

J M Computing Limited

FINANCIAL STATEMENTS

for the year ended

30 June 2008

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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

Baker Tilly UK Audit LLP
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

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 2008.

Business Review and Principal Activities

The principal activity of the company during the year was the provision of computers and ancillary equipment and support services. 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 shown in the company's profit and loss account on page 6, sales have increased by 9.5% over the prior year and profit before tax has declined by 7.2% from 15.2% to 12.9%. 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.

The directors anticipate that the challenging conditions in the UK economy will have an adverse impact on turnover and profitability of the company during the ensuing year. The company will manage this risk by using overhead reduction strategies to protect profitability and cash flow.

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.

Competitive pressure in the UK is a continuing risk for the company, which could result in it losing clients or key staff to its competitors. The company manages this risk using client and staff retention strategies which have earned the company wide recognition for client and staff satisfaction.

Dividends and Transfer to Reserves

Dividends of £1,879,482 have been paid during the year (2007 - £2,000,000). No final dividend is proposed (2007 - £nil). The profit of £969,636 (2007- £1,026,240) 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 (appointed 1st August 2007)

Charitable Donations

During the year the company donated £3,147 (2007 - £4,406) 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.

J M Computing Limited

DIRECTORS' REPORT

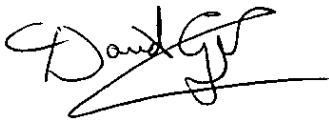
Statement as to disclosure of information to auditors

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

Baker Tilly UK Audit LLP have indicated their willingness to continue in office.

By order of the board

A handwritten signature in black ink, appearing to read 'D Gill', with a long horizontal stroke underneath.

D Gill
Company Secretary

20 March 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 1985. 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.

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

We have audited the financial statements on pages 6 to 15.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Director's Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

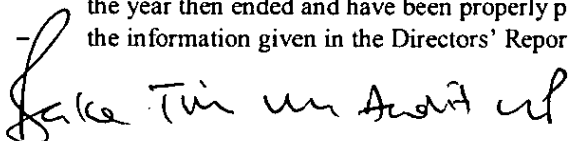
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 30 June 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Baker Tilly UK Audit LLP

Registered Auditor

3 Hardman Street

Manchester

M3 3HF

24 Nov 2009

J M Computing Limited
PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2008

	<i>Notes</i>	2008 £	2007 £
TURNOVER	1	10,092,608	9,218,705
Cost of sales		<u>(3,281,660)</u>	<u>(2,877,585)</u>
Gross profit		6,810,948	6,341,120
Administrative expenses		<u>(5,565,678)</u>	<u>(4,983,063)</u>
OPERATING PROFIT	2	1,245,270	1,358,057
Interest receivable	5	<u>52,693</u>	<u>41,320</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,297,963	1,399,377
Taxation	6	<u>(328,327)</u>	<u>(373,137)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	14	<u>969,636</u>	<u>1,026,240</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

30 June 2008

	<i>Notes</i>	2008 £	2007 £
FIXED ASSETS			
Tangible assets	8	281,654	270,532
CURRENT ASSETS			
Stocks	9	86,393	120,237
Debtors	10	1,322,905	4,489,381
Cash at bank and in hand		1,381,878	1,181,282
		<u>2,791,176</u>	<u>5,790,900</u>
CREDITORS			
Amounts falling due within one year	11	(2,932,477)	(5,011,233)
NET CURRENT (LIABILITIES)/ASSETS		<u>(141,301)</u>	<u>779,667</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>140,353</u>	<u>1,050,199</u>
CAPITAL AND RESERVES			
Called up equity share capital	12	10,000	10,000
Profit and loss account	13	130,353	1,040,199
SHAREHOLDERS' FUNDS	14	<u>140,353</u>	<u>1,050,199</u>

These financial statements were approved by the directors, authorised for issue on 20 March 2009 and are signed on their behalf by:



A C Burgess
Director

J M Computing Limited

ACCOUNTING POLICIES

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
Motor Vehicles	25% reducing balance
Equipment and fixtures	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 recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered.

