash flows from financing activities			
Dividends paid		<u>(8,511,060)</u>	<u>(368,878)</u>
Net decrease in cash and cash equivalents		(435,052)	(1,217,989)
Cash and cash equivalents at 2 May		640,946	1,858,935
Cash transferred on sale of trade and assets		<u>(27,947)</u>	-
Cash and cash equivalents at 30 June		<u>177,947</u>	<u>640,946</u>

The notes on pages 11 to 20 form an integral part of these financial statements.

J.M. COMPUTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 2 MAY 2015 TO 30 JUNE 2016

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Found Studios
1 Lindsey Street
London
EC1A 9HP

The principal place of business is:

Riverside
Agecroft Road
Manchester
M27 8SJ

2 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is UK £, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest £.

Disclosure of long or short period

The accounting period has changed to align with the group. The prior year figures are not comparable due to the period being 13 months (2015 - 10 months).

Judgements

No significant judgements have been made by management in the preparation of these financial statements.

Key Sources of Estimation Uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits can be reliably measured, and it is probable that future economic benefits will flow to the entity.

J.M. COMPUTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 2 MAY 2015 TO 30 JUNE 2016

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Deferred tax

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Long term leasehold property	15% straight line
Motor vehicles	25% reducing balance
Fixtures and fittings	20% reducing balance
Computer equipment	33% to 50% straight line
Bicycles	100% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and appropriate proportion of fixed and variable overheads.

J.M. COMPUTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 2 MAY 2015 TO 30 JUNE 2016

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

J.M. COMPUTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 2 MAY 2015 TO 30 JUNE 2016

Financial instruments

Classification

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other receivables and payables, loans from related parties and investments in non-puttable ordinary shares.

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Debt instruments like loans and other receivables and payables are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms of financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Recognition and measurement

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss. For financial assets measured at amortised cost, the impairment loss is measured as the difference between assets carrying value and the present value of estimated cash flows discounted at the assets original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between assets carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount recognised in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

At each reporting date non-financial assets not carried at fair value, such as property, plant and equipment are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less costs to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit or loss.

J.M. COMPUTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 2 MAY 2015 TO 30 JUNE 2016

3 Revenue

The analysis of the company's turnover for the period from continuing operations is as follows:

	2 May 2015 to 30 June 2016	1 July 2014 to 1 May 2015
	£	£
Sale of goods	4,097,160	5,905,632
Rendering of services	8,343,859	3,456,955
	<u>12,441,019</u>	<u>9,362,587</u>

The analysis of the company's revenue for the period by market is as follows:

	2 May 2015 to 30 June 2016	1 July 2014 to 1 May 2015
	£	£
UK	12,404,071	9,362,587
Europe	36,948	-
	<u>12,441,019</u>	<u>9,362,587</u>

4 Operating profit

Arrived at after charging/(crediting)

	2 May 2015 to 30 June 2016	1 July 2014 to 1 May 2015
	£	£
Depreciation expense	112,664	123,773
Operating lease expense - property	243,750	195,000
Operating lease - plant and machinery	146,023	194,424
Auditor's remuneration - audit	18,750	14,000
Auditor's remuneration - non-audit	3,600	3,000
	<u>3,600</u>	<u>3,000</u>

5 Exceptional items

On 23 June 2016 the trade and assets of J.M. Computing Limited were sold to I.T Lab Limited for consideration of £11,000,000. After deducting the carrying value of the company's net assets a £8,190,850 profit on disposal has been recognised in the year as an exceptional gain.

6 Other interest receivable and similar income

	2 May 2015 to 30 June 2016	1 July 2014 to 1 May 2015
	£	£
Bank interest receivable	<u>-</u>	<u>2,760</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2 May 2015 to 30 June 2016	1 July 2014 to 1 May 2015
	£	£
Wages and salaries	4,521,431	3,402,752
Social security costs	510,000	404,997
Pension costs, defined contribution scheme	230,257	220,664
	<u>5,261,688</u>	<u>4,028,413</u>

J.M. COMPUTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 2 MAY 2015 TO 30 JUNE 2016

The average number of persons employed by the company (including the director) during the period, analysed by category was as follows:

	2 May 2015 to 30 June 2016 No.	1 July 2014 to 1 May 2015 No.
Technical	21	56
Administration	7	21
Sales and distribution	6	18
Management	2	8
	<u>36</u>	<u>103</u>

From 1 September 2015, all employees were transferred to the parent company, I.T.Lab Limited. A management charge has been reflected between the two companies to reflect the employee costs incurred in relation to J.M.Computing in the respective financial statements, the cost of which is included within staff costs detailed above.

8 Director's remuneration

The director's remuneration for the period was as follows:

	2016 £	2015 £
Remuneration	-	705,941
Contributions paid to money purchase schemes	-	64,108
	<u>-</u>	<u>770,049</u>

During the period the number of directors who were receiving benefits and share incentives was as follows:

	2016 No.	2015 No.
Accruing benefits under defined benefit pension scheme	<u>-</u>	<u>8</u>

In respect of the highest paid director:

	2016 £	2015 £
Remuneration	-	139,654
Company contributions to money purchase pension schemes	<u>-</u>	<u>10,286</u>

As part of the sale of the company to I.T.Lab Limited on 1 May 2015, all directors appointments were terminated. The directors at the balance sheet date are not remunerated through the company.

