

Registration number: 06035493

JDM Technology Group Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 July 2023

Owadally and King
Chartered Certified Accountants
3 Park Lane
Croydon
Surrey
CR0 1JG



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	Owadally and King Chartered Certified Accountants 3 Park Lane Croydon Surrey CR0 1JG

JDM Technology Group Limited

Strategic Report for the Year Ended 31 July 2023

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 2023.

Principal activity

The principal activity of the group is 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 services.

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 license 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 rose by 3.2% to £14.3m. This was primarily due to an increase in Sales in Ireland where the demise of a local software supplier provided an opportunity for new sales. There were 10 new sales introduced in this way. The need for remote access tools notably around payments and invoice receipt and recording continues as staff continue to work from home and a general interest in restarting or investing in new projects sees software sales improve. We also delivered some long term projects which had been held pending delivery at the end of the previous year end.

Travel continues to be limited and the delivery mechanism and associated margin remain higher than in the past.

Whilst the order book noted at the end of last year has diminished with the delivery of long term projects, orders and notably consultancy order cover remain strong.

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 29.3% to £2,470,031 (2022: £3,495,839). This was mainly due to the loss on currency exchange of £754,716 (2022: £84,886 gain) and an increase in wage costs.

Cash balances as at 31 July 2023 were £605,415 (2022: £439,131). We continue to maintain strong cash to profit ratios though debt repayments, inter-group loans payments reduced the cash levels year on year, with significant injections of cash into a new Acquisition in Norway and the repayment of Group loans. The business, which is owned by the Canadian Holding Company, further extends the Groups influence in Europe and gives the UK businesses the opportunity to nurture mutual agreements, shared customers, and to cross trade into other businesses serviced by the Group.

JDM Technology Group Limited

Strategic Report for the Year Ended 31 July 2023

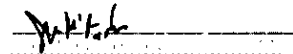
There are clearly difficult financial conditions and we can anticipate business failures in our customer base. However, we operate a range of products to a broad church of customers and in doing so we aim to mitigate our risk to any one customer or market. Allied to this are high levels (72%), (2022: 65%) of recurring revenue for customers who need to utilise the licences we issue. We therefore believe the business continues to be in a robust position to face the difficult economic situation, which 2024 promises to be.

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.

Approved and authorised by the director on 23/04/24



Mr J D McFarlane
Director

JDM Technology Group Limited

Director's Report for the Year Ended 31 July 2023

The director presents his annual report and the audited consolidated financial statements of JDM Technology Group Limited for the year ending 31 July 2023.

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 12. The group recorded a profit after tax for the financial year of £2,041,242 (2022: £2,809,765).

The director does not propose a group dividend for the year (2022: nil). A dividend through the Irish subsidiary of 2,800,000 Euros (£2,406,652) was paid in the year.

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 Norwegian Krone, 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 of £17,101 (2022: £16,608). The company made no political donations during the year (2022: nil).

JDM Technology Group Limited

Director's Report for the Year Ended 31 July 2023

Future developments

The UK economy is facing inflationary pressures, an uncertain labour market and how society and the economy in general will recover. Further afield supply issues in the economy will produce further risk and uncertainty and we are seeing price inflation and supply issues already impacting the Construction industry.

The group and its trading businesses face this situation in what is an enviable position. A substantial proportion of revenues are generated by recurring licence income. Whilst there will inevitably be some business failures or reorganisations the wide breadth and number of customers in our base should allow us to maintain revenues overall. Furthermore, the need for remote learning does not look to be abating and the concept of hybrid working means that many of our customers can still see value in our products, not previously recognised. Remote access, OCR and document management requirements all provide opportunities for further sales and expansion of our traditional product footprint.

The business continues to exercise tight cost control. For these reasons the business is well placed to cope with what are difficult times.

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 overall holding Group continue to buy and build and with new acquisitions come new customer relationships, innovative new product and overall synergies to develop these for the subsidiaries. Recent acquisitions offer opportunities to progress the delivery of BIM solutions, Risk management and Project scheduling.

We also are investing in new product development and now hold one patent and are progressing a second to support our development of Group wide solutions in the UK, US and Australia.

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 £2,023,461 (2022: £1,851,627) across the group.

Post balance sheet events

None noted at this time.

JDM Technology Group Limited

Director's Report for the Year Ended 31 July 2023

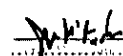
Disclosure of information to the auditor

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, Owadally and King were appointed as auditors on 26 September 2023 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.

Approved and authorised by the director on 23/04/24


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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 group and the company and of the profit or loss of the group 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 2023, 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).

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 2023 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 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

JDM Technology Group Limited

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

Other information

The directors are 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.