LEASES

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

J M Computing Limited

ACCOUNTING POLICIES

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.

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 2008

1	TURNOVER	2008 £	2007 £
	An analysis of turnover which is all attributable to the company's principal activity is given below:		
	United Kingdom	<u>10,092,608</u>	<u>9,218,705</u>
2	OPERATING PROFIT		
	Operating profit is stated after charging:		
		2008 £	2007 £
	Profit on disposal of tangible fixed assets	829	3,716
	Depreciation – owned assets	157,059	124,844
	Rentals under operating leases		
	Land & buildings	100,000	100,000
	Other	142,704	147,615
	Auditors Remuneration - audit	15,000	14,000
	- other services	<u>3,550</u>	<u>8,100</u>
3	EMPLOYEES	2008 No.	2007 No.
	The average monthly number of persons (including directors) employed by the group during the year was:		
	Management	8	7
	Technical	58	54
	Sales and distribution	17	16
	Administration	21	20
		<u>104</u>	<u>97</u>
		2008 £	2007 £
	Staff costs for above persons:		
	Wages and salaries	3,722,139	3,274,406
	Social security costs	458,342	385,071
	Other pension costs	121,373	92,998
		<u>4,301,854</u>	<u>3,752,475</u>
4	DIRECTORS' EMOLUMENTS	2008 £	2007 £
	The directors' aggregate emoluments in respect of qualifying services were:		
	Aggregate emoluments	764,401	660,928
	Company contributions to a money purchase pension scheme	35,106	31,011
		<u>799,507</u>	<u>691,939</u>

J M Computing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

4 DIRECTORS' EMOLUMENTS (continued)

Pension benefits are accruing to eight directors (2007- seven) under a money purchase pension scheme.

Options over shares in the parent company were granted to 1 director (2007 - none) during the year.

	2008 £	2007 £
Remuneration of highest paid director		
Aggregate emoluments	149,261	135,031
Company contributions to a money purchase pension scheme	9,115	8,185
	<u>158,376</u>	<u>143,216</u>

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 £	2007 £
Bank credit	<u>52,693</u>	<u>41,320</u>

6 TAXATION

	2008 £	2007 £
Current tax:		
UK corporation tax at 30%(2007 - 30%) based on the profit for the period	332,155	369,451
Adjustment in respect of prior years	-	(735)
Total current tax	<u>332,155</u>	<u>368,716</u>
Deferred tax	(3,828)	4,421
Total tax on profit on ordinary activities	<u>328,327</u>	<u>373,137</u>

J M Computing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

6 TAXATION (continued)

The tax assessed for the period is higher than that resulting from applying the standard rate of corporation tax in the UK 29.5% (2006– 30%). The differences are explained below:

Factors affecting tax charge for period:	2008 £	2007 £
Profit on ordinary activities before taxation	1,297,963	1,399,377
Profit on ordinary activities multiplied by the standard rate of tax at 29.5% (2006 30%)	<u>382,935</u>	<u>419,813</u>
Expenses not deductible for tax purposes	18,686	13,176
Depreciation in excess of capital allowances	3,975	(3,649)
Prior period adjustments	-	(735)
Group relief claimed	(73,499)	(60,157)
Other tax adjustments	58	268
	<u>332,155</u>	<u>368,716</u>

7 DIVIDENDS

	2008 £	2007 £
Equity dividends on 10,000 ordinary £1 shares		
Interim paid - £187.95 per ordinary share (2007- £200.00)	<u>1,879,482</u>	<u>2,000,000</u>

