

J M Computing Limited

FINANCIAL STATEMENTS

for the year ended

30 June 2010

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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 2010

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.

Despite the general economic conditions remaining challenging, the performance of the business was much better than anticipated with a level of consistency that suggests that conditions are stabilising. The improvement was driven by a number of factors including quicker than expected returns on investments made in new products, services and marketplaces, and record client satisfaction results driving renewal and retention rates.

Our investment in our Microsoft Dynamics NAV practice, our portfolio of telephony and storage area network (SAN) solutions and the Housing Association sector paid dividends, with each showing solid growth. Looking forward, we are confident that each will continue to make an increasing contribution.

Our SupportCare revenue performance was significantly better than expected, with a slight growth on the previous year rather than an expected decline. This maintains our record of having delivered revenue growth in every year since our management buy-out in 2003. The backbone to this performance was two-fold. Firstly our client satisfaction statistics demonstrated record levels of satisfaction with the service received, and our campaign to get clients to commit to multi-year contracts was well received. At year end, we had secured over a third of our SupportCare revenue on three year agreements. In the coming financial year, we expect this to increase to over half.

The IT marketplace continues to consolidate with a number of organisations struggling financially. This coupled with our financial strength and stability creates the opportunity for us to consider acquiring businesses that broaden our portfolio.

The directors believe that we enter the new financial year with a great opportunity to deliver a further improvement in both turnover and profitability.

As shown in the company's profit and loss account on page 6, sales have decreased by 6.2% over the prior year and profit before tax has increased by 22% from 10.3% to 13.3%. 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.

Dividends and Transfer to Reserves

No dividends have been paid during the year (2009 - £nil). No final dividend is proposed (2009 - £nil). The profit of £760,160 (2009 - £644,326) has been transferred to reserves.

J M Computing Limited

DIRECTORS' REPORT

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

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 have indicated their willingness to continue in office

By order of the board



D Gill
Company Secretary

9 September 2010

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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of 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 2010 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

9 September 2010

Chartered Accountants
Statutory Auditors

City Tower
Piccadilly Plaza
Manchester
M1 4BT

J M Computing Limited
PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2010

	<i>Notes</i>	2010 £	2009 £
TURNOVER	1	7,687,404	8,191,565
Cost of sales		<u>(2,356,536)</u>	<u>(2,319,964)</u>
Gross profit		5,330,868	5,871,601
Administrative expenses		<u>(4,302,060)</u>	<u>(5,049,091)</u>
OPERATING PROFIT	2	1,028,808	822,510
Interest receivable and similar income	5	510	18,461
		<u>1,029,318</u>	<u>840,971</u>
Interest payable	6	<u>(3,458)</u>	<u>(65)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,025,860	840,906
Taxation	7	<u>(265,700)</u>	<u>(196,580)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	<u>760,160</u>	<u>644,326</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 2010

	<i>Notes</i>	2010 £	2009 £
FIXED ASSETS			
Tangible assets	9	174,054	166,202
CURRENT ASSETS			
Stocks	10	184,249	64,579
Debtors	11	2,962,114	2,159,183
Cash at bank and in hand		1,322,730	1,644,610
		<u>4,469,093</u>	<u>3,868,372</u>
CREDITORS			
Amounts falling due within one year	12	(3,038,308)	(3,169,895)
NET CURRENT ASSETS			
		<u>1,430,785</u>	<u>698,477</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		1,604,839	864,679
CREDITORS Amounts falling due after more than one year			
	13	(60,000)	(80,000)
		<u>1,544,839</u>	<u>784,679</u>
CAPITAL AND RESERVES			
Called up equity share capital	14	10,000	10,000
Profit and loss account	15	1,534,839	774,679
SHAREHOLDERS' FUNDS			
	16	<u>1,544,839</u>	<u>784,679</u>

These financial statements were approved by the directors, authorised for issue on 9 September 2010 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 2010

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

Turnover is the amount derived from 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.

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 2010

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 2010

1	TURNOVER	2010	2009
		£	£
	An analysis of turnover which is all attributable to the company's principal activity is given below		
	United Kingdom & Eire	<u>7,687,404</u>	<u>8,191,565</u>
2	OPERATING PROFIT		
	Operating profit is stated after charging		
		2010	2009
		£	£
	Loss on disposal of tangible fixed assets	3,063	6,435
	Depreciation – owned assets	122,835	148,313
	Rentals under operating leases		
	Land & buildings	200,000	200,000
	Other	134,908	146,868
	Auditors Remuneration – audit	13,500	13,710
	- other services	<u>3,655</u>	<u>2,500</u>
3	EMPLOYEES	2010	2009
		No	No
	The average monthly number of persons (including directors) employed by the group during the year was		
	Management	8	8
	Technical	41	53
	Sales and distribution	9	12
	Administration	14	19
		<u>72</u>	<u>92</u>
		2010	2009
		£	£
	Staff costs for above persons		
	Wages and salaries	2,770,816	3,320,692
	Social security costs	328,886	387,873
	Pension costs	96,391	112,094
		<u>3,196,093</u>	<u>3,820,659</u>
4	DIRECTORS' EMOLUMENTS	2010	2009
		£	£
	The directors' aggregate emoluments in respect of qualifying services were		
	Aggregate emoluments	615,004	657,817
	Company contributions to a money purchase pension scheme	42,855	41,623
		<u>657,859</u>	<u>699,440</u>

J M Computing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

4 DIRECTORS' EMOLUMENTS (continued)

Pension benefits are accruing to eight directors (2009– eight) under a money purchase pension scheme

