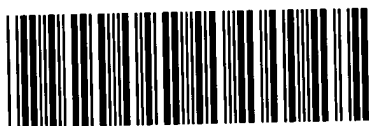


Registration number: 04151059

**BIG IDEAS GROUP LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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COMPANIES HOUSE

**BIG IDEAS GROUP LIMITED**  
**CONTENTS**

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Company Information .....	1
Directors' Report .....	2
Strategic Report .....	3 to 4
Statement of Directors' Responsibilities .....	5
Independent Auditor's Report .....	6 to 7
Consolidated Profit and Loss Account .....	8
Consolidated Balance Sheet .....	9
Balance Sheet .....	10
Consolidated Cash Flow Statement .....	11 to 12
Notes to the Financial Statements .....	13 to 27

**BIG IDEAS GROUP LIMITED**  
**COMPANY INFORMATION**

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<b>Directors</b>	R K Howard S C Gray
<b>Company secretary</b>	R K Howard
<b>Registered office</b>	Big Studios 1 East Poultry Avenue London EC1A 9PT
<b>Auditors</b>	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

**BIG IDEAS GROUP LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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The directors present their report and the consolidated financial statements for the year ended 30 September 2014.

**Directors of the company**

The directors who held office during the year were as follows:

R K Howard

S C Gray

**Future developments**

In the past five 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 the new business sales and marketing and providing converged telecommunications services in partnership with LinkLab LLP to our client base.

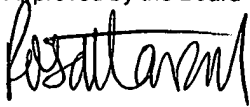
**Important post balance sheet events**

On 1 May 2015, the group acquired JMC IT Group Limited. As part of the acquisition, the group underwent a reorganisation, following which I.T. Lab Limited became a subsidiary company of I.T. Lab Enterprises Limited.

**Disclosure of information to the auditor**

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Approved by the Board on 18 March 2016 and signed on its behalf by:



R K Howard  
Director

**BIG IDEAS GROUP LIMITED**

**STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2014**

---

The directors present their strategic report for the year ended 30 September 2014.

**Business review**

***Fair review of the business***

The group's turnover increased by 31.5% in line with expectations from £13.1m in 2013 to £17.2m in 2014. This growth has been through a combination of organic and acquisitions.

In April 2014, the group acquired Systems Ability Limited, the activities of which complement the group's existing offering.

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.

**BIG IDEAS GROUP LIMITED**

**STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**..... CONTINUED**

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**Financial instruments**

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

**Liquidity risk:**

The group manages its cash and borrowing requirements centrally in order to maximise 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:**

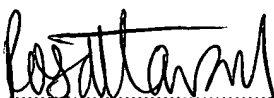
The group's interest bearing assets are cash balances subject to floating interest rates. The directors regularly review cash balances in order to maximise interest whilst at the same time maintaining adequate cash flow for the business.

**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.

Approved by the Board on 18 March 2016 and signed on its behalf by:



R K Howard  
Director

## **BIG IDEAS GROUP LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

---

The directors are responsible for preparing the Directors' Report, Strategic 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 group and the company 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 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIG IDEAS GROUP LIMITED**

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We have audited the financial statements of Big Ideas Group Limited for the year ended 30 September 2014, set out on pages 8 to 27. 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 in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), 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 (APB'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 group's and parent 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 Directors' Report and Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Basis for qualified opinion on financial statements**

With respect to the consolidation of Artemis Eight LLP, a partnership in which Big Ideas Group Limited is a 51% member, the amounts included in the consolidated financial statements have been included from the accounting records of Artemis Eight LLP at 30 September 2014 and for the year then ended, as the annual audited financial statements of Artemis Eight LLP have been drawn up to 31 March 2014. We were unable to obtain sufficient appropriate audit evidence concerning the amounts included in the accounting records of Artemis Eight LLP at 30 September 2014 and for the year then ended and consequently the amounts included in the consolidated profit and loss account for the year ended 30 September 2014 amounting to turnover of £3,187,463, cost of sales of £2,047,564, administrative expenses of £1,013,207 and minority interest of £187,359, with the amounts included in the consolidated balance sheet comprising of tangible fixed assets of £8,961, stock of £5,765, debtors of £776,594, cash at bank and in hand of £217,358, creditors due less than one year of £671,635 and minority interest of £165,151.

