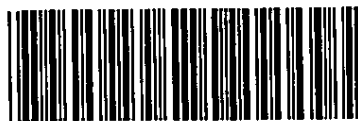


Company Registration No 04151059 (England and Wales)

**BIG IDEAS GROUP LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2012**

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COMPANIES HOUSE



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COMPANIES HOUSE

# **BIG IDEAS GROUP LIMITED**

## **DIRECTORS AND ADVISERS**

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|                            |  |
|----------------------------|--|
| <b>Directors</b>           | S C Gray<br>R K Howard                                     |
| <b>Secretary</b>           | R K Howard   |
| <b>Company number</b>      | 04151059   |
| <b>Registered office</b>   | Big Studios<br>1 East Poultry Avenue<br>London<br>EC1A 9PT |
| <b>Registered auditors</b> | Glazers<br>843 Finchley Road<br>London<br>NW11 8NA         |
| <b>Business address</b>    | Big Studios<br>1 East Poultry Avenue<br>London<br>EC1A 9PT |

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# **BIG IDEAS GROUP LIMITED**

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# **BIG IDEAS GROUP LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2012**

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The directors present their report and financial statements for the year ended 30 September 2012

#### **Principal activities and review of the business**

The principal activity of the group continued to be that of the provision of computer business solutions

The group's turnover increased 8% in line with expectations from £11.7M in 2011 to £12.6M in 2012. The directors consider this level of growth reasonable in the current economic climate.

Big Ideas Group Limited is a holding company of managed technology services companies and as such is exposed to the risks that affect its subsidiaries. These risks centre on any changes in technology which may render the core services of those companies obsolete. All subsidiaries are aware of these risks and have active R&D teams constantly working on new products and services.

Senior management are aware of their responsibility for managing risks within the business. Risk is regularly reviewed at board level to ensure that risk management is being implemented and monitored effectively. The board policy is to ensure that the business is run effectively and appropriately, bearing in mind the requirements for timely decision making and commercial reality.

Insurance policies are regularly reviewed to ensure these are adequate and appropriate, in line with the nature, size and complexity of the business.

The group's strategy has been to diversify its product and services portfolio in order to minimise any perceived risks.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

The board uses a range of industry specific key performance indicators. The main key performance indicator is turnover as detailed above. The group has the infrastructure in place to continue to grow turnover from its existing cost base.

#### **Results and dividends**

The consolidated profit and loss account for the year is set out on page 6.

#### **Future developments**

In the past four years, all facets of the group's business have grown and the primary focus of the organisation for the next 18 months is to accelerate this growth. To deliver this we will focus on new business sales and marketing and providing converged telecommunications services in partnership with LinkLab LLP to our client base.

Big Ideas Group Limited has no plans to launch further subsidiaries in the coming financial year though overall turnover and profit growth from subsidiaries is envisaged.

#### **Directors**

The following directors have held office since 1 October 2011:

S C Gray

R K Howard

# BIG IDEAS GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2012**

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|   | 2012   | 2011 |
|---|--------|------|
|   | £      | £    |
| During the year the group made the following payments |        |      |
| Charitable donations                                  | 11,251 | 565  |

---

The recipients, amounts and purpose of the charitable donations are as follows Medical Emergency Relief International £10,000, Jeans for Genes Day £501, Cancer Research £750 All donations made are to assist in furthering the objects of the relevant charity

### Financial instruments

#### Liquidity risk

The group manages its cash and borrowing requirements centrally in order to maximize interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business

#### Interest rate risk

The group's interest bearing assets are cash balances subject to floating interest rates The directors regularly review cash balances in order to maximise interest whilst at the same time maintaining adequate cash flow for the business

#### Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board

All customers who wish to trade on credit terms are subject to credit verification procedures Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary

### Auditors

The auditors, Glazers, are deemed to be reappointed under section 487(2) of the Companies Act 2006

# BIG IDEAS GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2012**

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### Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

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

- select suitable accounting policies and then 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



R K Howard

Director

28 June 2013

# **BIG IDEAS GROUP LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF BIG IDEAS GROUP LIMITED**

---

We have audited the group and parent company financial statements (the "financial statements") of Big Ideas Group Limited for the year ended 30 September 2012 set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 September 2012 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **BIG IDEAS GROUP LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF BIG IDEAS GROUP LIMITED**

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#### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept 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

