

Registration number: 06035493

JDM Technology Group Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 July 2020

Blackman Terry LLP
Bolney Place
Cowfold Road
Bolney
Haywards Heath
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RH17 5QT

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JDM Technology Group Limited

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JDM Technology Group Limited

Company Information

Director	Mr J D McFarlane
Registered office	Breakspear Park Breakspear Way Hemel Hempstead Herts HP2 4TZ
Auditors	Blackman Terry LLP Bolney Place Cowfold Road Bolney Haywards Heath West Sussex RH17 5QT

JDM Technology Group Limited

Strategic Report for the Year Ended 31 July 2020

The director presents his Group Strategic Report for JDM Technology Group Limited (the "company") and its subsidiary undertakings (together the "group") for the year ended 31st July 2020.

Principal activities

The group has traded as JDM Technology Group since September 2015. This reflects the changes in the group structure with UK acquisitions and branding efforts worldwide for the wider JDM Technology Group Inc. group of companies.

The group's principal activity during the year was the provision of information technology solutions to customers in the construction industry. This encompasses the development and licensing of market specific business process application software supported by a comprehensive range of IT solutions and support services.

The principal activity of the company is that of a holding company.

Business review and key performance indicators (KPIs)

The group operates independent software solution providers in the UK and Ireland focused on the construction industry. The businesses all operate as stand-alone business entities.

Our overall strategy relies upon a thorough understanding of our customers and their requirements. The focus is to protect solid and resilient recurring customer bases whilst extending and developing product offerings to promote on-going trading. The ethos of the business is to add and develop incremental elements of software sales and services and, in doing so, this will boost the underlying support revenues.

The group has an overriding philosophy of customer service and innovation to support and build strong relationships with its customers. Recurring revenue underpins the business results and the future of the group as a whole.

The group invests in development, constantly enhancing and updating the products we sell, to maintain existing customer engagement as well as offering opportunities for new sales within existing and new markets.

The group's main key performance indicators are turnover, profit before tax and cash balances. All indicators are compared against budget and prior year performance.

Turnover for the year fell by 6.6% to £12,669,733, this was primarily due to a fall in software sales after last year's surge driven by changes in UK legislative treatment of VAT, notably Making Tax Digital and the implementation of Reverse Charge VAT, both of which have required customers to develop new accounting practices. Annual recurring license fee sales continue to represent a significant proportion of turnover and provide the business with good and regular cash generation.

Profit before tax fell by 38.3% to £1,718,414 (2019: 23.4% increase), the main impacts being the non recurrence of revenues last year associated with legislative changes and customer migrations.

Cash balances as at 31 July 2020 were £712,264 (2019: £518,592). We continue to maintain strong cash to profit ratios though debt repayments, inter-group loans payments reduced the cash levels year on year.

JDM Technology Group Limited

Strategic Report for the Year Ended 31 July 2020

Principal risks and uncertainties

The management of the business and the execution of its strategy are subject to a number of risks. The key business risks and uncertainties affecting the group are linked to the success of the company's subsidiaries. These in turn relate to competitors, product availability, the development of new products and general economic conditions in the construction industry.

The Board formally reviews risks and appropriate processes put in place to monitor and mitigate them. If several events occur, it is possible that the overall effect of such events would compound the possible adverse effects on the group.

Dec 9, 2020

Approved by the director on and signed on its behalf by:

Jim McFarlane

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Mr J D McFarlane
Director

JDM Technology Group Limited

Director's Report for the Year Ended 31 July 2020

The director presents his annual report and the audited consolidated financial statements of JDM Technology Group Limited for the year ending 31 July 2020.

Director of the group

The director who held office during the year was as follows:

Mr J D McFarlane

Results and dividends

The results for the year are set out on page 10. The group recorded a profit after tax for the financial year of £1,307,073 (2019: £2,159,066).

The director does not propose a dividend (2019: £nil).

