
JCA HQ GROUP HOLDINGS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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JCA HQ GROUP HOLDINGS LTD

COMPANY INFORMATION

DIRECTORS	I D Hodges-Jackson D P Craik T Absalom P Lewis (resigned 31 January 2016)
REGISTERED NUMBER	07251790
REGISTERED OFFICE	Solar House Stevenage Leisure Park Kings Way Stevenage Hertfordshire SG1 2UA
INDEPENDENT AUDITORS	Moore Stephens LLP Chartered Accountant and Statutory Auditor 35 Calthorpe Road Edgbaston Birmingham B15 1TS

JCA HQ GROUP HOLDINGS LTD

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JCA HQ GROUP HOLDINGS LTD

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

INTRODUCTION

The directors present their Strategic Report for the year ended 31 December 2015.

BUSINESS REVIEW

We aim to present a balanced and comprehensive review of the development and performance of our business during the period and its position at the balance sheet date. Our review is consistent with the size and noncomplex nature of our business.

The directors consider that the key performance indicators are those that communicate the financial performance and profitability of the group as a whole, these being the gross and net profit margins.

The group's gross profit as a percentage of its sales for the year was 20.8% which has reduced from the 24.6% achieved in 2014. The board consider this to be quite satisfactory and reflects the consolidation of the activities previously undertaken by other group members. However, the group's net profit as percentage of sales has increased from 2.5% in 2014 to 2.9% in 2015.

The group has adequate finance to take advantage of business opportunities, whilst optimising efficiencies and directors anticipate the continuation of satisfactory results.

The group has and will continue to invest in key roles and enhanced business platforms in order to continue to allow for continued growth within its core business activities, whilst also improving efficiency within the business. The directors envisage that this investment will continue for the following year to fully realise the potential of those investments for the long term benefit of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

Despite concerns over the economy, and a slower start to 2016, we have a high quality end user client base which we plan to build on as mitigation against the risk of an uncertain UK economy. Our turnover across the Group remains strong despite the existence of the said circumstances.

Our mitigating activities include embedded disciplines to maintain strong generation of cash and management of working capital as well as a monthly review of performance against strategic targets.

The risk of non compliance within the industry has meant increased usage of performance bonds to mitigate risk. We continue to ensure compliance with laws and regulations governing occupational health and safety matters. Our mitigating activities include maintaining strong health and safety policies and procedures with the need to comply with the laws and regulations and to reasonably guard our employees against the risk of injury, this assisted by strong induction and training programmes that reinforce health and safety policies.

RESEARCH AND DEVELOPMENT

Research and development in the projects business is concentrated on the development of efficiency and cost savings of our Datacenter offering to our clients.

FUTURE DEVELOPMENTS

The Group continues to focus on being able to provide the most up to date products and the highest quality service with a view to increasing its market share.

This report was approved by the board on 16/5/2016 and signed on its behalf by:



I D Hodges-Jackson
Director

JCA HQ GROUP HOLDINGS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and 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 judgments and accounting estimates that are reasonable and prudent; and
- 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.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of mechanical, electrical and building engineering services.

RESULTS AND DIVIDENDS

The profit for the year, after taxation and minority interests, amounted to £1,215,000 (2014 - £636,000).

Dividends paid during the year totalled £433,000 (2014 - £Nil).

DIRECTORS

The directors who served during the year and their interests in the Group's issued share capital were:

	Ordinary Shares of £1 each	
	At 31 December 2015	At 1 January 2015
I D Hodges-Jackson	365,440	365,440
D P Craik	280,045	280,045
T Absalom	28,370	28,370
P Lewis (resigned 31 January 2016)	28,156	28,156

JCA HQ GROUP HOLDINGS LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015**

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Group since the year end.

AUDITORS

The auditors, Moore Stephens LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 14/5/2016 and signed on its behalf by:



I D Hodges-Jackson
Director

JCA HQ GROUP HOLDINGS LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JCA HQ GROUP HOLDINGS LTD

We have audited the financial statements of JCA HQ Group Holdings Ltd for the year ended 31 December 2015, set out on pages 6 to 30. The financial reporting framework that has been applied in their preparation is applicable law including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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, 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 Financial Reporting Council'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 the 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 Group Strategic Report and the Directors' 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.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2015 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

JCA HQ GROUP HOLDINGS LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JCA HQ GROUP HOLDINGS LTD

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.