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.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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 director's 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 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud or noncompliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management.

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to these laws and regulations, including fraud.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, FRS 102, Copyright, Designs and Patents Act 1988, UK tax legislation and equivalent local laws and regulations.

We made enquiries of management with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information, for example, reviewing legal correspondence with the companies legal representatives and obtaining legal letters detailing any significant legal matters that have arisen in the year.

Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

JDM Technology Group Limited

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

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.

M Y F Owadally
.....

Mr Mohammed Yousouf F Owadally (Senior Statutory Auditor)
For and on behalf of Owadally and King, Statutory Auditor

3 Park Lane
Croydon
Surrey
CR0 1JG

Date: **24/04/24**
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JDM Technology Group Limited

Consolidated Profit and Loss Account for the Year Ended 31 July 2023

	Note	2023 £	2022 £
Turnover	3	14,299,516	13,849,788
Cost of sales		<u>(4,357,812)</u>	<u>(3,950,097)</u>
Gross profit		9,941,704	9,899,691
Administrative expenses		(7,358,791)	(7,068,290)
Other operating income		<u>761,002</u>	<u>730,879</u>
Operating profit	5	<u>3,343,915</u>	<u>3,562,280</u>
Other interest receivable and similar income	6	1,331	780
Interest payable and similar expenses	7	<u>(875,215)</u>	<u>(67,221)</u>
		<u>(873,884)</u>	<u>(66,441)</u>
Profit before tax		2,470,031	3,495,839
Tax on profit	11	<u>(428,789)</u>	<u>(686,074)</u>
Profit for the financial year		<u>2,041,242</u>	<u>2,809,765</u>
Profit/(loss) attributable to:			
Owners of the company		<u>2,041,242</u>	<u>2,809,765</u>

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

JDM Technology Group Limited

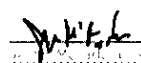
Consolidated Statement of Comprehensive Income for the Year Ended 31 July 2023

	2023 £	2022 £
Profit for the year	<u>2,041,242</u>	<u>2,809,765</u>
Total comprehensive income for the year	<u>2,041,242</u>	<u>2,809,765</u>
Total comprehensive income attributable to:		
Owners of the company	<u>2,041,242</u>	<u>2,809,765</u>

JDM Technology Group Limited
(Registration number: 06035493)
Consolidated Balance Sheet as at 31 July 2023

	Note	2023 £	2022 £
Fixed Assets			
Intangible assets	12	1,134,606	2,213,673
Tangible Assets	13	60,518	41,722
		<u>1,195,124</u>	<u>2,255,395</u>
Current assets			
Debtors	15	9,794,560	8,258,854
Cash at bank and in hand		605,415	439,131
		<u>10,399,975</u>	<u>8,697,985</u>
Creditors: Amounts falling due within one year	17	<u>(8,440,702)</u>	<u>(8,900,585)</u>
Net current assets/(liabilities)		<u>1,959,273</u>	<u>(202,600)</u>
Total assets less current liabilities		3,154,397	2,052,795
Creditors: Amounts falling due after more than one year	17	(262,770)	(1,133,256)
Provisions for liabilities	18	<u>(103,365)</u>	<u>(172,519)</u>
Net assets		<u>2,788,262</u>	<u>747,020</u>
Capital and Reserves			
Called up share capital	20	4,028,000	4,028,000
Retained Earnings		<u>(1,239,738)</u>	<u>(3,280,980)</u>
Equity attributable to owners of the company		<u>2,788,262</u>	<u>747,020</u>
Shareholders' funds		<u>2,788,262</u>	<u>747,020</u>

Approved and authorised by the director on 23/04/24



Mr J D McFarlane
Director

JDM Technology Group Limited

(Registration number: 06035493)

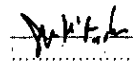
Balance Sheet as at 31 July 2023

	Note	2023 £	2022 £
Fixed Assets			
Investments	14	34,621,987	34,621,987
Current assets			
Debtors	15	24,419,174	22,000,000
Creditors: Amounts falling due within one year	17	<u>(47,853,681)</u>	<u>(46,057,345)</u>
Net current liabilities		<u>(23,434,507)</u>	<u>(24,057,345)</u>
Total assets less current liabilities		11,187,480	10,564,642
Creditors: Amounts falling due after more than one year	17	<u>(262,770)</u>	<u>(899,176)</u>
Net assets		<u>10,924,710</u>	<u>9,665,466</u>
Capital and Reserves			
Called up share capital	20	4,028,000	4,028,000
Retained Earnings		<u>6,896,710</u>	<u>5,637,466</u>
Shareholders' funds		<u>10,924,710</u>	<u>9,665,466</u>

The company made a profit after tax for the financial year of £1,259,244 (2022 - loss of £1,173,061).