Financial risk management

Objectives and policies

The group has established a treasury function, which supports the operating activities of the business. Its primary role is to ensure that adequate resources are available to meet the funding requirements of the business on a day-to-day basis and for ensuring that financial risk arising from the group's underlying operations are effectively identified and managed.

Price risk, credit risk, liquidity risk and cash flow risk

The group's operations expose it to a variety of financial risks that include credit risk, liquidity risk and foreign exchange risk.

Credit risk

The director assesses the group's exposure to credit risk by monitoring the accumulated trading balances with existing clients.

Liquidity risk

Arrangements are made with group undertakings to ensure that suitable and appropriate access to long term funding is available. Short-term working capital requirements are monitored through cash flow forecasting.

Foreign exchange risk

The group trades in the UK, Europe the US and in Dubai. The business is therefore exposed to foreign exchange risk arising from currency exposures as a result of these transactions, primarily with respect to the UAE dirham, the Euro and the US dollar. The director believes that although the business is exposed to these risks, they are not considered significant to the trading of the group.

Political and charitable donations

The company aims wherever possible to make a positive impact upon the community, at large, and to that effect the company made donations to UK charities via the company's subsidiaries amounting to £15,742 (2019: £14,385). The company made no political donations during the year (2019: nil).

JDM Technology Group Limited

Director's Report for the Year Ended 31 July 2020

Future developments

The UK economy is facing an unprecedented period of uncertainty with the Covid Pandemic causing local and potential national lockdowns and the pressing challenge of the Brexit transition end-game it is an uncertain time to consider future prospects.

However, the construction market in the UK has been more resilient than most parts of the economy over the past year with Government pledges to develop infrastructure, and change planning rules to support housing requirements. Against this the retail and office space businesses are struggling and associated contractors may have a difficult year, whilst some are taking advantage of lulls in trading to refurbish parts of their building stock or repurpose and refit for what could be the new norm.

Whilst the next year to 18 months is going to be an uncertain and difficult time, the business has exercised tight cost control for many years. The business has been operating working from home for many years and the change this spring was taken in our stride. Furthermore, we have developed new working practices to deliver solutions remotely. The business works hard to support and maintain its extensive customers bases, and many of its products allow customers to act and work remotely, which in the current climate offers chances to demonstrate how far online and remote working has really come.

The business is well placed to cope with what are difficult times. For its customers in the UK construction industry, it remains JDM's focus to service and maintain strong relationships as an industry leader in the United Kingdom.

The director remains optimistic about the opportunities in the UK and Ireland economies and in particular the construction industry. The focus for the next twelve months continues to be:

The provision of product of exceptional quality through professional and diligent resourcing;

Maintaining and strengthening customer relationships;

Investment in new technology and core areas of the business. The subsidiary businesses demonstrate a wider breadth than simply financial accounting solutions and with recent acquisitions and partner arrangements the breadth in the market is further expanded. Recent Group wide acquisitions offer us new opportunities to provide facilities management toolsets and the provision of BIM solutions.

We will continue to build and develop products, which will provide our customers with the ability to achieve competitive advantage and eliminate risk by improving operational efficiency and cost control.

Research and development

The company and group maintain an active and focused research and development function. Work includes ensuring that software is constantly upgraded for technical and infrastructure improvements as requirements evolve, that software is consistent and up to date with regards to legislative and operational requirements and that the functionality and features of the software are innovative and focused to extend the product's footprint in the market and its commercial longevity. Research and development spend during the year was £1,911,355 (2019: £2,005,199) across the group.

Post balance sheet events

None are noted at this time.

JDM Technology Group Limited

Director's Report for the Year Ended 31 July 2020

Disclosure of information to the auditor

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditor is unaware.

Reappointment of auditors

Under section 487(2) of the Companies Act 2006, Blackman Terry LLP were appointed as auditors during the year and will be reappointed 28 days after these financial statements are sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

Dec 9, 2020

Approved by the director on and signed on its behalf by:

Jim McFarlane

.....