The audit evidence available to us was also limited in respect of consolidated opening balances at 1 October 2013, as the group's management have been unable to supply sufficient appropriate audit evidence to allow us to form an opinion on certain consolidation adjustments used in the preparation of the financial statements for the year ended 30 September 2013. The relevant consolidation adjustments increased profit and loss reserves by £236,612, decreased accruals and deferred income by £376,980 and increased minority interests by £9,777.

### **Qualified opinion on financial statements**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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 2014 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BIG IDEAS GROUP LIMITED**

..... **CONTINUED**

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

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

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

In respect solely of the limitation on our work relating to Artemis Eight LLP and opening balances, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

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.

.....  
Paul Fussell (Senior Statutory Auditor)  
For and on behalf of Hazlewoods LLP, Statutory Auditor

Staverton Court  
Staverton  
Cheltenham  
GL51 0UX

18 March 2016

**BIG IDEAS GROUP LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

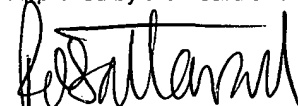
			2014	2013
	Note	£	£	£
<b>Turnover</b>				
Continuing operations			16,671,769	13,095,994
Acquisitions			551,462	-
			<u>17,223,231</u>	<u>13,095,994</u>
Group turnover			17,223,231	13,095,994
Cost of sales	3		(11,239,093)	(8,687,517)
Gross profit			<u>5,984,138</u>	<u>4,408,477</u>
Administrative expenses	3		(5,046,232)	(3,757,369)
<b>Operating profit/(loss)</b>	<b>4</b>			
Continuing operations			1,008,507	651,108
Acquisitions			(70,601)	-
Group operating profit			<u>937,906</u>	<u>651,108</u>
Income from shares in group undertakings			60,000	50,000
Other interest receivable and similar income	7		131	135
Interest payable and similar charges	8		(27,841)	(61,323)
Profit on ordinary activities before taxation			<u>970,196</u>	<u>639,920</u>
Tax on profit on ordinary activities	9		(156,563)	103,760
Profit on ordinary activities after taxation			<u>813,633</u>	<u>743,680</u>
Minority interest			(187,359)	12,431
Profit for the financial year attributable to members of the parent company	20		<u>626,274</u>	<u>756,111</u>

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

**BIG IDEAS GROUP LIMITED**
**CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2014**

	Note	2014 £	(As restated) 2013 £
<b>Fixed assets</b>			
Intangible fixed assets	10	2,208,301	2,045,330
Tangible fixed assets	11	371,892	404,310
Other investments	12	30,000	30,000
		<u>2,610,193</u>	<u>2,479,640</u>
<b>Current assets</b>			
Stocks	14	10,962	4,144
Debtors	15	4,618,554	3,153,363
Cash at bank and in hand		306,971	146,668
		<u>4,936,487</u>	<u>3,304,175</u>
Creditors: Amounts falling due within one year	16	<u>(5,748,554)</u>	<u>(4,897,475)</u>
Net current liabilities		<u>(812,067)</u>	<u>(1,593,300)</u>
Total assets less current liabilities		<u>1,798,126</u>	<u>886,340</u>
Creditors: Amounts falling due after more than one year	17	<u>(345,786)</u>	<u>(248,733)</u>
Provisions for liabilities	18	<u>(1,100)</u>	<u>-</u>
Net assets		<u>1,451,240</u>	<u>637,607</u>
<b>Capital and reserves</b>			
Called up share capital	19	1,000	1,000
Profit and loss account	20	1,285,089	658,815
Shareholders' funds	21	1,286,089	659,815
Minority interest		165,151	(22,208)
Capital employed		<u>1,451,240</u>	<u>637,607</u>

