



jmarchitects limited

Registered number: SC172002

Directors' report and financial statements

For the year ended 30 November 2016



JMARCHITECTS LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditor's Report	5 - 6
Statement of Income and Retained Earnings	7
Balance Sheet	8
Notes to the Financial Statements	9 - 25

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2016**

Introduction

The directors present their Strategic Report for the year ended 30 November 2016.

The company's principal activity during the year was the supply of architectural services.

Development and performance of the company

The directors report an operating profit of £659,913 and a profit after tax of £516,515 on turnover of £6,541,855.

Whilst the Company has seen good profits in every year from 2009 onwards, the last three years, from 2014 onwards, have seen particularly strong trading. The financial success was something generated across all our operations, rather than the result of one particular region or sector, with all our offices making good margins as well as delivering, we believe, some fine architecture.

As always, the directors would particularly like to thank the staff of jmarchitects – who all contributed to this continued success. In 2016 we were once again able to express our thanks very tangibly, by means of significant staff bonuses, sharing out some of the recent profits amongst every member of staff with at least a year's service, with longer-serving staff receiving some quite significant payouts.

Following the successful move of our Manchester office to bigger premises in 2015, spring 2016 saw our London studio also relocating. Our new offices in the capital are a stone's throw from Oxford Circus in Great Portland Street.

We have continued to deliver high quality architecture across the country, with once again a pleasing number of awards to recognise this.

We don't have space to detail the very large number of successful projects completed in 2016, but the new Campus for James Gillespie's High School in Edinburgh has attracted particular attention. At the March 2017 Scottish Property Awards it won both the Best Development of the Year in the public buildings category, and the Architectural Excellence Award in the same category.

We have also been particularly pleased with the Holyrood North project in Edinburgh, a significant new postgraduate residential development near Parliament. Although only recently completed, the development, delivered together with our project partners, The University of Edinburgh, Balfour Beatty Investments, Oberlanders Architects and Harrison Stevens Landscape Architects, has already received substantial recognition, being awarded the Best Student Accommodation Award at the 2017 Scottish Property Awards, 'Best University Halls of Residence Award' at the Property Week 2016 Student Accommodation Awards in London, and a Place Award at the 2016 Scottish Awards for Quality in Planning.

Education was the single largest sector in which we worked last year, but we also saw a significant amount of work coming from hotels and leisure and from the residential sector (two areas where we saw significant growth in 2016) as well as remaining with a strong portfolio of ongoing commercial, student residential and healthcare work, as has generally been the case in recent years.

Principal risks and uncertainties

Despite our steady and profitable performance over recent years we are not complacent about the future. We have a particularly strong pipeline of work at present but the directors note that significant uncertainties remain about the future state of the economy in the UK and internationally.

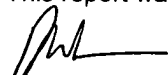
JMARCHITECTS LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2016

Financial key performance indicators

In addition to turnover and operating profit, the Company uses as a key performance indicator, a measure of Gross Profit where it defines for internal reporting purposes certain costs such as architectural salaries and professional indemnity insurance costs as direct costs. On this measure, consistently defined, the gross profit in the year was 31%, compared to 41% in 2015 and an average of 36% over the last five years. However the apparently slightly poorer 2016 measure is in fact driven by the substantial staff bonuses which we were delighted to be able to pay during the year.

This report was approved by the board on 28 March 2017 and signed on its behalf.



D W Ingham
Director

JMARCHITECTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2016

The directors present their report and the financial statements for the year ended 30 November 2016.

Directors' responsibilities statement

The directors are responsible for preparing the 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 they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £516,515 (2015 - £1,270,495).

Particulars of dividends paid are detailed in note 10 to the financial statements.

Directors

The directors who served during the year were:

R Fletcher
D W Ingham
A J B Irving
P H Ives
R McFarlane
B Thomson

Future developments

The directors expect the volume and nature of business carried out in 2017 to be broadly similar to that of the year ended 30 November 2016. No developments which would give rise to a significant variation in the Company's current business model are currently foreseen.

JMARCHITECTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2016**

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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's auditor is aware of that information.

Post balance sheet events

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

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 March 2017 and signed on its behalf.