Mr J D McFarlane

Director

JDM Technology Group Limited

Statement of Director's Responsibilities

The director acknowledges his responsibilities for preparing the Annual 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 he is 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 have 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

JDM Technology Group Limited

Independent Auditor's Report to the Members of JDM Technology Group Limited

Opinion

We have audited the financial statements of JDM Technology Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2020, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of the director

As explained more fully in the Statement of Director's Responsibilities [set out on page 7], the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

JDM Technology Group Limited

Independent Auditor's Report to the Members of JDM Technology Group Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

JDM Technology Group Limited

Independent Auditor's Report to the Members of JDM Technology Group Limited

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 July 2020 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 year 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.

Use of our report

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.

JDM Technology Group Limited

Independent Auditor's Report to the Members of JDM Technology Group Limited

Jonathan Terry
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Jonathan Terry (Senior Statutory Auditor)
For and on behalf of Blackman Terry LLP, Statutory Auditor

Bolney Place
Cowfold Road
Bolney
Haywards Heath
West Sussex
RH17 5QT

Dec 10, 2020
Date:.....

JDM Technology Group Limited

Consolidated Profit and Loss Account for the Year Ended 31 July 2020

	Note	2020 £	2019 £
Turnover	3	12,669,733	13,570,739
Cost of sales		<u>(3,905,208)</u>	<u>(3,897,202)</u>
Gross profit		8,764,525	9,673,537
Administrative expenses		(7,146,834)	(7,007,934)
Other operating income		<u>614,614</u>	<u>601,736</u>
Operating profit	5	<u>2,232,305</u>	<u>3,267,339</u>
Other interest receivable and similar income	7	5,446	1,205
Interest payable and similar expenses	8	<u>(519,337)</u>	<u>(484,182)</u>
		<u>(513,891)</u>	<u>(482,977)</u>
Profit before tax		1,718,414	2,784,362
Tax on profit	12	<u>(411,341)</u>	<u>(625,296)</u>
Profit for the financial year		<u>1,307,073</u>	<u>2,159,066</u>
Profit/(loss) attributable to:			
Owners of the company		<u>1,307,073</u>	<u>2,159,066</u>

The group has no recognised gains or losses for the year other than the results above.

JDM Technology Group Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 July 2020

	2020 £	2019 £
Profit for the year	<u>1,307,073</u>	<u>2,159,066</u>
Total comprehensive income for the year	<u>1,307,073</u>	<u>2,159,066</u>
Total comprehensive income attributable to:		
Owners of the company	<u>1,307,073</u>	<u>2,159,066</u>

JDM Technology Group Limited
(Registration number: 06035493)
Consolidated Balance Sheet as at 31 July 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	4,371,807	5,450,875
Tangible assets	14	<u>86,874</u>	<u>63,052</u>
		<u>4,458,681</u>	<u>5,513,927</u>
Current assets			
Stocks	16	3,910	3,910
Debtors	17	11,357,164	10,118,608
Cash at bank and in hand		<u>712,264</u>	<u>518,529</u>
		12,073,338	10,641,047
Creditors: Amounts falling due within one year	19	<u>(8,307,396)</u>	<u>(8,124,686)</u>
Net current assets		<u>3,765,942</u>	<u>2,516,361</u>
Total assets less current liabilities		8,224,623	8,030,288
Creditors: Amounts falling due after more than one year	19	(3,115,243)	(4,139,750)
Provisions for liabilities	20	<u>(392,110)</u>	<u>(480,341)</u>
Net assets		<u>4,717,270</u>	<u>3,410,197</u>
Capital and reserves			
Called up share capital	22	4,028,000	4,028,000
Profit and loss account		<u>689,270</u>	<u>(617,803)</u>
Equity attributable to owners of the company		<u>4,717,270</u>	<u>3,410,197</u>
Shareholders' funds		<u>4,717,270</u>	<u>3,410,197</u>