Approved by the Board and authorised for issue on 18 March 2016 and signed on its behalf by:

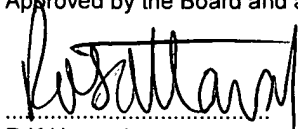


R.K. Howard  
Director

**BIG IDEAS GROUP LIMITED**  
**(REGISTRATION NUMBER: 04151059)**  
**BALANCE SHEET AT 30 SEPTEMBER 2014**

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible fixed assets	11	95,695	77,240
Investments	12	48,850	18,850
		<u>144,545</u>	<u>96,090</u>
<b>Current assets</b>			
Debtors	15	2,945,760	1,942,355
Cash at bank and in hand		19,774	-
		<u>2,965,534</u>	<u>1,942,355</u>
Creditors: Amounts falling due within one year	16	(3,047,618)	(1,091,138)
Net current (liabilities)/assets		<u>(82,084)</u>	<u>851,217</u>
Total assets less current liabilities		62,461	947,307
Creditors: Amounts falling due after more than one year	17	-	(707,718)
Net assets		<u>62,461</u>	<u>239,589</u>
<b>Capital and reserves</b>			
Called up share capital	19	1,000	1,000
Profit and loss account	20	61,461	238,589
Shareholders' funds	21	<u>62,461</u>	<u>239,589</u>

Approved by the Board and authorised for issue on 18 March 2016 and signed on its behalf by:



R K Howard  
Director

**BIG IDEAS GROUP LIMITED**
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2014**
**Cash flow statement**

	Note	2014 £	(As restated) 2013 £
<b>Reconciliation of operating profit to net cash flow from operating activities</b>			
Operating profit		937,906	651,108
Depreciation, amortisation and impairment charges		676,408	251,423
(Increase)/decrease in stocks		(6,818)	17,987
(Increase)/decrease in debtors		(730,298)	394,504
Increase in creditors		755,043	387,893
Net cash inflow from operating activities		<u>1,632,241</u>	<u>1,702,915</u>
<b>Returns on investments and servicing of finance</b>			
HP and finance lease interest		-	(10,805)
Interest paid		(27,841)	(50,518)
Dividends paid to minority interests		-	(24,780)
Interest received		131	122
		<u>(27,710)</u>	<u>(85,981)</u>
Tax received		<u>147,152</u>	<u>-</u>
<b>Capital expenditure and financial investment</b>			
Purchase of intangible fixed assets		(9,974)	(48,493)
Purchase of tangible fixed assets		(154,864)	(245,111)
Purchase of investments		-	(30,000)
		<u>(164,838)</u>	<u>(323,604)</u>
<b>Acquisitions and disposals</b>			
Acquisition of investments in subsidiary undertakings		(980,000)	(1,616,857)
Net cash inflow/(outflow) before management of liquid resources and financing		<u>606,845</u>	<u>(323,527)</u>
<b>Financing</b>			
Value of new loans obtained during the period		-	100,000
Repayment of loans and borrowings		(240,515)	(133,334)
Repayment of capital element of finance leases and HP contracts		(8,743)	-
		<u>(249,258)</u>	<u>(33,334)</u>
Increase/(decrease) in cash	24	<u><u>357,587</u></u>	<u><u>(356,861)</u></u>

**BIG IDEAS GROUP LIMITED****CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2014****..... CONTINUED****Reconciliation of net cash flow to movement in net debt**