**Jessie Kho FCCA (Senior Statutory Auditor)**  
**for and on behalf of Glazers**

28 June 2013

**Chartered Accountants**  
**Statutory Auditor**

843 Finchley Road  
London  
NW11 8NA



# BIG IDEAS GROUP LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

|  | Notes    | 2012<br>£        | 2011<br>£        |
|--|----------|------------------|------------------|
| Turnover   | 2        | 12,624,305       | 11,671,826       |
| Cost of sales  |          | (8,428,365)      | (7,655,056)      |
| <b>Gross profit</b>                                  |          | <b>4,195,940</b> | <b>4,016,770</b> |
| Administrative expenses                              |          | (3,395,590)      | (3,466,831)      |
| Other operating income                               |          | 44,915           | -                |
| <b>Operating profit</b>                              | <b>3</b> | <b>845,265</b>   | <b>549,939</b>   |
| Investment income                                    | 4        | 30,000           | -                |
| Other interest receivable and similar income         |          | 103              | 27               |
| Interest payable and similar charges                 | 5        | (100,281)        | (87,414)         |
| <b>Profit on ordinary activities before taxation</b> |          | <b>775,087</b>   | <b>462,552</b>   |
| Tax on profit on ordinary activities                 | 6        | (54,397)         | 25,470           |
| <b>Profit on ordinary activities after taxation</b>  |          | <b>720,690</b>   | <b>488,022</b>   |
| Minority interests                                   |          | (140,059)        | (222,211)        |
| <b>Loss for the financial year</b>                   | <b>7</b> | <b>-</b>         | <b>-</b>         |

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

# BIG IDEAS GROUP LIMITED

## BALANCE SHEETS

AS AT 30 SEPTEMBER 2012

|   | Notes | Group<br>2012<br>£ | 2011<br>£          | Company<br>2012<br>£ | 2011<br>£          |
|---|-------|--------------------|--------------------|----------------------|--------------------|
| <b>Fixed assets</b>   |       |                    |                    |                      |                    |
| Intangible assets   | 8     | 182,000            | -                  | -                    | -                  |
| Tangible assets   | 9     | 295,106            | 399,735            | -                    | -                  |
| Investments   | 10    | -                  | 179,885            | 191                  | 191                |
|   |       | <u>477,106</u>     | <u>579,620</u>     | <u>191</u>           | <u>191</u>         |
| <b>Current assets</b>   |       |                    |                    |                      |                    |
| Stocks  | 11    | 22,131             | 7,943              | -                    | -                  |
| Debtors   | 12    | 2,901,096          | 2,570,947          | 2,514,565            | 2,065,497          |
| Cash at bank and in hand                                      |       | 251,886            | 82,989             | 394                  | -                  |
|   |       | <u>3,175,113</u>   | <u>2,661,879</u>   | <u>2,514,959</u>     | <u>2,065,497</u>   |
| <b>Creditors amounts falling due within one year</b>          | 13    | <u>(3,437,963)</u> | <u>(3,989,429)</u> | <u>(173,157)</u>     | <u>(510,944)</u>   |
| <b>Net current liabilities</b>                                |       | <u>(262,850)</u>   | <u>(1,327,550)</u> | <u>2,341,802</u>     | <u>1,554,553</u>   |
| <b>Total assets less current liabilities</b>                  |       | <u>214,256</u>     | <u>(747,930)</u>   | <u>2,341,993</u>     | <u>1,554,744</u>   |
| <b>Creditors amounts falling due after more than one year</b> | 14    | <u>(295,549)</u>   | <u>(255,445)</u>   | <u>(2,039,314)</u>   | <u>(1,087,485)</u> |
| <b>Provisions for liabilities</b>                             | 15    | <u>-</u>           | <u>(16,507)</u>    | <u>-</u>             | <u>-</u>           |
|   |       | <u>(81,293)</u>    | <u>(1,019,882)</u> | <u>302,679</u>       | <u>467,259</u>     |
| <b>Capital and reserves</b>                                   |       |                    |                    |                      |                    |
| Called up share capital                                       | 17    | 1,000              | 1,000              | 1,000                | 1,000              |
| Profit and loss account                                       | 18    | <u>(97,296)</u>    | <u>(1,134,875)</u> | <u>301,679</u>       | <u>466,259</u>     |
| <b>Shareholders' funds</b>                                    | 20    | <u>(96,296)</u>    | <u>(1,133,875)</u> | <u>302,679</u>       | <u>467,259</u>     |
| <b>Minority interests</b>                                     | 19    | <u>15,003</u>      | <u>113,993</u>     | <u>-</u>             | <u>-</u>           |
|   |       | <u>(81,293)</u>    | <u>(1,019,882)</u> | <u>302,679</u>       | <u>467,259</u>     |

