
J M Computing Limited

Directors' Report and Financial Statements

For the year ended 30 June 2014

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J M Computing Limited

Company Information

Directors	A C Burgess T C Maxwell M J Bentley N J Isherwood M Sykes D Gill R P Jones L Steele
Company secretary	D Gill
Registered number	1131358
Registered office	Riverside Agecroft Road Manchester M27 8SJ
Independent auditors	Hurst & Company Accountants LLP Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport Cheshire SK1 1TD
Bankers	Lloyds Bank 53 King Street Manchester M60 2ES

J M Computing Limited

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J M Computing Limited

Strategic Report For the year ended 30 June 2014

Business Review and Principle 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.

The performance of the business over the reporting period was very strong, with turnover exceeding expectations and significantly higher than the previous year. Turnover at just under £11m is a record performance for the business, beating our previous best of just over £10m achieved immediately prior to the recessionary period.

A key element of this performance is the increasing attractiveness of our SupportCare proposition, more than justifying the substantial investments we made in the two prior accounting periods. In particular, our extended managed services portfolio, resulting from a six-figure investment in a sophisticated managed services platform from ScienceLogic, has been very well received by both new and existing clients. This has made a significant contribution to our growth. In addition, our strategic decision to extend our service operating hours to 24/7 has enabled us to attract and secure increasing numbers of larger support contracts. In September 2014, an additional six-figure investment in a new Cherwell service management platform will go live and extend our proposition even further. This will make it one of the most sophisticated yet flexible and competitive offerings in the market. As a consequence, we expect considerable further growth in SupportCare revenue and profitability over the coming year.

We are also pleased to report that client satisfaction scores reached an all-time high during the reporting period. The average client rating of the quality of our people was 9.2 out of ten and the quality of our SupportCare service delivery was 9.5 out of ten. These results helped drive our SupportCare revenue retention to new levels. In the light of the wealth of choices available to our clients and the competitiveness of the marketplace, this emphasises the strength and quality of our offering.

With the business generating over £2 of services for every £1 of product sold, it is imperative that we are able to attract and retain the highest quality employees to ensure we offer a consistently professional service. We are therefore pleased to report that, once again, we appeared on *The Sunday Times Top Small Companies to Work for* list, achieving 15th place nationally. For the fourth consecutive year we were awarded the highest possible three-star status from Best Companies. In the reporting period, we also won the Salford Business Award for Business Excellence and were named Large Business of the Year. We were highly commended at the BCS & Computing UK IT Industry Awards, with judges noting our commitment to providing outstanding customer service and innovative IT support. We also won the British Chamber Awards Commitment to People Development award and were a finalist in the Skills for Business Awards Medium Business of the Year category, recognised for our outstanding contribution to skills and learning in the region.

As a result of this recognition, we continue to achieve great results from our recruitment processes and are able to attract the number and quality of candidates required to ensure that we can continue to fuel our ongoing growth.

Future Prospects

The directors are confident that our strong growth will continue in FY15 as we continue to reap the benefits of the investments in both additional people and enhanced service offerings made in the preceding financial periods. Further confidence comes from the strength of our current order book and our sales team's pipeline of opportunities. We expect significant further increases in turnover and profitability during FY15.

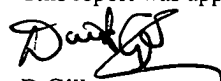
As shown in the company's profit and loss account on page 6, sales have increased by 16% over the prior year and profit before tax has decreased by 1% from 10.7% of sales to 9.7% of sales. The balance sheet on page 7 shows the company's financial position at the year end. The directors consider the level 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.

J M Computing Limited

**Strategic Report (continued)
For the year ended 30 June 2014**

This report was approved by the board on **16 October 2014** and signed on its behalf.


D Gill
Company Secretary

J M Computing Limited

Directors' Report For the year ended 30 June 2014

The directors present their report and the financial statements for the year ended 30 June 2014.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

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

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

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

Results

The profit for the year, after taxation, amounted to £823,116 (2013 - £773,345).

Directors

The directors who served during the year were:

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

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

J M Computing Limited

**Directors' Report
For the year ended 30 June 2014**

Auditors

The auditors, Hurst & Company Accountants LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on **16 October 2014** and signed on its behalf.