	<b>Note</b>	<b>2014 £</b>	<b>(As restated) 2013 £</b>
Increase/(decrease) in cash		357,587	(356,861)
Cash inflow from increase in loans		-	(100,000)
Cash outflow from repayment of loans		240,515	133,334
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		8,743	-
Change in net debt resulting from cash flows	24	606,845	(323,527)
Cash / (overdraft) acquired on purchase of subsidiary		52,717	(52,657)
Loan acquired with subsidiaries		-	(12,808)
Movement in net debt	24	659,562	(388,992)
Net debt at 1 October	24	(751,567)	(362,575)
Net debt at 30 September	24	<u>(92,005)</u>	<u>(751,567)</u>

**BIG IDEAS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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**1 Accounting policies**

**Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**Prior year adjustments**

During the year ended 30 September 2014, the following errors were identified to the financial statements for the year ended 30 September 2013:

- Acquisition of Atlanta Technology Limited acquired on 16 September 2013 not included in the 2013 consolidated accounts;
- Goodwill on the acquisition of Fabric customers incorrectly expensed;
- Consolidation adjustment that incorrectly eliminated a debtor instead of a creditor.

These errors have been accounted for using a prior period adjustment. The effects of these restatements on the comparative figures for 2013 are as follows:

- Goodwill has been restated from £182,000 to £2,045,330 due to £1,860,936 for the acquisition of Atlanta Technology Limited and £2,394 due to goodwill on the acquisition of Fabric customers incorrectly expensed.
- Tangible fixed assets have been restated by £69,417 from £334,893 to £404,310 due to the acquisition of Atlanta Technology Limited.
- Trade debtors have been restated by £399,805 from £1,730,193 to £2,129,998 due to the acquisition of Atlanta Technology Limited.
- Other debtors have been restated from £753,145 to £716,741 due to £93,563 for the acquisition of Atlanta Technology Limited and £129,967 due to a consolidation adjustment that should have eliminated a creditor.
- Prepayments and accrued income have been restated by £1,616,858 from £1,917,704 to £300,846 due to the acquisition of Atlanta Technology Limited.
- Bank loans and overdrafts falling due within one year have been restated by £60,157 from £722,450 to £782,607 due to the acquisition of Atlanta Technology Limited.
- Bank loans and overdrafts falling due after more than one year have been restated by £5,308 from £88,889 to £94,197 due to the acquisition of Atlanta Technology Limited.
- Trade creditors have been restated by £276,782 from £935,983 to £1,212,765 due to the acquisition of Atlanta Technology Limited.
- Other creditors have been restated by £71,212 from £351,767 to £422,979 due to the acquisition of Atlanta Technology Limited.
- Directors loan accounts have been restated by £129,967 from £660,829 to £530,862 due to a consolidation adjustment that should have eliminated a creditor.
- Accruals and deferred income have been restated by £405,545 from £532,228 to £937,773 due to the acquisition of Atlanta Technology Limited.
- Other taxes and social security have been restated by £25,053 from £630,343 to £655,396 due to the acquisition of Atlanta Technology Limited.

**Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 September 2014.

Subsidiary undertakings are included using the acquisitions method of accounting. Under this method the group profit and loss account and statement of cashflows include the results and cashflows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. Its loss for the financial year was £177,128 (2013 - £63,090).

**BIG IDEAS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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**Going concern**

In accordance with the Financial Reporting Council's "Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009" the directors of all companies are required to provide disclosure regarding the adoption of the going concern basis of accounting.

The group is well funded and the directors have not identified any threats to the business that indicate that the going concern basis of accounting is inappropriate.

**Turnover**

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

**Goodwill**

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

**Amortisation**

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

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	20% straight line

**Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold land and buildings	over 5 years
Plant and machinery	33% on cost
Computer equipment	33% on cost
Fixtures, fittings and equipment	25% on cost

**Research and development**

Expenditure on research and development is written off to the profit and loss account in the year which it is incurred,

**Stock**

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

**Deferred tax**

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.



**BIG IDEAS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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**Foreign currency**

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 the profit and loss account.