**BIG IDEAS GROUP LIMITED**

**BALANCE SHEETS (CONTINUED)**

**AS AT 30 SEPTEMBER 2012**

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Approved by the Board and authorised for issue on 29 June 2013



R K Howard  
Director

**Company Registration No**

# BIG IDEAS GROUP LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

|  | £         | 2012<br>£ | £         | 2011<br>£ |
|--|-----------|-----------|-----------|-----------|
| <b>Net cash inflow from operating activities</b>                                     |           | 431,285   |           | 227,861   |
| <b>Returns on investments and servicing of finance</b>                               |           |           |           |           |
| Interest received  | 103       |           | 27        |           |
| Interest paid  | (97,928)  |           | (87,414)  |           |
| Interest element of finance lease rentals  | (2,353)   |           | -         |           |
| Minority interests   | (239,049) |           | (112,768) |           |
| <b>Net cash outflow for returns on investments and servicing of finance</b>          |           | (339,227) |           | (200,155) |
| <b>Taxation</b>  |           | 56,755    |           | 56,174    |
| <b>Capital expenditure</b>   |           |           |           |           |
| Payments to acquire tangible assets  | (65,914)  |           | (85,847)  |           |
| Receipts from sales of tangible assets   | -         |           | (595)     |           |
| <b>Net cash outflow for capital expenditure</b>                                      |           | (65,914)  |           | (86,442)  |
| <b>Acquisitions and disposals</b>  |           |           |           |           |
| Purchase of subsidiary undertakings (net of cash acquired)                           | -         |           | (179,885) |           |
| <b>Net cash outflow for acquisitions and disposals</b>                               |           | -         |           | (179,885) |
| <b>Net cash inflow/(outflow) before management of liquid resources and financing</b> |           | 82,899    |           | (182,447) |
| <b>Financing</b>   |           |           |           |           |
| New long term bank loan  | 266,667   |           | -         |           |
| Other new long term loans  | -         |           | 68,200    |           |
| Other new short term loans   | 133,333   |           | -         |           |
| Repayment of long term bank loan   | (44,444)  |           | -         |           |
| Repayment of other long term loans   | (68,200)  |           | -         |           |
| Capital element of hire purchase contracts   | (45,719)  |           | (38,105)  |           |
| Capital element of finance lease contracts   | (18,706)  |           | (11,430)  |           |
| <b>Net cash inflow from financing</b>  |           | 222,931   |           | 18,665    |
| <b>Increase/(decrease) in cash in the year</b>                                       |           | 305,830   |           | (163,782) |

# BIG IDEAS GROUP LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2012

| 1 Reconciliation of operating profit to net cash inflow from operating activities |  | 2012           | 2011           |
|---|--|----------------|----------------|
|   |  | £              | £              |
| Operating profit  |  | 845,265        | 549,939        |
| Depreciation of tangible assets   |  | 170,543        | 142,560        |
| Loss on disposal of tangible assets   |  | -              | 595            |
| Increase in stocks  |  | (14,188)       | (1,633)        |
| Increase in debtors   |  | (299,912)      | (445,041)      |
| Decrease in creditors within one year   |  | (270,423)      | (18,559)       |
| <b>Net cash inflow from operating activities</b>                                  |  | <b>431,285</b> | <b>227,861</b> |

| 2 Analysis of net debt            | 1 October 2011   | Cash flow      | Other non-cash changes | 30 September 2012 |
|-----------------------------------|------------------|----------------|------------------------|-------------------|
|                                   | £                | £              | £                      | £                 |
| Net cash                          |                  |                |                        |                   |
| Cash at bank and in hand          | 82,989           | 168,897        | -                      | 251,886           |
| Bank overdrafts                   | (374,563)        | 136,933        | -                      | (237,630)         |
|                                   | (291,574)        | 305,830        | -                      | 14,256            |
| Finance leases                    | (83,585)         | 62,310         | -                      | (21,275)          |
| Debts falling due within one year | -                | (133,333)      | -                      | (133,333)         |
| Debts falling due after one year  | (209,726)        | (85,823)       | -                      | (295,549)         |
|                                   | (293,311)        | (156,846)      | -                      | (450,157)         |
| <b>Net debt</b>                   | <b>(584,885)</b> | <b>148,984</b> | <b>-</b>               | <b>(435,901)</b>  |