Moore Stephens LLP

Paul Fenner (Senior Statutory Auditor)

for and on behalf of
Moore Stephens LLP

Chartered Accountants and Statutory Auditor

35 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

Date: *24 May 2016*

JCA HQ GROUP HOLDINGS LTD

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	Continuing operations 2015 £000	Total 2015 £000	Continuing operations 2014 £000	Discontinued operations 2014 £000	Total 2014 £000
Turnover	4	42,463	42,463	30,240	1,109	31,349
Cost of sales		(33,634)	(33,634)	(22,804)	(1,001)	(23,805)
Gross Profit		8,829	8,829	7,436	108	7,544
Distribution costs		(668)	(668)	(426)	(2)	(428)
Administrative expenses		(6,912)	(6,912)	(6,699)	(166)	(6,865)
Operating profit	5	1,249	1,249	311	(60)	251
Loss on disposal of fixed asset investments	6	-	-	(9)	-	(9)
Interest receivable and similar income	9	1	1	-	-	-
Interest payable and expenses	10	-	-	(1)	-	(1)
Profit before tax		1,250	1,250	301	(60)	241
Tax on profit	11	(35)	(35)	395	-	395
Profit for the year		1,215	1,215	696	(60)	636
Other comprehensive income for the year			-			-
Total Comprehensive Income for the year			1,215			636
Total Comprehensive Income attributable to:						
Non-controlling interest		-	-	(115)	-	(115)
Owners of the parent company		1,215	(1,215)	811	(60)	751
		1,215	(1,215)	696	(60)	636

All of the activities of the group in 2015 were from continuing operations.

The notes on pages 13 to 30 form part of these financial statements.

JCA HQ GROUP HOLDINGS LTD
REGISTERED NUMBER:07251790

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 £000	2014 £000
Fixed assets			
Intangible assets	14	8	245
Tangible assets	15	99	163
		<u>107</u>	<u>408</u>
Current assets			
Debtors: amounts falling due within one year	17	13,808	3,888
Cash at bank and in hand	18	7,707	3,459
		<u>21,515</u>	<u>7,347</u>
Creditors: amounts falling due within one year	19	(17,106)	(4,021)
Net current assets		<u>4,409</u>	<u>3,326</u>
Total assets less current liabilities		<u>4,516</u>	<u>3,734</u>
Net assets		<u>4,516</u>	<u>3,734</u>
Capital and reserves			
Called up share capital	23	702	702
Share premium account	22	537	537
Profit and loss account	22	3,470	2,688
Equity attributable to owners of the parent Company		<u>4,709</u>	<u>3,927</u>
Non-controlling interests		(193)	(193)
		<u>4,516</u>	<u>3,734</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

16/5/2016



I D Hodges-Jackson
Director

The notes on pages 13 to 30 form part of these financial statements.

JCA HQ GROUP HOLDINGS LTD
REGISTERED NUMBER:07251790

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 £000	2014 £000
Fixed assets			
Investments	16	1,259	1,259
		<u>1,259</u>	<u>1,259</u>
Current assets			
Debtors: amounts falling due within one year	17	32	32
		<u>32</u>	<u>32</u>
Total assets less current liabilities		<u>1,291</u>	<u>1,291</u>
Net assets		<u>1,291</u>	<u>1,291</u>
Capital and reserves			
Called up share capital	23	702	702
Share premium account	22	537	537
Profit and loss account	22	52	52
		<u>1,291</u>	<u>1,291</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

I D Hodges-Jackson
Director

The notes on pages 13 to 30 form part of these financial statements.