**Hire purchase and 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.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the group is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

**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.

**2 Turnover**

An analysis of turnover by geographical location is given below:

	2014 £	2013 £
Sales - UK	16,772,409	13,095,994
Sales - Rest of world	450,822	-
	<u>17,223,231</u>	<u>13,095,994</u>

**3 Cost of sales and operating expenses**

The total figures for continuing operations in the year ending 30 September 2014 includes the following amounts relating to acquisitions:

	£
Cost of sales	416,621
Administrative expenses	<u>205,442</u>

**BIG IDEAS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**4 Operating profit**

Operating profit is stated after charging:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating leases - plant and machinery	42,290	44,291
Foreign currency losses	10,117	-
Depreciation of owned assets	213,658	205,324
Amortisation	462,750	46,099
Auditor's remuneration	<u>26,570</u>	<u>26,570</u>

**5 Particulars of employees**

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

	<b>2014</b>	<b>2013</b>
	<b>No.</b>	<b>No.</b>
Support, sales and administration	126	90
Directors	<u>2</u>	<u>2</u>
	<u>128</u>	<u>92</u>

The aggregate payroll costs were as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	5,152,912	3,827,474
Social security costs	500,660	361,910
Staff pensions	<u>42,835</u>	<u>23,702</u>
	<u>5,696,407</u>	<u>4,213,086</u>

**6 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Remuneration	<u>4,800</u>	<u>-</u>

**7 Other interest receivable and similar income**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	131	123
Other interest receivable	<u>-</u>	<u>12</u>
Group interest receivable	<u>131</u>	<u>135</u>

**BIG IDEAS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**8 Interest payable and similar charges**

	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Interest on bank borrowings	27,841	50,518
Finance charges	-	10,805
Group interest payable and similar charges	<u>27,841</u>	<u>61,323</u>

**9 Taxation**

**Tax on profit on ordinary activities**

	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
<b>Current tax</b>		
Corporation tax charge	236,020	90,176
Adjustments in respect of previous years	(82,896)	(188,395)
UK Corporation tax	<u>153,124</u>	<u>(98,219)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>3,439</u>	<u>(5,541)</u>
Total tax on profit on ordinary activities	<u>156,563</u>	<u>(103,760)</u>

**Factors affecting current tax charge for the year**

Tax on profit on ordinary activities for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 22% (2013 - 23%).

The differences are reconciled below:

	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Profit on ordinary activities before taxation	<u>970,196</u>	<u>639,920</u>
Corporation tax at standard rate	213,443	147,182
Capital allowances in excess of depreciation	3,153	(11,667)
Fixed asset differences	143,254	-
Non deductible expenses	2,962	789
Adjustments to previous periods	(82,896)	(188,395)
Research and development tax credit	(134,730)	-
Unrelieved tax losses carried forward	5,689	-
Tax losses utilised	-	(48,042)
Other tax adjustments	<u>2,249</u>	<u>1,914</u>
Total current tax	<u>153,124</u>	<u>(98,219)</u>

**BIG IDEAS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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**10 Intangible fixed assets**

**Group**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 October 2013	2,091,429
Additions	<u>625,721</u>
At 30 September 2014	<u>2,717,150</u>
<b>Amortisation</b>	
At 1 October 2013	46,099
Charge for the year	<u>462,750</u>
At 30 September 2014	<u>508,849</u>
<b>Net book value</b>	
At 30 September 2014	<u><u>2,208,301</u></u>
At 30 September 2013	<u><u>2,045,330</u></u>

On 16 September 2013 the group acquired the entire share capital of Atlanta Technology Limited for a total consideration, including acquisition costs of £1,616,858. During the year the majority of the trading assets and liabilities were hived up in to I.T. Lab Limited. This resulted in an apparent over valuation of the investment in the subsidiary though there was no overall loss to the company. The Companies Act 2006 requires that where an over valuation is expected to be permanent, the investment should be written down accordingly.