D Gill
Company Secretary

J M Computing Limited

Independent Auditors' Report to the Shareholders of J M Computing Limited

We have audited the financial statements of J M Computing Limited for the year ended 30 June 2014, set out on pages 7 to 16. 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the 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 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 2014 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

J M Computing Limited

Independent Auditors' Report to the Shareholders of J M Computing Limited

Matters on which we are required to report by exception

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

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

Hurst & Company Accountants LLP

Mike Jackson (Senior statutory auditor)

for and on behalf of

Hurst & Company Accountants LLP

Chartered Accountants

Statutory Auditors

Lancashire Gate

21 Tiviot Dale

Stockport

Cheshire

SK1 1TD

Date: *28 October 2014*

J M Computing Limited

**Profit and Loss Account
For the year ended 30 June 2014**

	Note	2014 £	2013 £
Turnover	1,2	10,982,512	9,467,137
Cost of sales		<u>(4,072,221)</u>	<u>(2,999,093)</u>
Gross profit		6,910,291	6,468,044
Administrative expenses		<u>(5,852,463)</u>	<u>(5,461,980)</u>
Operating profit	3	1,057,828	1,006,064
Interest receivable and similar income	6	6,693	3,336
Interest payable and similar charges	7	<u>(189)</u>	<u>-</u>
Profit on ordinary activities before taxation		1,064,332	1,009,400
Tax on profit on ordinary activities	8	<u>(241,216)</u>	<u>(236,055)</u>
Profit for the financial year	15	<u>823,116</u>	<u>773,345</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

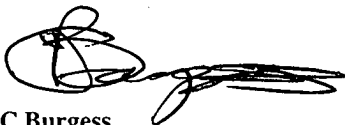
The notes on pages 9 to 16 form part of these financial statements.

J M Computing Limited
Registered number: 1131358

Balance Sheet
As at 30 June 2014

	Note	£	2014 £	2013 £
Fixed assets				
Tangible assets	9		275,499	161,841
Current assets				
Stocks	10	201,192		160,857
Debtors	11	2,497,458		1,853,664
Cash at bank and in hand		1,858,935		1,295,559
		<u>4,557,585</u>		<u>3,310,080</u>
Creditors: amounts falling due within one year	12	<u>(3,747,104)</u>		<u>(3,231,462)</u>
Net current assets			<u>810,481</u>	<u>78,618</u>
Total assets less current liabilities			<u>1,085,980</u>	<u>240,459</u>
Provisions for liabilities				
Deferred tax	13		<u>(22,405)</u>	<u>-</u>
Net assets			<u><u>1,063,575</u></u>	<u><u>240,459</u></u>
Capital and reserves				
Called up share capital	14		10,000	10,000
Profit and loss account	15		1,053,575	230,459
Shareholders' funds	16		<u><u>1,063,575</u></u>	<u><u>240,459</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on **16 October 2014**.


A C Burgess
Director

The notes on pages 9 to 16 form part of these financial statements.

J M Computing Limited

**Notes to the Financial Statements
For the year ended 30 June 2014**

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/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

1.5 Operating 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.

1.6 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 an appropriate proportion of fixed and variable overheads.

J M Computing Limited

**Notes to the Financial Statements
For the year ended 30 June 2014**

1. Accounting Policies (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.8 Pensions

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.

2. Turnover

The whole of the turnover is attributable to the provision of goods and services during the year, exclusive of Value Added Tax, and is recognised when the goods have been despatched or the services have been provided. Deferred income arises from the allocation of support income over the period of the support contract.

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	143,382	-
- held under finance leases	-	103,095
Auditors' remuneration	15,000	14,840
Auditors' remuneration - non-audit	3,500	4,330
Operating lease rentals:		
- plant and machinery	177,507	(169,287)
- other operating leases	199,999	200,000
(Profit)/loss on sale of tangible assets	250	964
	<u> </u>	<u> </u>

J M Computing Limited

**Notes to the Financial Statements
For the year ended 30 June 2014**

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2014	2013
	£	£
Wages and salaries	3,757,989	3,495,622
Social security costs	453,107	425,766
Other pension costs	247,313	225,423
	<u>4,458,409</u>	<u>4,146,811</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2014	2013
	No.	No.
Management	8	8
Technical	53	52
Sales and distribution	15	12
Administration	17	16
	<u>93</u>	<u>88</u>

5. Directors' remuneration

	2014	2013
	£	£
Remuneration	<u>735,341</u>	<u>843,584</u>
Company pension contributions to defined contribution pension schemes	<u>74,515</u>	<u>71,267</u>

During the year retirement benefits were accruing to 8 directors (2013 - 8) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £139,597 (2013 - £165,579).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £11,983 (2013 - £11,663).