| 3 Reconciliation of net cash flow to movement in net debt |  | 2012             | 2011             |
|---|--|------------------|------------------|
|   |  | £                | £                |
| Increase/(decrease) in cash in the year                   |  | 305,830          | (163,782)        |
| Cash (inflow)/outflow from (increase)/decrease in debt    |  | (156,846)        | 97,753           |
| <b>Movement in net debt in the year</b>                   |  | <b>148,984</b>   | <b>(66,029)</b>  |
| Opening net debt  |  | (584,885)        | (518,856)        |
| <b>Closing net debt</b>                                   |  | <b>(435,901)</b> | <b>(584,885)</b> |

# **BIG IDEAS GROUP LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2012**

---

#### **1 Accounting policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

##### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

##### **1.3 Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 September 2012. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

##### **1.4 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

##### **1.5 Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

##### **1.6 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

|                                |              |
|--------------------------------|--------------|
| Land and buildings Leasehold   | over 5 years |
| Plant and machinery            | 33% on cost  |
| Computer equipment             | 33% on cost  |
| Fixtures, fittings & equipment | 25% on cost  |

##### **1.7 Leasing**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### **1.8 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

##### **1.9 Stock and work in progress**

Work in progress is valued at the lower of cost and net realisable value.

# **BIG IDEAS GROUP LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2012**

---

#### **1 Accounting policies**

(continued)

##### **1.10 Revenue recognition**

Revenue is recognised as earned when, and to the extent that, the group obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax. The value of work invoiced but not yet performed by the year end is treated as deferred income. Revenue not billed to clients by the year end is accrued and included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors.

##### **1.11 Pensions**

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

##### **1.12 Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

##### **1.13 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

##### **1.14 Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **2 Turnover**

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

# BIG IDEAS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

|              |  |                   |                   |
|--------------|--|-------------------|-------------------|
| <b>3</b>     | <b>Operating profit</b>  | <b>2012</b>       | <b>2011</b>       |
|              |  | <b>£</b>          | <b>£</b>          |
|              | Operating profit is stated after charging  |                   |                   |
|              | Depreciation of tangible assets  | 170,543           | 142,560           |
|              | Loss on disposal of tangible assets  | -                 | 595               |
|              | Loss on foreign exchange transactions  | 5                 | 508               |
|              | Operating lease rentals  | 124,323           | 126,242           |
|              | Fees payable to the group's auditor for the audit of the group's annual accounts (company £2,760, 2011 £2,750) | 23,420            | 19,750            |
|              |  | <u>          </u> | <u>          </u> |
| <br><b>4</b> | <br><b>Investment income</b>   | <br><b>2012</b>   | <br><b>2011</b>   |
|              |  | <b>£</b>          | <b>£</b>          |
|              | Income from fixed asset investments  | 30,000            | -                 |
|              |  | <u>          </u> | <u>          </u> |
| <br><b>5</b> | <br><b>Interest payable</b>  | <br><b>2012</b>   | <br><b>2011</b>   |
|              |  | <b>£</b>          | <b>£</b>          |
|              | On bank loans and overdrafts   | 78,424            | -                 |
|              | Lease finance charges  | 2,353             | -                 |
|              | On amounts payable to factors  | 19,504            | 87,414            |
|              |  | <u>          </u> | <u>          </u> |
|              |  | 100,281           | 87,414            |
|              |  | <u>          </u> | <u>          </u> |



# BIG IDEAS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

| 6 | Taxation  | 2012<br>£ | 2011<br>£ |
|---|---|-----------|-----------|
|   | <b>Domestic current year tax</b>  |           |           |
|   | U K corporation tax   | 127,896   | -         |
|   | Adjustment for prior years  | (56,755)  | (56,174)  |
|   | <b>Total current tax</b>  | 71,141    | (56,174)  |
|   | <b>Deferred tax</b>   |           |           |
|   | Origination and reversal of timing differences  | (16,744)  | 30,704    |
|   |   | 54,397    | (25,470)  |
|   | <b>Factors affecting the tax charge for the year</b>  |           |           |
|   | Profit on ordinary activities before taxation   | 775,087   | 462,552   |
|   | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2011 - 26.00%) | 186,021   | 120,264   |
|   | Effects of  |           |           |
|   | Non deductible expenses   | 3,117     | 2,810     |
|   | Depreciation add back   | 34,221    | 57,910    |
|   | Capital allowances  | (20,670)  | (87,923)  |
|   | Tax losses utilised   | (107,573) | (206,236) |
|   | Adjustments to previous periods   | -         | (61,763)  |
|   | Other tax adjustments   | (23,975)  | 118,764   |
|   |   | (114,880) | (176,438) |
|   | <b>Current tax charge for the year</b>  | 71,141    | (56,174)  |