The directors consider that, as there has been no overall loss to the group, such treatment would fail to give a true and fair view. The potential impairment in the value of the investment of £1,616,858 has instead been reallocated to goodwill, which is amortised over five years. The effect of this on the groups balance sheet as a result of the departure from the requirements of the Companies Act 2006 is to recognise goodwill of £1,293,486, net of amortisation of £323,372.

**BIG IDEAS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**11 Tangible fixed assets**

**Group**

	<b>Freehold land and buildings £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Office equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 October 2013	101,883	1,549,301	236,318	-	1,887,502
Additions	8,229	118,527	28,108	-	154,864
On acquisition	7,166	-	-	19,210	26,376
At 30 September 2014	117,278	1,667,828	264,426	19,210	2,068,742
<b>Depreciation</b>					
At 1 October 2013	37,180	1,268,354	177,658	-	1,483,192
Charge for the year	17,557	155,220	24,733	7,444	204,954
Eliminated on disposals	-	8,704	-	-	8,704
At 30 September 2014	54,737	1,432,278	202,391	7,444	1,696,850
<b>Net book value</b>					
At 30 September 2014	62,541	235,550	62,035	11,766	371,892
At 30 September 2013	64,703	280,947	58,660	-	404,310

**Company**

	<b>Freehold land and buildings £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 October 2013	21,549	20,505	43,066	85,120
Additions	8,229	25,002	16,220	49,451
At 30 September 2014	29,778	45,507	59,286	134,571
<b>Depreciation</b>				
At 1 October 2013	2,637	2,665	2,578	7,880
Charge for the year	8,976	11,178	10,842	30,996
At 30 September 2014	11,613	13,843	13,420	38,876
<b>Net book value</b>				
At 30 September 2014	18,165	31,664	45,866	95,695
At 30 September 2013	18,912	17,840	40,488	77,240

**BIG IDEAS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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**12 Investments held as fixed assets**

**Group**

**Other investments**

	<b>Unlisted investments £</b>
<b>Cost</b>	
At 1 October 2013	30,000
At 30 September 2014	30,000
<b>Net book value</b>	
At 30 September 2013 & 30 September 2014	30,000

**Company**

	<b>2014 £</b>	<b>2013 £</b>
Shares in group undertakings and participating interests	18,850	18,850
Other investments	30,000	-
	48,850	18,850

**Shares in group undertakings and participating interests**

	<b>Subsidiary undertakings £</b>
<b>Net book value</b>	
At 30 September 2013 and 30 September 2014	18,850

**Other investments**

	<b>Unlisted investments £</b>
<b>Cost</b>	
Transferred from subsidiary	30,000
At 30 September 2014	30,000
<b>Net book value</b>	
At 30 September 2014	30,000

**BIG IDEAS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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During the year, I.T. Lab Limited, a subsidiary undertaking, transferred its investment of £30,000 in Heligon Limited to Big Ideas Group Limited.

**Details of undertakings**

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity	Period end
<b>Subsidiary undertakings</b>				
I.T. Lab Limited	Ordinary	100%	Computer business solutions	
I.T. Lab (Birmingham) Limited	Ordinary	100%	Telecommunication services and software consultancy	
Spring Digital Limited	Ordinary	90%	Website design and providing computer business solutions	
Artemis Eight LLP	Partnership	51%	Internet advertising	31 March
Heligon Limited	Ordinary	100%	Software development	31 October
Music Room Events LLP	Partnership	50%	Events management	28 February
Buying In LLP	Partnership	51%	Sale of holiday apartments	31 January
Littlebird Online Limited	Ordinary	33%	Internet sales	28 February
Vertus Digital Imaging LLP	Partnership	51%	Website design	
SpringIP LLP	Partnership	26%	Computer business solutions	28 February
Linklab LLP	Partnership	25%	Dormant	31 March
Samewave Limited*	Ordinary	66%	Computer business solutions	31 July
Systems Ability Limited**	Ordinary	100%	Computer consultancy	
Atlanta Technology Limited**	Ordinary	100%	IT managed service and solution providers	
Audace Technology Limited**	Ordinary	100%	Dormant	
Stratussoft Limited**	Ordinary	100%	Development and sales of the 'Enterprise Software Manager' tool	

Heligon Limited, Vertus Digital Imaging LLP, Buying In LLP and Music Room Events LLP have not been included in the group accounts on the grounds of immateriality.