6. Interest receivable

	2014	2013
	£	£
Other interest receivable	<u>6,693</u>	<u>3,336</u>

J M Computing Limited

**Notes to the Financial Statements
For the year ended 30 June 2014**

7. Interest payable

	2014	2013
	£	£
Other interest payable	189	-
	189	-

8. Taxation

	2014	2013
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	213,121	229,742
Deferred tax (see note 13)		
Origination and reversal of timing differences	28,095	6,313
	241,216	236,055

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 22.5% (2013 - 23.75%). The differences are explained below:

	2014	2013
	£	£
Profit on ordinary activities before tax	1,064,332	1,009,400
	1,064,332	1,009,400
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.5% (2013 - 23.75%)	239,475	239,739
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,470	2,654
Capital allowances for year in excess of depreciation	(32,904)	(2,174)
Short term timing difference leading to an increase (decrease) in taxation	3,218	(2,957)
Group relief	(2,138)	(7,520)
	213,121	229,742

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

J M Computing Limited

Notes to the Financial Statements
For the year ended 30 June 2014

9. Tangible fixed assets

	L/Term Leasehold Property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 July 2013	55,164	19,206	99,983	774,936	949,289
Additions	-	7,863	7,850	242,108	257,821
Disposals	-	(10,352)	(310)	(53,395)	(64,057)
At 30 June 2014	<u>55,164</u>	<u>16,717</u>	<u>107,523</u>	<u>963,649</u>	<u>1,143,053</u>
Depreciation					
At 1 July 2013	42,334	11,775	80,466	652,873	787,448
Charge for the year	3,879	9,409	5,134	124,960	143,382
On disposals	-	(10,352)	(252)	(52,672)	(63,276)
At 30 June 2014	<u>46,213</u>	<u>10,832</u>	<u>85,348</u>	<u>725,161</u>	<u>867,554</u>
Net book value					
At 30 June 2014	<u>8,951</u>	<u>5,885</u>	<u>22,175</u>	<u>238,488</u>	<u>275,499</u>
At 30 June 2013	<u>12,830</u>	<u>7,431</u>	<u>19,517</u>	<u>122,063</u>	<u>161,841</u>

10. Stocks

	2014 £	2013 £
Raw materials and consumables	<u>201,192</u>	<u>160,857</u>

11. Debtors

	2014 £	2013 £
Trade debtors	1,855,984	1,354,917
Amounts owed by group undertakings	368,883	274,000
Other debtors	85,589	24,688
Prepayments and accrued income	187,002	194,369
Deferred tax asset (see note 13)	-	5,690
	<u>2,497,458</u>	<u>1,853,664</u>

J M Computing Limited

**Notes to the Financial Statements
For the year ended 30 June 2014**

**12. Creditors:
Amounts falling due within one year**

	2014	2013
	£	£
Trade creditors	780,421	395,851
Amounts owed to group undertakings	100	100
Corporation tax	116,121	123,742
Other taxation and social security	494,943	518,870
Other creditors	164,025	155,987
Accruals and deferred income	2,191,494	2,036,912
	<u>3,747,104</u>	<u>3,231,462</u>

13. Deferred taxation

	2014	2013
	£	£
At beginning of year	5,690	12,003
Charged for year (P&L)	(28,095)	(6,313)
	<u>(22,405)</u>	<u>5,690</u>

The deferred taxation balance is made up as follows:

	2014	2013
	£	£
Accelerated capital allowances	(25,828)	5,250
Short term timing differences	3,423	440
	<u>(22,405)</u>	<u>5,690</u>

14. Share capital

	2014	2013
	£	£
Authorised, allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

J M Computing Limited

**Notes to the Financial Statements
For the year ended 30 June 2014**

15. Reserves

	Profit and loss account £
At 1 July 2013	230,459
Profit for the financial year	823,116
	1,053,575
At 30 June 2014	1,053,575

16. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	240,459	3,013,194
Profit for the financial year	823,116	773,345
Dividends (Note 17)	-	(3,546,080)
	1,063,575	240,459
Closing shareholders' funds	1,063,575	240,459

17. Dividends

	2014 £	2013 £
Dividends paid on equity capital	-	3,546,080
	-	3,546,080

18. Pension commitments

The company makes contributions to a defined pension scheme for eligible employees. During the year contributions of £247,313 (2013 - £225,423) were made. At the year end there was £15,302 outstanding (2013 - £nil). The assets in the scheme are held in a separate trustee administered scheme.

19. Operating lease commitments

At 30 June 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
Expiry date:				
Within 1 year	4,833	-	29,396	21,302
Between 2 and 5 years	-	200,000	129,135	132,537
After more than 5 years	195,000	-	-	-
	199,833	200,000	129,135	153,839

J M Computing Limited

**Notes to the Financial Statements
For the year ended 30 June 2014**

20. 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.

21. Ultimate parent undertaking and controlling party

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 party of the company is A C Burgess by virtue of his interest 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.