Approved and authorised by the director on Dec 9, 2020

Jim McFarlane
Director

Mr J D McFarlane
Director

JDM Technology Group Limited

(Registration number: 06035493)
Balance Sheet as at 31 July 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	15	34,621,987	34,621,986
Current assets			
Debtors	17	1,891,115	1,891,115
Creditors: Amounts falling due within one year	19	<u>(38,214,758)</u>	<u>(36,220,826)</u>
Net current liabilities		<u>(36,323,643)</u>	<u>(34,329,711)</u>
Total assets less current liabilities		(1,701,656)	292,275
Creditors: Amounts falling due after more than one year	19	<u>(2,228,698)</u>	<u>(2,902,686)</u>
Net liabilities		<u>(3,930,354)</u>	<u>(2,610,411)</u>
Capital and reserves			
Called up share capital	22	4,028,000	4,028,000
Profit and loss account		<u>(7,958,354)</u>	<u>(6,638,411)</u>
Shareholders' deficit		<u>(3,930,354)</u>	<u>(2,610,411)</u>

The company made a loss after tax for the financial year of £1,319,943 (2019 - loss of £1,365,925).

Dec 9, 2020
Approved and authorised by the director on

Jim McFarlane

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Mr J D McFarlane
Director

JDM Technology Group Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 July 2020 **Equity attributable to the parent company**

	Share capital	Profit and loss	Total
	£	account	£
	£	£	£
At 1 August 2019	4,028,000	(617,803)	3,410,197
Profit for the year	-	1,307,073	1,307,073
Total comprehensive income	-	1,307,073	1,307,073
At 31 July 2020	4,028,000	689,270	4,717,270
	Share capital	Profit and loss	Total
	£	account	£
	£	£	£
At 1 August 2018	4,028,000	(2,776,869)	1,251,131
Profit for the year	-	2,159,066	2,159,066
Total comprehensive income	-	2,159,066	2,159,066
At 31 July 2019	4,028,000	(617,803)	3,410,197

JDM Technology Group Limited

Statement of Changes in Equity for the Year Ended 31 July 2020

	Share capital £	Profit and loss account £	Total £
At 1 August 2019	4,028,000	(6,638,411)	(2,610,411)
Loss for the year	-	(1,319,943)	(1,319,943)
Total comprehensive income	-	(1,319,943)	(1,319,943)
At 31 July 2020	4,028,000	(7,958,354)	(3,930,354)
	Share capital £	Profit and loss account £	Total £
At 1 August 2018	4,028,000	(5,272,486)	(1,244,486)
Loss for the year	-	(1,365,925)	(1,365,925)
Total comprehensive income	-	(1,365,925)	(1,365,925)
At 31 July 2019	4,028,000	(6,638,411)	(2,610,411)

The notes on pages 19 to 36 form an integral part of these financial statements.

JDM Technology Group Limited

Consolidated Statement of Cash Flows for the Year Ended 31 July 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the year		1,307,073	2,159,066
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	1,143,159	1,154,534
(Profit)/loss on disposal of tangible assets	4	(150)	550
Finance income	7	(5,446)	(1,205)
Finance costs	8	367,308	441,395
Income tax expense	12	411,341	625,296
		<u>3,223,285</u>	<u>4,379,636</u>
Working capital adjustments			
Increase in stocks	16	-	(2,111)
Increase in trade debtors	17	(1,238,556)	(2,976,041)
Increase in trade creditors	19	486,251	425,987
Cash generated from operations		2,470,980	1,827,471
Income taxes paid	12	(803,114)	(391,164)
Net cash flow from operating activities		<u>1,667,866</u>	<u>1,436,307</u>
Cash flows from investing activities			
Interest received		5,446	1,205
Acquisitions of tangible assets		(87,913)	(44,589)
Proceeds from sale of tangible assets		<u>150</u>	<u>(550)</u>
Net cash flows from investing activities		<u>(82,317)</u>	<u>(43,934)</u>
Cash flows from financing activities			
Interest paid	8	(367,308)	(441,395)
Repayment of other borrowing		(1,024,507)	(1,024,506)
Rounding		<u>1</u>	<u>(1)</u>
Net cash flows from financing activities		<u>(1,391,814)</u>	<u>(1,465,902)</u>
Net increase/(decrease) in cash and cash equivalents		193,735	(73,529)
Cash and cash equivalents at 1 August		<u>518,529</u>	<u>592,058</u>
Cash and cash equivalents at 31 July		<u>712,264</u>	<u>518,529</u>