JCA HQ GROUP HOLDINGS LTD

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015**

	Share capital £000	Share premium £000	Retained earnings £000	Equity attributable to owners of parent Company £000	Non- controlling interests £000	Total equity £000
At 1 January 2015	702	537	2,688	3,927	(193)	3,734
Comprehensive income for the year						
Profit for the year	-	-	1,215	1,215	-	1,215
Total comprehensive income for the year	-	-	1,215	1,215	-	1,215
Contributions by and distributions to owners						
Dividends: Equity capital	-	-	(433)	(433)	-	(433)
Total transactions with owners	-	-	(433)	(433)	-	(433)
At 31 December 2015	702	537	3,470	4,709	(193)	4,516

JCA HQ GROUP HOLDINGS LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014

	Share capital £000	Share premium £000	Retained earnings £000	Equity attributable to owners of parent Company £000	Non- controlling interests £000	Total equity £000
At 1 January 2014	715	602	1,914	3,231	(78)	3,153
Comprehensive income for the year						
Profit for the year	-	-	751	751	(115)	636
Total comprehensive income for the year	-	-	751	751	(115)	636
Contributions by and distributions to owners						
Purchase of own shares	-	-	23	23	-	23
Purchase of own ordinary shares	(13)	-	-	(13)	-	(13)
Premium on purchase of own ordinary shares	-	(65)	-	(65)	-	(65)
Total transactions with owners	(13)	(65)	23	(55)	-	(55)
At 31 December 2014	702	537	2,688	3,927	(193)	3,734

JCA HQ GROUP HOLDINGS LTD

**COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015**

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 January 2015	702	537	52	1,291
Comprehensive income for the year				
Profit for the year	-	-	433	433
Total comprehensive income for the year	-	-	433	433
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(433)	(433)
Total transactions with owners	-	-	(433)	(433)
At 31 December 2015	702	537	52	1,291

**COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014**

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 January 2014	715	602	-	1,317
Comprehensive income for the year				
Profit for the year	-	-	29	29
Total comprehensive income for the year	-	-	29	29
Contributions by and distributions to owners				
Purchase of own shares	-	-	23	23
Shares issued during the year	(13)	-	-	(13)
Shares redeemed during the year	-	(65)	-	(65)
Total transactions with owners	(13)	(65)	23	(55)
At 31 December 2014	702	537	52	1,291

The notes on pages 13 to 30 form part of these financial statements.

JCA HQ GROUP HOLDINGS LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 £000	2014 £000
Cash flows from operating activities		
Profit for the financial year	1,215	636
Adjustments for:		
Amortisation of intangible assets	238	239
Depreciation of tangible assets	57	34
Profit on sale on investments	-	9
Loss on disposal of tangible assets	(6)	(1)
Increase in stocks	-	5
Interest paid / (received)	(1)	1
Taxation	33	(395)
Increase in debtors	(10,265)	1,145
Decrease in amounts owed by related party undertakings	11	27
Increase in creditors	13,149	(962)
Increase in amounts owed to related party undertakings	(67)	71
Corporation tax	303	(79)
Net cash generated from operating activities	4,667	730
Cash flows from investing activities		
Purchase of tangible fixed assets	(19)	(59)
Sale of tangible fixed assets	33	20
Interest received / (paid)	1	(1)
Cash received on disposal of trade/business	-	1
Net cash disposed of with trade/business	-	(102)
Net cash from investing activities	15	(141)
Cash flows from financing activities		
Issue of ordinary shares	-	(13)
Purchase of ordinary shares	-	(65)
Discount on purchase of own equity shares	-	23
Repayment finance leases	(1)	(38)
Dividends paid	(433)	-
Net cash used in financing activities	(434)	(93)
Net increase / (decrease) in cash and cash equivalents	4,248	496
Cash and cash equivalents at beginning of year	3,459	2,963
Cash and cash equivalents at the end of year	<u>7,707</u>	<u>3,459</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	7,707	3,459
	<u>7,707</u>	<u>3,459</u>

The notes on pages 13 to 30 form part of these financial statements.

JCA HQ GROUP HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. COMPANY INFORMATION

JCA HQ Group Holdings Ltd is a limited liability company incorporated and domiciled in England & Wales.

The Registered Office is Solar House, Stevenage Leisure Park, Kings Way, Stevenage, Hertfordshire, SG1 2UA.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 30.

The Group has chosen to early adopt the amended Financial Reporting Standard 102 (September 2015).