## 7 Loss for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows:

|  | 2012<br>£ | 2011<br>£ |
|--|-----------|-----------|
| Holding company's loss for the financial year                  | -         | -         |
| Share of net (loss)/profit retained by associated undertakings | (164,580) | 70,127    |

# BIG IDEAS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2012

### 8 Intangible fixed assets Group

|                       | Goodwill<br>£ |
|-----------------------|---------------|
| <b>Cost</b>           |               |
| At 1 October 2011     | -             |
| Additions             | 182,000       |
| At 30 September 2012  | 182,000       |
| <b>Net book value</b> |               |
| At 30 September 2012  | 182,000       |
| At 30 September 2011  | -             |

On 1 October 2010 the company acquired the entire issued share capital of Zarcus Limited. During the year the trade was hived up to IT Lab Limited. These contracts contribute to the company's overall profit and therefore the directors consider the above valuation reasonable and unimpaired. The value of goodwill is based on the amount paid to date for the acquisition of £115,647, expected future earnout payments of £48,000 and net liabilities acquired of £18,353.

# BIG IDEAS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2012

### 9 Tangible fixed assets

| Group                 | Land and<br>buildings<br>Leasehold<br>£ | Plant and<br>machinery<br>£ | Fixtures,<br>fittings &<br>equipment<br>£ | Total<br>£ |
|-----------------------|---|-----------------------------|---|------------|
| <b>Cost</b>           |   |                             |   |            |
| At 1 October 2011     | 80,334                                  | 1,253,591                   | 173,136                                   | 1,507,061  |
| Additions             | -                                       | 50,409                      | 15,505                                    | 65,914     |
| At 30 September 2012  | 80,334                                  | 1,304,000                   | 188,641                                   | 1,572,975  |
| <b>Depreciation</b>   |   |                             |   |            |
| At 1 October 2011     | 18,476                                  | 943,354                     | 145,496                                   | 1,107,326  |
| Charge for the year   | 8,034                                   | 148,195                     | 14,314                                    | 170,543    |
| At 30 September 2012  | 26,510                                  | 1,091,549                   | 159,810                                   | 1,277,869  |
| <b>Net book value</b> |   |                             |   |            |
| At 30 September 2012  | 53,824                                  | 212,451                     | 28,831                                    | 295,106    |
| At 30 September 2011  | 61,858                                  | 310,033                     | 27,844                                    | 399,735    |

Included above are assets held under finance leases or hire purchase contracts as follows

|   | Plant and<br>machinery<br>£ | Fixtures,<br>fittings &<br>equipment<br>£ | Total<br>£ |
|---|-----------------------------|---|------------|
| <b>Net book values</b>                  |                             |   |            |
| At 30 September 2012                    | 25,016                      | -   | 25,016     |
| At 30 September 2011                    | 60,856                      | -   | 60,856     |
| <b>Depreciation charge for the year</b> |                             |   |            |
| 30 September 2012                       | 35,840                      | -   | 35,840     |
| 30 September 2011                       | 35,840                      | -   | 35,840     |

# BIG IDEAS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2012

#### 10 Fixed asset investments

At 30 September 2011 179,885

#### Company

Shares in  
group  
undertakings  
£

#### Cost

At 1 October 2011 & at 30 September 2012 191

#### Net book value

At 30 September 2012 191

At 30 September 2011 191

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

| Company                      | Country of registration or incorporation | Shares held |     |
|------------------------------|--|-------------|-----|
|                              |  | Class       | %   |
| Subsidiary undertakings      |  |             |     |
| I T Lab Limited              | England & Wales                          | Ordinary    | 100 |
| I T Lab (Birmingham) Limited | England & Wales                          | Ordinary    | 100 |
| Spring Digital Limited       | England & Wales                          | Ordinary    | 90  |
| Artemis Eight LLP            | England & Wales                          | Ordinary    | 51  |