	2010 £	2009 £
Remuneration of highest paid director		
Aggregate emoluments	102,499	124,633
Company contributions to a money purchase pension scheme	10,700	10,450
	<u>113,199</u>	<u>135,083</u>
5 INTEREST RECEIVABLE	2010 £	2009 £
Bank credit interest	-	18,461
Interest on overpaid taxation	510	-
	<u>510</u>	<u>18,461</u>
6 INTEREST PAYABLE	2010 £	2009 £
Interest on underpaid taxation	<u>3,458</u>	<u>65</u>
7 TAXATION	2010 £	2009 £
Current tax		
UK corporation tax at 28% (2009 – 28%) based on the profit for the period	262,760	211,178
Adjustment in respect of prior years	3,912	(11,102)
Total current tax	<u>266,672</u>	<u>200,076</u>
Deferred tax	(972)	(3,496)
Total tax on profit on ordinary activities	<u>265,700</u>	<u>196,580</u>

J M Computing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

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% (2009– 28%) The differences are explained below

Factors affecting tax charge for period	2010 £	2009 £
Profit on ordinary activities before taxation	1,025,860	840,906
Profit on ordinary activities multiplied by the standard rate of tax at 28% (2009 28%)	287,241	235,454
Expenses not deductible for tax purposes	7,309	8,740
Depreciation in excess of capital allowances	-	9,266
Capital allowances in excess of depreciation	(4,304)	-
Prior period adjustments	3,912	(11,102)
Group relief claimed	(27,486)	(42,655)
Marginal relief	-	(285)
Other tax adjustments	-	658
	<u>266,672</u>	<u>200,076</u>

8 DIVIDENDS

	2010 £	2009 £
Equity dividends on 10,000 ordinary £1 shares		
Interim paid - £nil per ordinary share (2009- £nil)	-	-

9 TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Computer Equipment £	Fixtures, fittings and equipment £	Vehicles £	Total £
Cost					
At 1 July 2009	38,874	656,722	102,365	13,886	811,847
Additions	3,536	104,465	8,135	20,262	136,398
Disposals	-	91,528	10,819	3,839	106,186
At 30 June 2010	<u>42,410</u>	<u>669,659</u>	<u>99,681</u>	<u>30,309</u>	<u>842,059</u>
Depreciation					
At 1 July 2009	26,726	532,483	82,229	4,207	645,645
Charged in the year	3,121	111,654	4,322	3,738	122,835
Disposals	-	89,556	9,427	1,492	100,475
At 30 June 2010	<u>29,847</u>	<u>554,581</u>	<u>77,124</u>	<u>6,453</u>	<u>668,005</u>
Net book value					
At 30 June 2010	<u>12,563</u>	<u>115,078</u>	<u>22,557</u>	<u>23,856</u>	<u>174,054</u>
At 30 June 2009	<u>12,148</u>	<u>124,239</u>	<u>20,136</u>	<u>9,679</u>	<u>166,202</u>

J M Computing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

10	STOCKS		
		2010	2009
		£	£
	Raw materials and consumables	<u>184,249</u>	<u>64,579</u>

11	DEBTORS		
		2010	2009
		£	£
	Trade debtors	1,251,266	1,241,456
	Amounts owed by group undertakings	1,553,306	737,474
	Other debtors	132,981	156,664
	Deferred taxation	24,561	23,589
		<u>2,962,114</u>	<u>2,159,183</u>

Deferred tax asset

The deferred tax included in the balance sheet is as follows

		2010	2009
		£	£
	At 1 July 2009	23,589	20,093
	Movement in year	972	3,496
	At 30 June 2010	<u>24,561</u>	<u>23,589</u>

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

		2010	2009
		£	£
	Depreciation in excess of capital allowances	23,721	22,443
	Short term timing differences	840	840
	Losses and other deductions	-	306
	Deferred tax asset	<u>24,561</u>	<u>23,589</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 2010

12	CREDITORS Amounts falling due within one year		
		2010	2009
		£	£
	Trade creditors	545,078	383,003
	Amounts owed to group undertakings	100	100
	Other taxation and social security	388,481	725,904
	Corporation tax	115,104	200,076
	Deferred support income	1,790,699	1,769,078
	Other creditors	167,099	56,073
	Accruals and deferred income	31,747	35,661
		<u>3,038,308</u>	<u>3,169,895</u>
13	CREDITORS Amounts falling due after more than one year		
		2010	2009
		£	£
	Rent Accrual	<u>60,000</u>	<u>80,000</u>
14	SHARE CAPITAL		
		2010	2009
		£	£
	Allotted, called up and fully paid 10,000 (2009- 10,000) Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
15	PROFIT AND LOSS ACCOUNT		
		2010	2009
		£	£
	At 1 July 2009	774,679	130,353
	Accumulated profit for the financial year	760,160	644,326
	At 30 June 2010	<u>1,534,839</u>	<u>774,679</u>
16	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
		2010	2009
		£	£
	Profit for the financial year	760,160	644,326
	Opening shareholders' equity funds	784,679	140,353
	Closing shareholders' equity funds	<u>1,544,839</u>	<u>784,679</u>

J M Computing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

17 COMMITMENTS UNDER OPERATING LEASES

	Land & buildings 2010 £	Land & Buildings 2009 £	Other 2010 £	Other 2009 £
Leases which expire				
Within one year	-	-	18,224	19,802
Within two to five years	200,000	-	102,989	86,216
Over five years	-	200,000	-	-
	<u>200,000</u>	<u>200,000</u>	<u>121,213</u>	<u>106,018</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 2010 were £1,376,086 (2009 - £1,984,409)

The company is party to group VAT registration, the total liability at 30 June 2010 was £251,349 (2009 - £290,072)

19 PENSION COSTS

The company makes contributions to a defined contribution pension scheme for eligible employees. During the year contributions of £96,392 (2009 - £112,094) were made. At the end of the year there was £nil outstanding (2009 - £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.