Certain comparative amounts have been re-stated or re-classified to conform with the current year presentation.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2014. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

JCA HQ GROUP HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. ACCOUNTING POLICIES (continued)

2.3 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover represents net invoiced sales of goods, excluding valued added tax, except in respect of service contracts where turnover is recognised when the company obtained the right to consideration.

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Income Statement over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

The estimated useful lives range as follows:

Patents	- 15% reducing balance
Goodwill	- 3 years straight line

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

JCA HQ GROUP HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. ACCOUNTING POLICIES (continued)

2.5 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Motor vehicles	-	20% to 25% reducing balance
Fixtures and fittings	-	15% to 25% reducing balance
Sundry equipment	-	15% reducing balance
Computer equipment	-	20% to 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administration expenses' in the Income Statement.

2.6 Operating leases

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

JCA HQ GROUP HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. ACCOUNTING POLICIES (continued)

2.10 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

JCA HQ GROUP HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. ACCOUNTING POLICIES (continued)

2.14 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.15 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

2.16 Provision for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income Statement in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

JCA HQ GROUP HOLDINGS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. ACCOUNTING POLICIES (continued)

2.17 Current and deferred taxation (continued)

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

2.18 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

JCA HQ GROUP HOLDINGS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The group and company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(1) Long term contracts

Income is recognised for based on total costs incurred to date as a percentage of the total expected costs on a contract by contract basis.

(2) Impairment of debtors

The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

4. ANALYSIS OF TURNOVER

The whole of the turnover is attributable to the one principal business activity.

All turnover arose within the United Kingdom.

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015 £000	2014 £000
Research & development charged as an expense	1,018	697
Depreciation of tangible fixed assets	57	34
Profit on disposal of fixed assets	-	(1)
Amortisation of intangible assets, including goodwill	238	239
Fees payable to the Group's auditor and its associates for the audit of the company's annual accounts	25	23
Fees payable to the group's auditors and its associates for other services to the group:		
- Taxation compliance services	5	5
- Other taxation services	45	87
- Other advisory services	14	-
Operating lease rentals	227	391
Defined contribution pension cost	272	5

JCA HQ GROUP HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

6. LOSS ON DISPOSAL OF FIXED ASSET INVESTMENTS

	2015 £000	2014 £000
Loss on disposal of fixed asset investments	-	(9)
	<u>-</u>	<u>(9)</u>

On 2 June 2014 the company disposed of its investment in Wrenspire Projects Ltd for consideration of £965. Further details of this disposal can be seen at note 24.

7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2015 £000	2014 £000
Wages and salaries	5,676	5,947
Social security costs	685	646
Cost of defined contribution scheme	272	5
	<u>6,633</u>	<u>6,598</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Directors	6	7
Other employees	119	114
	<u>125</u>	<u>121</u>

JCA HQ GROUP HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS
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8. DIRECTORS' REMUNERATION

	2015 £000	2014 £000
Directors' emoluments	515	910
Company contributions to defined contribution pension schemes	220	-
	<u>735</u>	<u>910</u>

During the year retirement benefits were accruing to 2 directors (2014 - Nil) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £178,000 (2014 - £268,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £90,000 (2014 - £Nil).

9. INTEREST RECEIVABLE

	2015 £000	2014 £000
Other interest receivable	<u>1</u>	<u>-</u>

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £000	2014 £000
Finance leases and hire purchase contracts	<u>-</u>	<u>1</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. TAXATION

	2015 £000	2014 £000
Corporation tax		
Current tax on profits for the year	-	(47)
Adjustments in respect of previous periods	79	(336)
Total current tax	<u>79</u>	<u>(383)</u>
Deferred tax		
Origination and reversal of timing differences	<u>(44)</u>	<u>(12)</u>
Taxation on profit/(loss) on ordinary activities	<u>35</u>	<u>(395)</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2014 - *lower than*) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	<u>1,250</u>	<u>241</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	250	48
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	27	33
Capital allowances for year in excess of depreciation	55	27
Utilisation of tax losses	(115)	(1)
Tax charged at higher rates	4	8
Non-taxable income	-	(7)
Research and development tax credits	(265)	(168)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	82	(336)
Other differences leading to an increase (decrease) in the tax charge	(3)	1
Total tax charge for the year	<u>35</u>	<u>(395)</u>

JCA HQ GROUP HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS
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11. TAXATION (continued)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The group has trading losses of £293,000 (2014 - £653,000) available to utilise in future periods. Deferred tax assets have been provided for losses which are expected to be utilised. As at 31 December the group has unprovided deferred tax assets totalling £14,000 (2014 - £131,000).