D W Ingham
Director

JMARCHITECTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JMARCHITECTS LIMITED

We have audited the financial statements of jmarchitects limited for the year ended 30 November 2016 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 November 2016 and of its 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 the other matter prescribed by the Companies Act 2006

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

JMARCHITECTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JMARCHITECTS LIMITED

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



John McLeod (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

29 March 2017

JMARCHITECTS LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

	Note	2016 £	2015 £
Turnover	3	6,541,855	7,051,152
Administrative expenses		(5,911,942)	(5,474,427)
Other operating income	4	30,000	30,000
Operating profit	5	659,913	1,606,725
Interest receivable and similar income	8	739	-
Profit before tax		660,652	1,606,725
Tax on profit	9	(144,137)	(336,230)
Profit after tax		516,515	1,270,495
		<u>516,515</u>	<u>1,270,495</u>
Retained earnings at the beginning of the year		911,680	1,041,185
Profit for the year		516,515	1,270,495
Dividends declared and paid		(450,000)	(1,400,000)
Retained earnings at the end of the year	19	978,195	911,680
		<u>978,195</u>	<u>911,680</u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 25 form part of these financial statements.

JMARCHITECTS LIMITED
REGISTERED NUMBER: SC172002

BALANCE SHEET
AS AT 30 NOVEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	11	61,913	60,009
Tangible assets	12	176,915	187,635
Investments	13	24,500	24,500
		<u>263,328</u>	<u>272,144</u>
Current assets			
Debtors: amounts falling due within one year	14	1,910,461	2,626,499
Cash at bank and in hand	15	61,529	441,220
		<u>1,971,990</u>	<u>3,067,719</u>
Creditors: amounts falling due within one year	16	(1,223,901)	(2,403,091)
Net current assets		<u>748,089</u>	<u>664,628</u>
Total assets less current liabilities		<u>1,011,417</u>	<u>936,772</u>
Provisions for liabilities			
Deferred tax	17	(32,222)	(24,092)
		<u>(32,222)</u>	<u>(24,092)</u>
Net assets		<u>979,195</u>	<u>912,680</u>
Capital and reserves			
Called up share capital	18	1,000	1,000
Profit and loss account	19	978,195	911,680
		<u>979,195</u>	<u>912,680</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 March 2017.



D W Ingham
Director

The notes on pages 9 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

1. Accounting policies

1.1 Basis of preparation of financial statements

jmarchitects limited is a private company limited by shares and registered in Scotland. The registered office is 64 Queen St, Edinburgh, EH2 4NA.

The Company is a wholly owned subsidiary of jmarchitects (group) limited and its results are included in the consolidated financial statements of jmarchitects holdings limited.

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 UK 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 26.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of jmarchitects holdings limited as at 30 November 2016 and these financial statements may be obtained from Companies House.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

1. Accounting policies (continued)

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Turnover from a contract to provide architectural services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.4 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 are as follows:

Software licences	-	3	years
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1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold Improvements	- over 4 years
Fixtures and Fittings	- over 4 years
Computer Equipment	- over 3 years

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 in the Statement of income and retained earnings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

1. Accounting policies (continued)

1.6 Investments

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

1.7 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.

1.8 Long-term contracts

The attributable profits on long term contracts are recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project and is calculated on a prudent basis by recording turnover and related costs as contract activity progresses. Profit for the year includes settlement of claims arising on contracts in prior years.

Long term contract balances included in amounts recoverable on contracts are stated as turnover recognised less any progress payments made on the contracts, after provision has been made for any foreseeable losses on all contracts in the year in which the loss is first foreseen.

1.9 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

1. Accounting policies (continued)

1.10 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Statement of income and retained earnings.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

1.11 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.

1.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

1. Accounting policies (continued)

1.13 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.

1.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.15 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.16 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

1.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

1. Accounting policies (continued)**1.18 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key areas of judgement consist of the stage of completion of contracts and the relating adjustment to the amount of turnover recognised in the year as per note 1.3 and the provision for unrecoverable debts.

3. Turnover

	2016 £	2015 £
United Kingdom	6,541,855	7,051,152

JMARCHITECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

4. Other operating income

	2016 £	2015 £
Rental income	30,000	30,000

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	88,845	63,580
Amortisation of intangible assets	37,829	26,774
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	11,175	10,550
Land and buildings operating lease rentals	279,168	220,184
Other operating lease rentals	10,220	10,566
Loss on disposal of fixed assets	-	624

During the current and prior year, directors' emoluments were met by the parent company.

6. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	11,175	10,550
Fees payable to the Company's auditor in respect of:		
Taxation compliance services	1,000	975
All other services	2,500	2,475
	3,500	3,450

JMARCHITECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

7. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	3,301,577	3,120,685
Social security costs	336,492	302,155
Cost of defined contribution scheme	59,581	49,624
	<u>3,697,650</u>	<u>3,472,464</u>

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

	2016 No.	2015 No.
Number of professional staff	99	103
Number of administrative staff	6	7
	<u>105</u>	<u>110</u>

8. Interest receivable

	2016 £	2015 £
Bank interest receivable	<u>739</u>	<u>-</u>

9. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	136,007	315,536
Total current tax	<u>136,007</u>	<u>315,536</u>
Deferred tax		
Origination and reversal of timing differences	8,130	20,694
Total deferred tax	<u>8,130</u>	<u>20,694</u>
Taxation on profit on ordinary activities	<u>144,137</u>	<u>336,230</u>

JMARCHITECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

9. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.33%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	660,652	1,606,725
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.33%)	132,130	327,067
Effects of:		
Expenses not deductible for tax purposes	12,540	8,946
Other timing differences leading to a (decrease) / increase in taxation	(533)	217
Total tax charge for the year	144,137	336,230

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Dividends

	2016 £	2015 £
Dividends paid on equity capital	450,000	1,400,000

JMARCHITECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

11. Intangible assets

	Software Licences £
Cost	
At 1 December 2015	150,254
Additions	39,733
At 30 November 2016	<u>189,987</u>
Amortisation	
At 1 December 2015	90,245
Charge for the year	37,829
At 30 November 2016	<u>128,074</u>
Net book value	
At 30 November 2016	<u><u>61,913</u></u>
At 30 November 2015	<u><u>60,009</u></u>

JMARCHITECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

12. Tangible fixed assets

	Leasehold Improve- ments £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost				
At 1 December 2015	126,539	205,111	312,527	644,177
Additions	30,562	22,377	25,186	78,125
Disposals	(40,140)	(13,379)	(55,096)	(108,615)
At 30 November 2016	<u>116,961</u>	<u>214,109</u>	<u>282,617</u>	<u>613,687</u>
Depreciation				
At 1 December 2015	67,517	185,739	203,286	456,542
Charge for the year	26,057	10,485	52,303	88,845
Disposals	(40,140)	(13,379)	(55,096)	(108,615)
At 30 November 2016	<u>53,434</u>	<u>182,845</u>	<u>200,493</u>	<u>436,772</u>
Net book value				
At 30 November 2016	<u>63,527</u>	<u>31,264</u>	<u>82,124</u>	<u>176,915</u>
At 30 November 2015	<u>59,022</u>	<u>19,372</u>	<u>109,241</u>	<u>187,635</u>

13. Fixed asset investments

	Unlisted investments £
Cost	
At 1 December 2015	<u>24,500</u>
At 30 November 2016	<u>24,500</u>
Net book value	
At 30 November 2016	<u>24,500</u>
At 30 November 2015	<u>24,500</u>

JMARCHITECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

14. Debtors

	2016 £	2015 £
Trade debtors	1,424,365	2,271,853
Amounts recoverable on contracts	171,615	202,551
Prepayments and accrued income	314,481	152,095
	<u>1,910,461</u>	<u>2,626,499</u>

Included in prepayments and accrued income is a balance of £61,177 (2015 - £nil) due after more than one year.

15. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>61,529</u>	<u>441,220</u>

16. Creditors: Amounts falling due within one year

	2016 £	2015 £
Payments received on account	254,781	831,475
Trade creditors	41,148	68,394
Amounts owed to group undertakings (note 24)	118,279	158,163
Corporation tax	15,786	315,536
Other taxation and social security	538,700	786,220
Other creditors	8,852	9,029
Accruals and deferred income	246,355	234,274
	<u>1,223,901</u>	<u>2,403,091</u>

JMARCHITECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

17. Deferred taxation

	2016 £
At beginning of year	24,092
Charged for year	8,130
At end of year	32,222

The provision for deferred taxation is made up as follows:

	2016 £
Fixed asset timing differences	33,177
Other timing differences	(955)
	32,222

18. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1,000 Ordinary class A shares of £ 1 each	1,000	1,000

The company has one class of Ordinary share which carry no right to fixed income.

19. Reserves**Profit & loss account**

Retained earnings represent accumulated profits less losses and distributions.

20. Contingent liabilities

Company assets are secured against the bank borrowings of £525,000 in the parent undertaking, jmarchitects holdings limited.

JMARCHITECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

21. Capital commitments

At 30 November 2016 the Company had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	30,558	18,829
	<u>30,558</u>	<u>18,829</u>

22. Pension commitments

The Company operates a defined contribution pension scheme.

The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £59,581 (2015 - £49,624). Contributions totalling £8,852 (2015 - £9,029) were payable to the fund at the balance sheet date.