23/04/24

Approved and authorised by the director on



Mr J D McFarlane
Director

JDM Technology Group Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 July 2023 Equity attributable to the parent company

	Share capital £	Profit and loss account £	Total £
At 1 August 2022	4,028,000	(3,280,980)	747,020
Profit for the year	-	2,041,242	2,041,242
Total comprehensive income	-	2,041,242	2,041,242
At 31 July 2023	4,028,000	(1,239,738)	2,788,262
	Share capital £	Profit and loss account £	Total £
At 1 August 2021	4,028,000	(6,090,745)	(2,062,745)
Profit for the year	-	2,809,765	2,809,765
Total comprehensive income	-	2,809,765	2,809,765
At 31 July 2022	4,028,000	(3,280,980)	747,020

JDM Technology Group Limited

Statement of Changes in Equity for the Year Ended 31 July 2023

	Share capital £	Profit and loss account £	Total £
At 1 August 2022	4,028,000	5,637,466	9,665,466
Profit for the year	-	1,259,244	1,259,244
Total comprehensive income	-	1,259,244	1,259,244
At 31 July 2023	4,028,000	6,896,710	10,924,710
	Share capital £	Retained Earnings £	Total £
At 1 August 2021	4,028,000	6,810,527	10,838,527
Loss for the year	-	(1,173,061)	(1,173,061)
At 31 July 2022	4,028,000	5,637,466	9,665,466

The notes on pages 19 to 37 form an integral part of these financial statements.

JDM Technology Group Limited

Consolidated Statement of Cash Flows for the Year Ended 31 July 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Profit for the year		2,041,242	2,809,765
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	1,126,338	1,124,143
Profit on disposal of tangible assets	4	-	(720)
Finance income	6	(1,331)	(780)
Finance costs	7	120,499	152,107
Income tax expense	11	428,789	686,074
		<u>3,715,537</u>	<u>4,770,589</u>
Working capital adjustments			
Increase in trade debtors	15	(1,535,706)	(4,349,026)
Increase in trade creditors	17	240,937	199,299
Cash generated from operations		2,420,768	620,862
Income taxes paid	11	(792,751)	(572,850)
Net cash flow from operating activities		<u>1,628,017</u>	<u>48,012</u>
Cash flows from investing activities			
Interest received		1,331	780
Acquisitions of tangible assets		(66,067)	(29,065)
Proceeds from sale of tangible assets		-	720
Net cash flows from investing activities		<u>(64,736)</u>	<u>(27,565)</u>
Cash flows from financing activities			
Interest paid	7	(120,499)	(152,108)
Proceeds from bank borrowing draw downs		(1,276,496)	(877,998)
Net cash flows from financing activities		<u>(1,396,995)</u>	<u>(1,030,106)</u>
Net increase/(decrease) in cash and cash equivalents		166,286	(1,009,659)
Cash and cash equivalents at 1 August		439,131	1,448,790
Rounding		<u>(2)</u>	<u>-</u>
Cash and cash equivalents at 31 July		<u>605,415</u>	<u>439,131</u>

The notes on pages 19 to 37 form an integral part of these financial statements.

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2023

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

23/04/24

These financial statements were authorised for issue by the director on

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 2023

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 July 2023.

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 2023

Adjusting events after the financial period

None 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 2023

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 2023

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	10 years
Customer list	9 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 2023

Cash and cash equivalents

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

Trade Debtors

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

Trade Debtors are recognised initially at the transaction price. 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.

Stocks

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.

Trade Creditors

Trade Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the 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 2023

Dividends

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

Defined contribution pension obligation

The 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:

	2023	2022
	£	£
Sales	<u>14,299,516</u>	<u>13,849,788</u>

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2023

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

	2023	2022
	£	£
Maintenance and support	10,240,908	9,594,904
Initial license	2,003,750	2,457,412
Services	2,054,858	1,797,472
	<u>14,299,516</u>	<u>13,849,788</u>

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

	2023	2022
	£	£
UK	12,496,374	12,326,177
Europe	1,372,074	1,169,203
Rest of world	431,068	354,408
	<u>14,299,516</u>	<u>13,849,788</u>

4 Other gains and losses

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

	2023	2022
	£	£
Gain on disposal of Tangible Assets	<u>-</u>	<u>720</u>

5 Operating profit

Arrived at after charging/(crediting)