J.M. COMPUTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 2 MAY 2015 TO 30 JUNE 2016

9 Taxation

Tax charged/(credited) in the profit and loss account

	2 May 2015 to 30 June 2016 £	1 July 2014 to 1 May 2015 £
Current taxation		
UK corporation tax	139,927	(28,592)
UK corporation tax adjustment to prior periods	<u>(3,786)</u>	<u>-</u>
	136,141	(28,592)
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(28,193)</u>	<u>(21,212)</u>
Tax expense/(receipt) in the income statement	<u><u>107,948</u></u>	<u><u>(49,804)</u></u>

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2015 - lower than the standard rate of corporation tax in the UK) of 20% (2015 - 20%).

The differences are reconciled below:

	2 May 2015 to 30 June 2016 £	1 July 2014 to 1 May 2015 £
Profit before tax	<u>9,984,381</u>	<u>719,715</u>
Corporation tax at standard rate	1,996,876	143,943
Fixed asset differences	684	587
Other permanent differences	-	(156,936)
Group relief	(78,677)	(265)
Amounts (charged)/credited directly to STRGL or otherwise transferred	1,944	-
Income not taxable for tax purposes	(1,718,538)	(701)
Expenses not deductible for tax purposes	857	913
Adjustments to brought forward values	(3,786)	(32,378)
Adjustments to tax charge in respect of previous periods - deferred tax	(55,497)	-
Additional deduction for land remediation expenditure	(274)	(1,273)
Other tax adjustments, reliefs and transfers	6,219	(1,251)
Adjustments to tax charge in respect of previous periods	-	(1,376)
Deferred tax not recognised	-	(1,067)
Adjust closing deferred tax to average rate	3,000	-
Tax increase (decrease) from effect of adjustment in research and development tax credit	<u>(44,860)</u>	<u>-</u>
Total tax charge/(credit)	<u><u>107,948</u></u>	<u><u>(49,804)</u></u>

Deferred tax

Deferred tax assets and liabilities

2015

Accelerated capital allowances
Short term timing differences

**Liability
£**

4,662
<u>(3,469)</u>
<u><u>1,193</u></u>

J.M. COMPUTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 2 MAY 2015 TO 30 JUNE 2016

10 Tangible assets

	Long term leasehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation					
At 2 May 2015	58,601	90,869	16,208	721,745	887,423
Additions	-	1,819	7,909	22,022	31,750
Disposals	-	(1,240)	(6,338)	(2,607)	(10,185)
Transfers	(58,601)	(91,448)	(17,779)	(741,160)	(908,988)
At 30 June 2016	-	-	-	-	-
Depreciation					
At 2 May 2015	49,292	65,866	12,244	606,193	733,595
Charge for the period	3,921	9,584	9,209	89,950	112,664
Eliminated on disposal	-	(773)	(6,010)	(2,157)	(8,940)
Transfers	(53,213)	(74,677)	(15,443)	(693,986)	(837,319)
At 30 June 2016	-	-	-	-	-
Carrying amount					
At 30 June 2016	-	-	-	-	-
At 1 May 2015	9,309	25,003	3,964	115,552	153,828

Included within the net book value of land and buildings above is £Nil (2015 - £9,309) in respect of freehold land and buildings.

J.M. COMPUTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 2 MAY 2015 TO 30 JUNE 2016

11 Stocks

	2016 £	2015 £
Raw materials and consumables	<u>-</u>	<u>87,966</u>

The cost of stocks recognised as an expense in the period amounted to £1,058,348 (2015 - £871,554).

12 Debtors

	30 June 2016 £	1 May 2015 £
Trade debtors	-	1,958,376
Receivables from related parties	-	1,915,198
Other receivables	10,000	255,178
Prepayments	-	296,549
	<u>10,000</u>	<u>4,425,301</u>

13 Share capital

Allotted, called up and fully paid shares

	30 June 2016		1 May 2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

14 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	-	145,408
Later than one year and not later than five years	<u>-</u>	<u>802,202</u>
	<u>-</u>	<u>947,610</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £198,898 (2015 - £188,998). During the period all leases were transferred to the parent company, I.T.Lab Limited.

15 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £230,257 (2015 - £220,664).

Contributions totalling £nil (2015 - £15,445) were payable to the schemes at the end of the period and are included in creditors.

J.M. COMPUTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 2 MAY 2015 TO 30 JUNE 2016

16 Creditors

	30 June 2016	1 May 2015
	£	£
Due within one year		
Trade creditors	-	629,682
Social security and other taxes	-	659,117
Other payables	177,947	160,495
Accrued expenses	-	185,709
Deferred income	-	2,380,330
	<u>177,947</u>	<u>4,015,333</u>

17 Related party transactions

Key management personnel

Key management personnel are considered to be the directors of the company. No key management personnel remuneration has been incurred by the company during the financial period.

18 Parent and ultimate parent undertaking

The immediate parent entity is Big Studios Manchester Limited. The ultimate controlling party is S C Gray by virtue of his majority shareholding in Big Studios Manchester Limited.

19 Transition to FRS 102

The company's effective date of transition to FRS 102 was 1 July 2014. The latest period under previous UK GAAP was the financial statements for the period ended 1 May 2015.

There have been no adjustments on transition to FRS 102 that affect the profit for the financial period ended 1 May 2015 of £769,519, total equity of £1,291,515 at 1 May 2015, and total equity of £890,874 at 1 July 2014, the date of transition, determined in accordance with the company's previous financial reporting framework.