The notes on pages 19 to 36 form an integral part of these financial statements.

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

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:

Breakspear Park
Breakspear Way
Hemel Hempstead
Herts
HP2 4TZ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The consolidated financial statements of JDM Technology Group Limited (the "group") and the separate financial statements of the company (the "company") have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS102") and the Companies Act 2006.

Basis of preparation

The consolidated and separate financial statements have been prepared on a going concern basis under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Summary of disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, use of exemptions by the company shareholders.

The company has taken advantage of the following exemptions:

- i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, included the company's cash flows;
- ii) from the financial instrument disclosures, required under FRS 102 paragraph 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information, to the extent required, is provided in the consolidated financial statement disclosures; and
- iii) from disclosing the company key management personnel compensation as required by FRS 102 paragraph 33.7, as the information is provided in the consolidated financial statement disclosures. .

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 July 2020.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Going concern

The company meets its day to day working capital requirements through trading. The company's forecast and projections taking into account reasonable possible changes in trading, show that the company should be able to operate within the current arrangements. After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for at least the period of twelve months following the date of approval of these financial statements. The group and company therefore continues to adopt the going concern basis in preparing its financial statements.

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

Adjusting events after the financial period

None are noted at this time.

Revenue recognition

Turnover is measured at fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of discounts allowed by the group and value added tax.

The group recognises turnover when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the group retains no continuing involvement in or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the group's revenue streams have been met as described below:

Maintenance and support revenue

Maintenance and support revenue are invoiced in advance with revenue being recognised rateably over the year of the contract.

Initial license revenue

Initial license revenue is recognised immediately upon the issuance of a license to use the software as there are no vendor obligations remaining.

Services revenue

Services revenue is provided on a 'time and expenses' basis and is recognised as the group's obligations under the applicable contracts are delivered to the customer.

Government grants

Government grants are recognised when there is reasonable assurance that the entity will comply with the conditions attaching to the grant and the grant will be received. (FRS102.24.3A)

Government grants received under the Coronavirus Job Retention Scheme (CJRS) have been recognised using the accruals model, and are included within Other Operating Income on the Consolidated Profit and Loss Account.

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

Foreign currency transactions and balances

The company's functional and presentational currency is pound sterling.

Foreign currency transactions are transferred into the functional currency using the spot exchange rate at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items are measured at historical cost and are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Profit and Loss Account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Profit and Loss Account within 'interest receivable and similar income' or 'interest payable and similar expenses'. All other foreign exchange gains and losses are presented in the Consolidated Profit and Loss Account within 'administrative expenses'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet 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.

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

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
Leasehold improvements	Over the period of the lease
Furniture, fittings and equipment	3 to 5 years

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	9 years
Customer list	10 years
Software rights	9 years

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

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.

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. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

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 group 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 subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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.

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

Defined contribution pension obligation

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the group in independently administered funds.

Employee benefits

The group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the benefit is received. An accrual is recognised at the balance sheet date for any material obligations remaining to employees.