	2023	2022
	£	£
Depreciation expense	47,270	45,075
Amortisation expense	1,079,068	1,079,068
Profit on disposal of property, plant and equipment	<u>-</u>	<u>(720)</u>

6 Other interest receivable and similar income

	2023	2022
	£	£
Interest income on bank deposits	<u>1,331</u>	<u>780</u>

7 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and borrowings	120,499	152,107
Foreign exchange (gains)/losses	<u>754,716</u>	<u>(84,886)</u>
	<u>875,215</u>	<u>67,221</u>

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2023

8 Staff costs

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

	2023	2022
	£	£
Wages and salaries	6,934,085	6,385,330
Social security costs	725,039	662,916
Private health insurance	107,422	102,552
Pension costs, defined contribution scheme	287,525	270,207
	<u>8,054,071</u>	<u>7,421,005</u>

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

	2023	2022
	No.	No.
Programming and engineering	91	91
Administration and management	12	11
Sales and marketing	16	16
	<u>119</u>	<u>118</u>

9 Director's remuneration

The director did not receive any remuneration in respect of his services to the company and group in the current year (2022: 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 2023

10 Auditors' remuneration

	2023 £	2022 £
Audit of these financial statements	20,000	37,000
Audit of the financial statements of subsidiaries of the company pursuant to legislation	14,802	12,735
	<u>34,802</u>	<u>49,735</u>
Other fees to auditors		
All other non-audit services	-	9,000
	<u>-</u>	<u>9,000</u>

11 Taxation

Tax charged/(credited) in the income statement

	2023 £	2022 £
Current taxation		
UK corporation tax	578,447	769,755
UK corporation tax adjustment to prior periods	(168,492)	(41,387)
	<u>409,955</u>	<u>728,368</u>
Foreign tax	87,986	65,375
Total current income tax	<u>497,941</u>	<u>793,743</u>
Deferred taxation		
Origination and reversal of timing differences	(69,152)	(107,669)
Tax expense in the income statement	<u>428,789</u>	<u>686,074</u>

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2023

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2022 - the same as the standard rate of corporation tax in the UK) of 21% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
Profit before tax	2,470,031	3,495,839
Corporation tax at standard rate	518,707	664,209
Effect of expense not deductible in determining taxable profit (tax loss)	66,938	121,378
Effect of foreign tax rates	87,986	58,976
Decrease in UK and foreign current tax from adjustment for prior periods	(168,492)	(41,387)
Tax decrease from effect of capital allowances and depreciation	(7,198)	(9,432)
Tax decrease from other short-term timing differences	(69,152)	(107,670)
Total tax charge	428,789	686,074

The standard rate of corporation tax changed from 19% to 25% on 1 April 2023. Therefore the standard rate applied in this year's tax note of 21% represents the average of 8 months at 19% and 4 months at 25%.

12 Intangible assets

Group

	Goodwill £	Contractual customer relationships £	Internally generated software development costs £	Total £
Cost or valuation				
At 1 August 2022	14,074,485	3,388,547	2,203,155	19,666,187
At 31 July 2023	14,074,485	3,388,547	2,203,155	19,666,187
Amortisation				
At 1 August 2022	12,889,493	2,795,947	1,767,074	17,452,514
Amortisation charge	457,767	376,505	244,795	1,079,067
At 31 July 2023	13,347,260	3,172,452	2,011,869	18,531,581
Carrying amount				
At 31 July 2023	727,225	216,095	191,286	1,134,606
At 31 July 2022	1,184,992	592,600	436,081	2,213,673

The aggregate amount of research and development expenditure recognised as an expense during the period is £2,023,461 (2022 - £1,851,627)

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2023

13 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 August 2022	63,693	588,171	651,864
Additions	<u>-</u>	<u>66,067</u>	<u>66,067</u>
At 31 July 2023	<u>63,693</u>	<u>654,238</u>	<u>717,931</u>
Depreciation			
At 1 August 2022	61,956	548,186	610,142
Charge for the year	<u>180</u>	<u>47,091</u>	<u>47,271</u>
At 31 July 2023	<u>62,136</u>	<u>595,277</u>	<u>657,413</u>
Carrying amount			
At 31 July 2023	<u>1,557</u>	<u>58,961</u>	<u>60,518</u>
At 31 July 2022	<u>1,737</u>	<u>39,985</u>	<u>41,722</u>

Included within the net book value of land and buildings above is £1,557 (2022 - £1,737) in respect of long leasehold land and buildings.