\* Samewave Ltd is 66% owned by SpringIP LLP, a partnership which Big Ideas Group Limited is a 26% member. SpringIP LLP is not included in these group accounts on the grounds that it does not meet the definition of a subsidiary.

\*\*Owned and controlled by virtue of the company's shareholding in I.T.Lab Limited.

**BIG IDEAS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**13 Acquisitions**

**Analysis of the acquisition of Systems Ability Limited**

On 23 April 2014, the group acquired 100% of the Ordinary share capital of Systems Ability Limited. The company made a loss of £12,633 after taxation for the period 1 July 2013 to the date of acquisition.

	Fair value at acquisition £
Fixed assets	26,376
Debtors	816,717
Cash	52,716
Creditors	(202,740)
	<u>693,069</u>
Goodwill arising on acquisition	<u>625,721</u>
	<u>1,318,790</u>
Discharged by:	
Cash	910,000
Earn out consideration	403,790
Costs associated with the acquisition	<u>5,000</u>
	<u>1,318,790</u>

**14 Stocks**

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Stocks	<u>10,962</u>	<u>4,144</u>	<u>-</u>	<u>-</u>

**15 Debtors**

	Group		Company	
	2014 £	(As restated) 2013 £	2014 £	2013 £
Trade debtors	2,956,577	2,129,998	60,638	30,617
Amounts owed by group undertakings	-	-	1,863,008	1,270,225
Amounts owed by undertakings in which the company has a participating interest	-	-	250,785	350,193
Other debtors	1,132,276	716,741	657,375	252,066
Deferred tax	-	5,778	-	-
Prepayments and accrued income	529,701	300,846	113,954	39,254
	<u>4,618,554</u>	<u>3,153,363</u>	<u>2,945,760</u>	<u>1,942,355</u>



**BIG IDEAS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**16 Creditors: Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>(As restated)</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>2013</b>	<b>£</b>	<b>£</b>
		<b>£</b>		
Trade creditors	1,416,786	1,212,765	32,954	19,078
Bank loans and overdrafts	386,288	782,607	-	2,945
Other loans	60,358	-	-	-
Obligations under finance lease and hire purchase contracts	12,688	21,431	-	-
Amounts owed to group undertakings	-	243,486	2,001,339	350,164
Corporation tax	326,501	90,176	-	-
Other taxes and social security	755,082	655,396	34,494	78,656
Other creditors	183,104	422,979	9,401	8,946
Directors' current accounts	914,219	530,862	914,219	530,862
Accruals and deferred income	1,693,528	937,773	55,211	100,487
	<u>5,748,554</u>	<u>4,897,475</u>	<u>3,047,618</u>	<u>1,091,138</u>

Bank loans and overdrafts are secured over the assets of the group.

**17 Creditors: Amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>(As restated)</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>2013</b>	<b>£</b>	<b>£</b>
		<b>£</b>		
Bank loans and overdrafts	-	94,197	-	-
Other loans	-	-	-	707,718
Other creditors	345,786	154,536	-	-
	<u>345,786</u>	<u>248,733</u>	<u>-</u>	<u>707,718</u>

Other creditors include £338,790 (2013 - £nil) in relation to deferred consideration arising on the acquisition of Systems Ability Limited.