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2020	2019
	£	£
Sales	<u>12,669,733</u>	<u>13,570,739</u>

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

The analysis of the group's turnover for the year by class of business is as follows:

	2020	2019
	£	£
Maintenance and support	9,035,153	8,722,743
Initial license	1,660,415	2,769,411
Services	1,974,165	2,078,585
	<u>12,669,733</u>	<u>13,570,739</u>

The analysis of the group's turnover for the year by market is as follows:

	2020	2019
	£	£
UK	11,274,741	12,036,626
Europe	978,910	1,063,542
Rest of world	416,082	470,571
	<u>12,669,733</u>	<u>13,570,739</u>

4 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2020	2019
	£	£
Gain (loss) on disposal of property, plant and equipment	<u>150</u>	<u>(550)</u>

5 Operating profit

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation expense	64,091	75,466
Amortisation expense	1,079,068	1,079,068
(Profit)/loss on disposal of property, plant and equipment	<u>(150)</u>	<u>550</u>

6 Government grants

Coronavirus Job Retention Scheme grants

The amount of grants recognised in the financial statements was £138,742 (2019 - £Nil).

No unfulfilled conditions or other contingencies attaching to the grants have been recognised in income.

The group has not benefitted from any other form of Government assistance during the period.

7 Other interest receivable and similar income

	2020	2019
	£	£
Interest income on bank deposits	<u>5,446</u>	<u>1,205</u>

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

8 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and borrowings	367,308	441,395
Foreign exchange (gains) / losses	152,029	42,787
	<u>519,337</u>	<u>484,182</u>

9 Staff costs

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

	2020	2019
	£	£
Wages and salaries	6,119,453	6,395,307
Social security costs	623,956	630,113
Private health insurance	95,267	81,015
Pension costs, defined contribution scheme	275,796	255,192
	<u>7,114,472</u>	<u>7,361,627</u>

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

	2020	2019
	No.	No.
Programming and engineering	93	94
Administration and management	10	12
Sales and marketing	19	20
	<u>122</u>	<u>126</u>

10 Director's remuneration

The director did not receive any remuneration in respect of his services to the company and group in the current year (2019: £Nil). The remuneration has been borne by another JDM group company, JDM Technology Group Inc. and no recharge has been made as the services to the company and group are merely incidental to his services to the wider JDM Technology Group Inc. group of companies.

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

11 Auditors' remuneration

	2020 £	2019 £
Audit of these financial statements	37,000	27,500
Audit of the financial statements of subsidiaries of the company pursuant to legislation	<u>13,677</u>	<u>13,182</u>
	<u>50,677</u>	<u>40,682</u>
Other fees to auditors		
All other non-audit services	<u>9,000</u>	<u>9,000</u>

12 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	451,119	662,429
UK corporation tax adjustment to prior periods	<u>(3,704)</u>	<u>(26,887)</u>
	447,415	635,542
Foreign tax	<u>52,158</u>	<u>44,339</u>
Total current income tax	499,573	679,881
Deferred taxation		
Origination and reversal of timing differences	<u>(88,232)</u>	<u>(54,585)</u>
Tax expense in the income statement	<u>411,341</u>	<u>625,296</u>

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	1,718,414	2,784,362
Corporation tax at standard rate	326,499	529,029
Effect of expense not deductible in determining taxable profit (tax loss)	211,044	213,964
Effect of foreign tax rates	(24,411)	(25,864)
Decrease in UK and foreign current tax from adjustment for prior periods	(3,704)	(26,887)
Tax decrease from effect of capital allowances and depreciation	(9,855)	(10,361)
Tax decrease from other short-term timing differences	(88,232)	(54,585)
Total tax charge	411,341	625,296

13 Intangible assets

Group

	Goodwill £	Contractual customer relationships £	Internally generated software development costs £	Total £
Cost or valuation				
At 1 August 2019	14,074,485	3,388,547	2,203,155	19,666,187
At 31 July 2020	14,074,485	3,388,547	2,203,155	19,666,187
Amortisation				
At 1 August 2019	11,516,192	1,666,431	1,032,689	14,215,312
Amortisation charge	457,767	376,506	244,795	1,079,068
At 31 July 2020	11,973,959	2,042,937	1,277,484	15,294,380
Carrying amount				
At 31 July 2020	2,100,526	1,345,610	925,671	4,371,807
At 31 July 2019	2,558,293	1,722,116	1,170,466	5,450,875

The aggregate amount of research and development expenditure recognised as an expense during the period is £1,911,355 (2019 - £2,005,199).