The principal activity of these undertakings for the last relevant financial year was as follows

|                              | <b>Principal activity</b>                                |
|------------------------------|--|
| I T Lab Limited              | Computer business solutions                              |
| I T Lab (Birmingham) Limited | Telecommunication services and software consultancy      |
| Spring Digital Limited       | Website design and providing computer business solutions |
| Artemis Eight LLP            | Internet advertising                                     |

During the year the group acquired the entire issued share capital of Zarcus Limited. This subsidiary company has not been included in the group accounts on the grounds of immateriality. Any difference between the above cost and the consolidated goodwill that would have arisen is immaterial.

# BIG IDEAS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2012

#### 11 Work in progress

|                  | Group<br>2012<br>£ | 2011<br>£ | Company<br>2012<br>£ | 2011<br>£ |
|------------------|--------------------|-----------|----------------------|-----------|
| Work in progress | 22,131             | 7,943     | -                    | -         |

#### 12 Debtors

|   | Group<br>2012<br>£ | 2011<br>£ | Company<br>2012<br>£ | 2011<br>£ |
|---|--------------------|-----------|----------------------|-----------|
| Trade debtors                           | 1,650,154          | 1,667,566 | 26,361               | -         |
| Amounts owed by group undertakings      | 42,575             | 40,331    | 1,833,606            | 1,611,667 |
| Amounts owed by participating interests | -                  | -         | 449,800              | 312,148   |
| Called up share capital not paid        | 1,000              | 1,000     | 1,000                | 1,000     |
| Other debtors                           | 931,531            | 611,317   | 203,798              | 140,682   |
| Prepayments and accrued income          | 275,599            | 250,733   | -                    | -         |
| Deferred tax asset (see note 15)        | 237                | -         | -                    | -         |
|   | 2,901,096          | 2,570,947 | 2,514,565            | 2,065,497 |

#### 13 Creditors . amounts falling due within one year

|   | Group<br>2012<br>£ | 2011<br>£ | Company<br>2012<br>£ | 2011<br>£ |
|---|--------------------|-----------|----------------------|-----------|
| Bank loans and overdrafts                                       | 370,963            | 374,563   | -                    | -         |
| Net obligations under finance lease and hire purchase contracts | 21,275             | 37,866    | -                    | -         |
| Trade creditors   | 840,158            | 665,909   | 5,912                | -         |
| Amounts owed to group undertakings                              | -                  | -         | 85,717               | 202,192   |
| Corporation tax   | 127,896            | -         | -                    | -         |
| Taxes and social security costs                                 | 677,291            | 737,304   | 19,281               | -         |
| Directors current accounts                                      | 395,487            | 900,324   | 7,346                | 177,047   |
| Other creditors   | 165,348            | 352,394   | 52,151               | 128,955   |
| Accruals and deferred income                                    | 839,545            | 921,069   | 2,750                | 2,750     |
|   | 3,437,963          | 3,989,429 | 173,157              | 510,944   |

# BIG IDEAS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

### 14 Creditors amounts falling due after more than one year

|  | Group<br>2012<br>£ | 2011<br>£      | Company<br>2012<br>£ | 2011<br>£        |
|--|--------------------|----------------|----------------------|------------------|
| Bank loans   | 222,223            | -              | -                    | -                |
| Other loans  | 73,326             | 209,726        | 2,039,314            | 1,087,485        |
| Net obligations under finance leases and<br>hire purchase agreements | -                  | 45,719         | -                    | -                |
|  | <u>295,549</u>     | <u>255,445</u> | <u>2,039,314</u>     | <u>1,087,485</u> |

The other loans are wholly repayable within five years

### 15 Provisions for liabilities

The deferred tax asset (included in debtors, note 12) is made up as follows.

|                              | Group<br>2012<br>£ | Company<br>2012<br>£ |
|------------------------------|--------------------|----------------------|
| Balance at 1 October 2011    | 16,507             | -                    |
| Profit and loss account      | (16,744)           | -                    |
| Balance at 30 September 2012 | <u>(237)</u>       | <u>-</u>             |

|                                | Group<br>2012<br>£ | 2011<br>£     | Company<br>2012<br>£ | 2011<br>£ |
|--------------------------------|--------------------|---------------|----------------------|-----------|
| Accelerated capital allowances | 278                | 16,507        | -                    | -         |
| Tax losses available           | (515)              | -             | -                    | -         |
|                                | <u>(237)</u>       | <u>16,507</u> | <u>-</u>             | <u>-</u>  |