**Obligations under finance leases and HP contracts**

**Amounts repayable:**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
In one year or less on demand	<u>12,688</u>	<u>21,431</u>	<u>-</u>	<u>-</u>

**BIG IDEAS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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**18 Provisions**

**Group**

	<b>Deferred tax £</b>
At 1 October 2013	(5,778)
Charged to the profit and loss account	<u>6,878</u>
At 30 September 2014	<u><u>1,100</u></u>

**Analysis of deferred tax**

	<b>2014 £</b>	<b>2013 £</b>
Difference between accumulated depreciation and capital allowances	1,100	(4,663)
Tax losses available	<u>-</u>	<u>(1,115)</u>
	<u><u>1,100</u></u>	<u><u>(5,778)</u></u>

**19 Share capital**

**Allotted, called up and fully paid shares**

	<b>2014</b>		<b>2013</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

**20 Reserves**

**Group**

	<b>Profit and loss account £</b>
At 1 October 2013	658,815
Profit for the year	<u>626,274</u>
At 30 September 2014	<u><u>1,285,089</u></u>

**BIG IDEAS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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**Company**

	<b>Profit and loss account £</b>
At 1 October 2013	238,589
Loss for the year	<u>(177,128)</u>
At 30 September 2014	<u><u>61,461</u></u>

**21 Reconciliation of movement in shareholders' funds**

**Group**

	<b>2014 £</b>	<b>2013 £</b>
Profit attributable to the members of the group	626,274	756,111
Net addition to shareholders' funds	<u>626,274</u>	<u>756,111</u>
Shareholders' funds/(deficit) at 1 October	659,815	(96,296)
Shareholders' funds at 30 September	<u><u>1,286,089</u></u>	<u><u>659,815</u></u>

**Company**

	<b>2014 £</b>	<b>2013 £</b>
Loss attributable to the members of the company	(177,128)	(63,090)
Net reduction to shareholders' funds	<u>(177,128)</u>	<u>(63,090)</u>
Shareholders' funds at 1 October	239,589	302,679
Shareholders' funds at 30 September	<u><u>62,461</u></u>	<u><u>239,589</u></u>

**22 Pension 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 £42,835 (2013 - £23,702).

**BIG IDEAS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**23 Commitments**

**Operating lease commitments**

**Group**

As at 30 September 2014 the group had annual commitments under non-cancellable operating leases as follows:  
Operating leases which expire:

	2014 £	2013 £
<b>Land and buildings</b>		
Within two and five years	206,090	185,090
<b>Other</b>		
Within one year	18,109	-
Within two and five years	33,787	55,856
	<u>51,896</u>	<u>55,856</u>

**24 Analysis of net debt**

	At 1 October 2013 £	Cash flow £	Other non-cash changes £	At 30 September 2014 £
Cash at bank and in hand	146,668	107,586	52,717	306,971
Bank overdraft	(541,774)	250,001	-	(291,773)
	<u>(395,106)</u>	<u>357,587</u>	<u>52,717</u>	<u>15,198</u>
Debt due within one year	(240,833)	146,318	-	(94,515)
Debt due after more than one year	(94,197)	94,197	-	-
Finance leases and hire purchase contracts	(21,431)	8,743	-	(12,688)
Net debt	<u>(751,567)</u>	<u>606,845</u>	<u>52,717</u>	<u>(92,005)</u>

**25 Post balance sheet events**

On 1 May 2015, the group acquired JMC IT Group Limited. As part of the acquisition, the group underwent a reorganisation, following which I.T. Lab Limited became a subsidiary company of I.T. Lab Enterprises Limited.

**BIG IDEAS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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**26 Related party transactions**

We set out below the material related party transactions.

**Group**

At the year end the group owed £914,219 (2013 - £530,862) to the director S C Gray.

**Company**

Other debtors also includes £243,342 (2013 - £237,981) due from associated company Littlebird Online Limited and £293,006 (2013 - £nil) due from associated company Samewave Limited.

At the year end the company owed £914,219 (2013 - £530,862) to the director S C Gray.

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

**27 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.