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

14 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 August 2019	123,885	750,888	874,773
Additions	<u>520</u>	<u>87,393</u>	<u>87,913</u>
At 31 July 2020	<u>124,405</u>	<u>838,281</u>	<u>962,686</u>
Depreciation			
At 1 August 2019	116,730	694,991	811,721
Charge for the year	<u>4,746</u>	<u>59,345</u>	<u>64,091</u>
At 31 July 2020	<u>121,476</u>	<u>754,336</u>	<u>875,812</u>
Carrying amount			
At 31 July 2020	<u>2,929</u>	<u>83,945</u>	<u>86,874</u>
At 31 July 2019	<u>7,155</u>	<u>55,897</u>	<u>63,052</u>

Included within the net book value of land and buildings above is £2,929 (2019 - £7,155) in respect of long leasehold land and buildings.

15 Investments

Company

	2020 £	2019 £
Investments in subsidiaries	<u>34,621,987</u>	<u>34,621,986</u>

Subsidiaries

Cost or valuation	
At 1 August 2019	34,621,986
Additions	<u>1</u>
At 31 July 2020	<u>34,621,987</u>
Provision	
Carrying amount	
At 31 July 2020	<u>34,621,987</u>
At 31 July 2019	<u>34,621,986</u>

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking			Registered office	Holding	Proportion of voting rights and shares held	
					2020	2019
Subsidiary undertakings						
Explorer Limited*	Holdings	UK	Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ England	Ordinary	100%	100%
Integrity Systems Limited*	Software		Two Snow Hill, 11th Floor, Birmingham, B4 6WR England	Ordinary	100%	100%
Redsky Limited*	IT	Holdings	Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ England	Ordinary	100%	100%
Redsky Limited*	IT	(Hemel)	Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ England	Ordinary	100%	100%
Redsky IT (Crick) Limited			Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ England	Ordinary	100%	100%
Estimate Limited*	Software		Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ England	Ordinary	100%	100%
Coulson Heron Associates Limited			Breakspear Park, Breakspear Way, Hemel Hempstead, HP2 4TZ England	Ordinary	100%	100%
Premier Software Limited			6th Floor, South Bank House, Barrow Street, Dublin 4 Ireland	Ordinary	100%	100%
JDM Subsidiary 1 Limited			Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ England and Wales	Ordinary	100%	0%

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

Subsidiary undertakings

*Explorer Holdings UK Limited**

The principal activity of Explorer Holdings UK Limited* is a holding company.

*Integrity Software Systems Limited**

The principal activity of Integrity Software Systems Limited* is a developer and supplier of software.

*Redsky IT Holdings Limited**

The principal activity of Redsky IT Holdings Limited* is a holding company.

*Redsky IT (Hemel) Limited**

The principal activity of Redsky IT (Hemel) Limited* is a developer and supplier of software.

Redsky IT (Crick) Limited

The principal activity of Redsky IT (Crick) Limited is a dormant company.

*Estimate Software Limited**

The principal activity of Estimate Software Limited* is a developer and supplier of software.

Coulson Heron Associates Limited

The principal activity of Coulson Heron Associates Limited is a dormant company.

Premier Software Limited

The principal activity of Premier Software Limited is a developer and supplier of software.

JDM Subsidiary 1 Limited

The principal activity of JDM Subsidiary 1 Limited is a dormant company.