# BIG IDEAS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2012

### 16 Pension and other post-retirement benefit commitments

#### Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

|   | 2012<br>£ | 2011<br>£ |
|---|-----------|-----------|
| Contributions payable by the group for the year | 25,396    | 23,824    |

### 17 Share capital

|   | 2012<br>£ | 2011<br>£ |
|---|-----------|-----------|
| <b>Allotted, called up and fully paid</b> |           |           |
| 1,000 Ordinary shares of £1 each          | 1,000     | 1,000     |

### 18 Statement of movements on profit and loss account Group

|                              | Profit and<br>loss account<br>£ |
|------------------------------|---------------------------------|
| Balance at 1 October 2011    | (677,927)                       |
| Profit for the year          | 580,631                         |
| Balance at 30 September 2012 | (97,296)                        |

#### Company

|                              | Profit and<br>loss account<br>£ |
|------------------------------|---------------------------------|
| Balance at 1 October 2011    | 466,259                         |
| Loss for the year            | (164,580)                       |
| Balance at 30 September 2012 | 301,679                         |

# BIG IDEAS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

| 19 | Minority interests   | 2012<br>£ | 2011<br>£ |
|----|--|-----------|-----------|
|    | Minority interests' share of net assets and liabilities in subsidiary undertakings | 15,003    | 113,993   |

| 20 | Reconciliation of movements in shareholders' funds<br>Group | 2012<br>£   | 2011<br>£   |
|----|---|-------------|-------------|
|    | Profit for the financial year                               | 580,631     | 265,811     |
|    | Opening shareholders' funds                                 | (1,133,875) | (1,399,686) |
|    | Closing shareholders' funds                                 | (96,296)    | (1,133,875) |

|  | Company                              | 2012<br>£ | 2011<br>£ |
|--|--------------------------------------|-----------|-----------|
|  | (Loss)/Profit for the financial year | (164,580) | 70,127    |
|  | Opening shareholders' funds          | 467,259   | 397,132   |
|  | Closing shareholders' funds          | 302,679   | 467,259   |

### 21 Financial commitments

At 30 September 2012 the group had annual commitments under non-cancellable operating leases as follows

|                            | Land and buildings |           |
|----------------------------|--------------------|-----------|
|                            | 2012<br>£          | 2011<br>£ |
| Expiry date                |                    |           |
| Between two and five years | 158,000            | 158,000   |

| 22 | Directors' remuneration              | 2012<br>£ | 2011<br>£ |
|----|--------------------------------------|-----------|-----------|
|    | Remuneration for qualifying services | 30,793    | 54,585    |



# BIG IDEAS GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2012

### 23 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

|                                   | 2012<br>Number | 2011<br>Number |
|-----------------------------------|----------------|----------------|
| Directors                         | 2              | 2              |
| Support, sales and administration | 90             | 80             |
|                                   | <u>92</u>      | <u>82</u>      |

#### Employment costs

|                       | 2012<br>£        | 2011<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 3,836,600        | 3,663,625        |
| Social security costs | 369,198          | 350,925          |
| Other pension costs   | 25,396           | 23,824           |
|                       | <u>4,231,194</u> | <u>4,038,374</u> |

### 24 Control

The largest and smallest group for which consolidated accounts are prepared is that headed by Big Ideas Group Limited

The ultimate controlling party of Big Ideas Group Limited is the director S C Gray

### 25 Related party relationships and transactions

#### Group

At the year end the group owed £7,346 (2011 £177,000) to the director S C Gray

#### Company

Other debtors includes the following amounts due from subsidiary companies, Buying In LLP £4,559 (2011 £3,628), Artemis Eight LLP £330,807 (2011 £114,071) Spring Digital Limited £1,810,388 (2011 £1,589,380) Other debtors also includes £202,4988 (2011 £140,682) due from associated company Littlebird Online Limited Other creditors includes the following amounts due to subsidiary companies, IT Lab Limited £1,772,781 (2011 £861,410), IT Lab (Birmingham) Limited £266,533 (2011 £226,075), Spring Digital Limited £85,717 (2011 £85,717)

At the year end the company owed £6,195 (2011 £177,047) to the director S Gray