23. Commitments under operating leases

At 30 November 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Land and buildings		
Not later than 1 year	272,416	198,749
Later than 1 year and not later than 5 years	839,233	657,026
	<u>1,111,649</u>	<u>855,775</u>
	2016 £	2015 £
Other		
Not later than 1 year	2,392	9,788
Later than 1 year and not later than 5 years	-	2,392
	<u>2,392</u>	<u>12,180</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

24. Related party transactions

Ryan Fletcher, a director, is also a director of, and holds a material interest in, a number of companies which are engaged in the development of property: Cullross Ltd, Cullross (Dens Road) Ltd, Cullross (DH) Ltd, Cullross (LR) Ltd, Ryven Ltd, Ryven (Burdiehouse) Ltd, Ryven (Jeanfield One) Ltd, and Ryven (Jeanfield Three) Ltd.

Included in turnover is an amount of £189,662 (2015 - £70,684) in respect of work on projects where one of these entities is acting as the developer or otherwise has a material interest in the project. Included in trade debtors are amounts of £96,983 (2015 - £nil) due from Cullross (DH) Ltd, £10,190 (2015 - £22,492) due from Cullross Ltd, and £nil (2015 - £9,220) due from Ryven (Jeanfield One) Ltd, in relation to this activity. The balance of £96,983 due by Cullross (DH) Ltd was received in full in December 2016.

Ryan Fletcher, a director, is linked by family ties to Forth Holdings Ltd. Included in administrative expenses is an amount of £25,392 (2015 - £nil) in respect of goods and services purchased from companies in the Forth Holdings group.

The Company has taken advantage of the exemption under the terms of paragraph 33.1A of FRS 102 from disclosing transactions with entities that are wholly owned by jmarchitects holdings limited.

25. Ultimate controlling parent undertaking and controlling party

The Company's immediate parent undertaking is jmarchitects (group) limited, a company registered in Scotland.

The Company's ultimate parent undertaking is jmarchitects holdings limited, a company registered in Scotland.

In the opinion of the directors, there is no ultimate controlling party.

JMARCHITECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

26. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 December 2014. The impact of the transition to FRS 102 is as follows:

	As previously stated 1 December 2014	Effect of transition (as restated) 1 December 2014	FRS 102 1 December 2014	As previously stated 30 November 2015	Effect of transition (as restated) 30 November 2015	FRS 102 30 November 2015
	£	£	£	£	£	£
Fixed assets	154,320	-	154,320	272,144	-	272,144
Current assets	3,034,281	(533)	3,033,748	3,071,620	(3,901)	3,067,719
Creditors: amounts falling due within one year	(2,109,654)	(32,831)	(2,142,485)	(2,354,496)	(48,595)	(2,403,091)
Net current assets	924,627	(33,364)	891,263	717,124	(52,496)	664,628
Total assets less current liabilities	1,078,947	(33,364)	1,045,583	989,268	(52,496)	936,772
Provisions for liabilities	(10,404)	7,006	(3,398)	(34,592)	10,500	(24,092)
Net assets	1,068,543	(26,358)	1,042,185	954,676	(41,996)	912,680
Capital and reserves	1,068,543	(26,358)	1,042,185	954,676	(41,996)	912,680

JMARCHITECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

26. First time adoption of FRS 102 (continued)

		As previously stated 30 November 2015 £	Effect of transition 30 November 2015 £	FRS 102 (as restated) 30 November 2015 £
Turnover		7,051,152	-	7,051,152
		7,051,152	-	7,051,152
Administrative expenses	1	(5,455,295)	(19,132)	(5,474,427)
Other operating income		30,000	-	30,000
Operating profit		1,625,857	(19,132)	1,606,725
Taxation	1	(339,724)	3,494	(336,230)
Profit on ordinary activities after taxation and for the financial year		1,286,133	(15,638)	1,270,495

Explanation of changes to previously reported profit and equity:

1 For year ended 2014 a transition adjustment of £33,364 has been included within accruals and administrative expenses. This consists of the inclusion of a holiday pay accrual of £32,831 and a rent free lease incentive adjustment of £533. This has had an impact of decreasing the deferred tax liability by £7,006.

For year ended 2015 the adjustment for administrative expenses consisted of holiday pay accrual expense of £15,761 and a rent free lease incentive expense adjustment of £3,368. This decreased the deferred tax liability charge by £3,494. This compounded with the 2014 adjustments gave a movement of £52,496 for accruals and £10,500 for deferred tax.