8 TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Computer Equipment £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 July 2007	58,145	727,570	101,275	39,853	926,843
Additions	-	158,676	425	12,912	172,013
Disposals	347	153,924	3,080	14,351	171,702
At 30 June 2008	<u>57,798</u>	<u>732,322</u>	<u>98,620</u>	<u>38,414</u>	<u>927,154</u>
Depreciation					
At 1 July 2007	50,798	512,212	75,550	17,751	656,311
Charged in the year	1,975	143,050	5,164	6,870	157,059
Disposals	347	153,439	2,956	11,128	167,870
At 30 June 2008	<u>52,426</u>	<u>501,823</u>	<u>77,758</u>	<u>13,493</u>	<u>645,500</u>
Net book value					
At 30 June 2008	<u>5,372</u>	<u>230,499</u>	<u>20,862</u>	<u>24,921</u>	<u>281,654</u>
At 30 June 2007	<u>7,346</u>	<u>215,358</u>	<u>25,725</u>	<u>22,102</u>	<u>270,531</u>

J M Computing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

9	STOCKS		
		2008	2007
		£	£
	Raw materials and consumables	<u>86,393</u>	<u>120,237</u>

10	DEBTORS		
		2008	2007
		£	£
	Trade debtors	1,138,232	954,618
	Amounts owed by group undertakings	6,303	3,382,824
	Other debtors	158,277	135,674
	Deferred taxation	<u>20,093</u>	<u>16,265</u>
		<u>1,322,905</u>	<u>4,489,381</u>

Deferred tax asset

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

	£	£
At 1 July 2007	16,265	20,686
Movement in year	<u>3,828</u>	<u>(4,421)</u>
At 30 June 2008	<u>20,093</u>	<u>16,265</u>

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

	2008	2007
	£	£
Depreciation in excess of capital allowances	18,947	15,175
Short term timing differences	840	840
Losses and other deductions	<u>306</u>	<u>250</u>
Deferred tax asset	<u>20,093</u>	<u>16,265</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 2008

11	CREDITORS: Amounts falling due within one year		
		2008	2007
		£	£
	Trade creditors	543,397	603,104
	Amounts owed to group undertakings	100	2,491,523
	Other taxation and social security	535,969	415,130
	Corporation tax	215,555	152,987
	Deferred support income	1,375,648	1,009,410
	Other creditors	182,044	254,402
	Accruals and deferred income	79,764	84,677
		<u>2,932,477</u>	<u>5,011,233</u>
12	SHARE CAPITAL		
		2008	2007
		£	£
	Authorised:		
	10,000 (2007- 10,000) Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
		2008	2007
		£	£
	Allotted, called up and fully paid:		
	10,000 (2007- 10,000) Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
13	PROFIT AND LOSS ACCOUNT		
		2008	2007
		£	£
	At 1 July 2007	1,040,199	2,013,959
	Accumulated (loss)/ profit for the financial year	(909,846)	(973,760)
	At 30 June 2008	<u>130,353</u>	<u>1,040,199</u>
14	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
		2008	2007
		£	£
	Profit for the financial year	969,636	1,026,240
	Dividends	(1,879,482)	(2,000,000)
		<u>(909,846)</u>	<u>(973,760)</u>
	Opening shareholders' equity funds	1,050,199	2,023,959
	Closing shareholders' equity funds	<u>140,353</u>	<u>1,050,199</u>

J M Computing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

15 COMMITMENTS UNDER OPERATING LEASES

	Land & buildings 2008 £	Land & Buildings 2007 £	Other 2008 £	Other 2007 £
Leases which expire:				
Within one year	100,000	-	29,561	13,562
Within two to five years	-	100,000	101,607	109,494
	<u>100,000</u>	<u>100,000</u>	<u>131,168</u>	<u>123,056</u>

16 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 2008 were £2,551,091 (2007 - £761,961).

The company is party to group VAT registration; the total liability at 30 June 2008 was £330,778.

17 PENSION COSTS

The company makes contributions to a defined contribution pension scheme for eligible employees. During the year contributions of £121,373 (2007 - £92,998) were made. At the end of the year there was £nil outstanding (2007 - £nil). The assets of the scheme are held in a separate trustee administered scheme.

18 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, CF4 3UZ.

19 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.