For the year ending 31 July 2020 the indicated (*) subsidiary undertakings were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

16 Stocks

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Other inventories	<u>3,910</u>	<u>3,910</u>	<u>-</u>	<u>-</u>

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

17 Debtors

	Note	Group		Company	
		2020 £	2019 £	2020 £	2019 £
Trade debtors		961,859	1,349,559	-	-
Amounts owed by related parties	26	10,082,731	8,428,994	1,891,115	1,891,115
Other debtors		23,999	23,465	-	-
Prepayments		288,575	316,590	-	-
		<u>11,357,164</u>	<u>10,118,608</u>	<u>1,891,115</u>	<u>1,891,115</u>

18 Cash and cash equivalents

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Cash at bank	<u>712,264</u>	<u>518,529</u>	<u>-</u>	<u>-</u>

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

19 Creditors

		Group		Company	
	Note	2020 £	2019 £	2020 £	2019 £
Due within one year					
Loans and borrowings	23	1,024,507	1,024,507	673,989	673,989
Trade creditors		107,066	186,522	-	-
Amounts due to related parties	26	-	-	37,540,769	35,546,837
Social security and other taxes		1,159,191	569,150	-	-
Other payables		57,530	10,770	-	-
Accruals and deferred income		5,682,675	5,753,769	-	-
Income tax liability		276,427	579,968	-	-
		<u>8,307,396</u>	<u>8,124,686</u>	<u>38,214,758</u>	<u>36,220,826</u>
Due after one year					
Loans and borrowings	23	<u>3,115,243</u>	<u>4,139,750</u>	<u>2,228,698</u>	<u>2,902,686</u>

20 Deferred tax and other provisions

Group

	Deferred tax £	Total £
At 1 August 2019	480,341	480,341
Increase (decrease) due to passage of time or unwinding of discount	<u>(88,231)</u>	<u>(88,231)</u>
At 31 July 2020	<u>392,110</u>	<u>392,110</u>

21 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £275,796 (2019 - £255,192).

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

22 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary of £0.38 each	<u>10,600,000</u>	<u>4,028,000</u>	<u>10,600,000</u>	<u>4,028,000</u>

23 Loans and borrowings

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	<u>3,115,243</u>	<u>4,139,750</u>	<u>2,228,698</u>	<u>2,902,686</u>

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Current loans and borrowings				
Bank borrowings	<u>1,024,507</u>	<u>1,024,507</u>	<u>673,989</u>	<u>673,989</u>

24 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Not later than one year	52,619	76,718
Later than one year and not later than five years	<u>64,277</u>	<u>100,072</u>
	<u>116,896</u>	<u>176,790</u>

25 Dividends

Final dividends paid

	2020	2019
	£	£
Final dividend of £Nil per each Ordinary	<u>-</u>	<u>-</u>

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

26 Related party transactions

Group

Key management compensation

	2020	2019
	£	£
Salaries and other short term employee benefits	974,368	618,879
Post-employment benefits	66,562	50,585
	<u>1,040,930</u>	<u>669,464</u>

Summary of transactions with entities with joint control or significant interest

During the year the group entered into transactions with other JDM Technology Group Inc. entities who have control, joint control or significant influence over the group and company. These transactions related to management recharges with income due to the group in the year of £475,872 (2019 - £601,736) and expenses charged to the group of £236,317 (2019 - £255,585). As at 31 July 2020, the amount owed by these entities to the group amounted to £10,082,731 (2019 - £8,428,994).

Company

Summary of transactions with entities with joint control or significant interest

There were no transactions with the company during the year (2019 - £nil). As at 31 July 2020, the amount owed by these entities to the company amounted to £1,891,115 (2019 - £1,891,115).

27 Parent and ultimate parent undertaking

JDM Technology Group Limited produces consolidated financial statements for itself and all its subsidiaries, representing the smallest and largest group for which publicly available consolidated financial statements which include the company are available.

JDM Technology Group Inc., a company incorporated in Canada, is the ultimate parent undertaking, and J D McFarlane, by virtue of his interest in JDM Technology Group Inc., is considered to be the ultimate controlling party.