14 Investments

Company

	2023 £	2022 £
Investments in subsidiaries	<u>34,621,987</u>	<u>34,621,987</u>
Subsidiaries		£
Cost or valuation		
At 1 August 2022		<u>34,621,987</u>
Provision		
Carrying amount		
At 31 July 2023		<u>34,621,987</u>
At 31 July 2022		<u>34,621,987</u>

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2023

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	
			2023	2022
Subsidiary undertakings				
Explorer Holdings UK Limited*	Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ England	Ordinary	100%	100%
Integrity Software Systems Limited*	Two Snow Hill, 11th Floor, Birmingham, B4 6WR England	Ordinary	100%	100%
Redsky IT Holdings Limited*	Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ England	Ordinary	100%	100%
Redsky IT (Hemel) Limited*	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*	Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ England	Ordinary	100%	100%
Premier Limited	6th Floor, South Bank House, Barrow Street, Dublin 4 Ireland	Ordinary	100%	100%
JDM Subsidiary Limited	1 Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ England and Wales	Ordinary	100%	100%

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2023

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.

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 2023 the indicated (*) subsidiary undertakings were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2023

15 Debtors

		Group		Company	
		2023	2022	2023	2022
Current	Note	£	£	£	£
Trade Debtors		1,255,413	1,214,911	-	-
Amounts owed by related parties	24	8,215,817	6,719,283	24,419,174	22,000,000
Other debtors		22,289	12,768	-	-
Prepayments		301,041	311,892	-	-
		<u>9,794,560</u>	<u>8,258,854</u>	<u>24,419,174</u>	<u>22,000,000</u>

16 Cash and cash equivalents

		Group		Company	
		2023	2022	2023	2022
		£	£	£	£
Cash at bank		<u>605,415</u>	<u>439,131</u>	<u>-</u>	<u>-</u>

17 Creditors

		Group		Company	
		2023	2022	2023	2022
	Note	£	£	£	£
Due within one year					
Loans and borrowings	21	471,988	877,998	471,988	577,606
Trade Creditors		182,938	118,265	-	-
Amounts due to related parties	24	-	-	47,375,928	45,473,975
Social security and other taxes		609,376	620,075	-	-
Other payables		64,200	59,696	-	-
Accruals		6,982,549	6,800,090	5,765	5,764
Income tax liability	11	<u>129,651</u>	<u>424,461</u>	<u>-</u>	<u>-</u>
		<u>8,440,702</u>	<u>8,900,585</u>	<u>47,853,681</u>	<u>46,057,345</u>
Due after one year					
Loans and borrowings	21	<u>262,770</u>	<u>1,133,256</u>	<u>262,770</u>	<u>899,176</u>

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2023

18 Deferred tax and other provisions

Group

	Deferred tax £	Total £
At 1 August 2022	172,519	172,519
Increase (decrease) due to passage of time or unwinding of discount	<u>(69,154)</u>	<u>(69,154)</u>
At 31 July 2023	<u>103,365</u>	<u>103,365</u>

19 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 £287,525 (2022 - £270,207).

20 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	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>

21 Loans and borrowings

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	<u>262,770</u>	<u>1,133,256</u>	<u>262,770</u>	<u>899,176</u>

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Current loans and borrowings				
Bank borrowings	<u>471,988</u>	<u>877,998</u>	<u>471,988</u>	<u>577,606</u>

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2023

In respect to the above group borrowings £734,758 (2022: £2,011,254) is secured by a floating charge held by Wells Fargo over the assets of JDM Technology Group Limited and subsidiaries. In respect of the individual company borrowings £734,758 (2022: £1,476,782) is secured by a floating charge held by Wells Fargo over the assets of JDM Technology Group Limited and subsidiaries.

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2023

22 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2023	2022
	£	£
Not later than one year	-	52,588

23 Dividends

Final dividends paid

	2023	2022
	£	£
Final dividend of £Nil per each Ordinary	<u>-</u>	<u>-</u>

24 Related party transactions

Group

Key management compensation

	2023	2022
	£	£
Salaries and other short term employee benefits	1,008,534	947,227
Post-employment benefits	<u>60,965</u>	<u>48,972</u>
	<u>1,069,499</u>	<u>996,199</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 £761,002 (2022: £730,879) and expenses charged to the group of £295,203 (2022: £359,751). As at 31 July 2023, the amount owed by these entities to the group amounted to £8,215,817 (2022: £6,719,283).

Company

Summary of transactions with entities with joint control or significant interest

There were no transactions with the company during the year (2022: nil). As at 31 July 2023, the amount owed by these entities to the company amounted to £24,419,174 (2022: £22,000,000). As at 31 July 2023, the amount owed to these entities by the company amounted to £47,375,928 (2022: £45,473,975).

JDM Technology Group Limited

Notes to the Financial Statements for the Year Ended 31 July 2023

25 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.