12. DIVIDENDS

	2015 £000	2014 £000
Equity dividends paid	<u>433</u>	<u>-</u>

13. PARENT COMPANY PROFIT FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £433,000 (2014 - £29,000).

14. INTANGIBLE ASSETS

Group

	Patents £000	Goodwill £000	Total £000
Cost			
At 1 January 2015	19	630	649
At 31 December 2015	<u>19</u>	<u>630</u>	<u>649</u>
Amortisation			
At 1 January 2015	10	393	403
Charge for the year	1	237	238
At 31 December 2015	<u>11</u>	<u>630</u>	<u>641</u>
Net book value			
At 31 December 2015	<u>8</u>	<u>-</u>	<u>8</u>
<i>At 31 December 2014</i>	<u>8</u>	<u>237</u>	<u>245</u>

Company

The company has no intangible fixed assets.

JCA HQ GROUP HOLDINGS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

15. TANGIBLE FIXED ASSETS

Group

	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 January 2015	245	6	82	333
Additions	-	-	19	19
Disposals	(93)	(1)	(1)	(95)
At 31 December 2015	152	5	100	257
Depreciation				
At 1 January 2015	151	2	18	171
Charge owned for the period	34	-	23	57
Disposals	(68)	(1)	(1)	(68)
At 31 December 2015	117	1	40	160
Net book value				
At 31 December 2015	35	4	60	99
<i>At 31 December 2014</i>	<i>94</i>	<i>4</i>	<i>65</i>	<i>163</i>

Company

The company has no tangible fixed assets.

JCA HQ GROUP HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

16. FIXED ASSET INVESTMENTS

Company

	Investments in subsidiary companies £000
Cost	
At 1 January 2015	1,259
At 31 December 2015	<u>1,259</u>
Net book value	
At 31 December 2015	<u>1,259</u>
At 31 December 2014	<u>1,259</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
J C A Engineering Ltd	England & Wales	Ordinary	100 %	Mechanical, Electrical and Building Engineers
JCA Maintenance Ltd	England & Wales	Ordinary	100 %	Maintenance Services
JCA Corporate Services Limited	England & Wales	Ordinary	100 %	Provision of services within JCA Group
JCA Networks Ltd	England & Wales	Ordinary	100 %	Information Technology Design
JCA Electrical Limited	England & Wales	Ordinary	53 %	Electrical Contract Assignments

The results of the above subsidiaries have been included in the consolidated accounts from 1 January 2011.

JCA HQ GROUP HOLDINGS LTD

**NOTES TO THE FINANCIAL STATEMENTS
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17. DEBTORS

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Trade debtors	11,800	2,693	-	-
Amounts recoverable on long term contracts	1,045	507	-	-
Amounts owed by group undertakings	-	-	32	32
Amounts owed by related party undertakings	2	13	-	-
Tax recoverable	-	382	-	-
Deferred taxation	44	-	-	-
Other debtors	743	195	-	-
Prepayments and accrued income	174	98	-	-
	13,808	3,888	32	32

An impairment provision, due to irrecoverable trade debtors, of £50,000 (2014 - £2,000) has been recognised at the balance sheet date within the Group.

18. CASH AND CASH EQUIVALENTS

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Cash at bank and in hand	7,707	3,459	-	-

19. CREDITORS: Amounts falling due within one year

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Payments received on account	2,483	613	-	-
Trade creditors	12,349	1,420	-	-
Amounts owed to related party undertakings	-	67	-	-
Other taxation and social security	791	515	-	-
Obligations under finance lease and hire purchase contracts	-	1	-	-
Other creditors	19	9	-	-
Accruals and deferred income	1,464	1,396	-	-
	17,106	4,021	-	-

JCA HQ GROUP HOLDINGS LTD

**NOTES TO THE FINANCIAL STATEMENTS
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20. FINANCIAL INSTRUMENTS

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Financial assets				
Financial assets measured at fair value through profit and loss	7,707	3,459	-	-
Financial assets that are debt instruments measured at amortised cost	13,590	3,408	32	32
	<u>21,297</u>	<u>6,867</u>	<u>32</u>	<u>32</u>
	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Financial liabilities				
Financial liabilities measured at amortised cost	15,642	3,856	-	-
	<u>15,642</u>	<u>3,856</u>	<u>-</u>	<u>-</u>

Financial assets measured at fair value through profit and loss comprise cash held at bank and in hand.

Financial assets measured at amortised cost comprise trade and other debtors, amounts recoverable on contract and amounts owed from group and related party undertakings.

Financial Liabilities measured at amortised cost comprise trade and other creditors, finance lease creditors, amounts owed to group and related party undertakings and monies owed to HMRC.

21. DEFERRED TAXATION

Group	Deferred tax £000
Charged to the profit or loss	44
At 31 DECEMBER 2015	<u>44</u>
	Group 2015 £000
Accelerated capital allowances	2
Tax losses carried forward	42
	<u>44</u>

JCA HQ GROUP HOLDINGS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

22. RESERVES

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account

Profit and loss account reserve relates to accumulated profits less distributions to shareholders.

23. SHARE CAPITAL

	2015	2014
	£000	£000
Allotted, called up and fully paid		
702,371 Ordinary shares of £1 each	<u><u>702</u></u>	<u><u>702</u></u>

24. DISCONTINUED OPERATIONS

On 2 June 2014 the company disposed of its investment in Wrenspire Projects Ltd for consideration of £965. The results of Wrenspire Projects Ltd have been included in these consolidated accounts up to the date of disposal.

	£000	£000
Cash proceeds		1
Net assets disposed of:		
Tangible fixed assets	2	
Tangible fixed assets	12	
Debtors	159	
Cash	102	
Trade creditors	(233)	
Other creditors	(32)	
	<u> </u>	(10)
Profit on disposal before tax		<u><u>(9)</u></u>
Cash consideration		10
Net inflow of cash		<u><u>10</u></u>

JCA HQ GROUP HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

25. CAPITAL COMMITMENTS

At 31 December 2015 the Group and Company had capital commitments totalling £Nil (2014 - £Nil).

26. PENSION COMMITMENTS

The group operates a defined contribution pension scheme for its directors and employees. The assets of the schemes are held separately from those of the company in an independently administered fund. During the year contributions to the scheme totalled £271,507 (2014 - £4,721).

There were £9,788 contributions outstanding at the year end (2014 - £Nil).

27. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2015 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Land and buildings				
Not later than 1 year	169	167	-	-
Later than 1 year and not later than 5 years	508	678	-	-
Total	677	845	-	-
	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Other				
Not later than 1 year	58	59	-	-
Later than 1 year and not later than 5 years	31	82	-	-
Total	89	141	-	-

JCA HQ GROUP HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

28. RELATED PARTY TRANSACTIONS

During the financial year the Group was recharged wages costs of £Nil (2014 - £62,667) from JCA Aspire Ltd, a company under common control. At the balance sheet date the Group was owed £Nil (2014 - £41) from JCA Aspire Ltd.

At the balance sheet date the Group was owed £533 (2014 - £15,691) from JCA Estates Limited.

The company has taken advantage of the exemption available in FRS 102 section 33.1A from disclosing transactions with other wholly owned subsidiaries of JCA HQ Group Holdings Ltd.

Key management personnel remuneration, including directors and pensions contributions, for the year ended 31 December 2015 totalled £1,187,000 (2014 - £1,442,000). All key management remuneration is paid through J C A Engineering Ltd.

29. CONTROLLING PARTY

The ultimate controlling party throughout the current and previous year was Mr I D Hodges-Jackson by virtue of his majority shareholding in the parent company.

30. FIRST TIME ADOPTION OF FRS 102

These financial statements for the year ended 31 December 2015 are the Group's first financial statements that comply with the FRS 102. The Group's date of transition to FRS 102 is 1 January 2014. The Group's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 December 2014.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.