

Registered number: 03387976

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors

C G Clarke
J N Harrison
E L Goodwin

Company secretary

W B James

Registered number

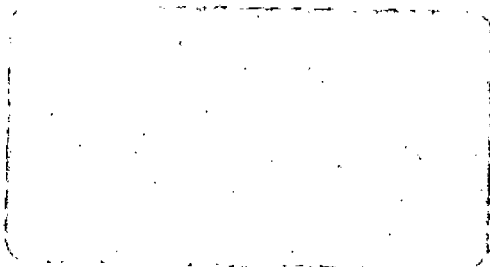
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Registered office

Landmark House
Wirral Park Road
Glastonbury
Somerset
BA6 9FR

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
3 Callaghan Square
Cardiff
CF10 5BT



WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

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WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Introduction

The Directors present their Strategic Report for the year.

Business review

As part of our longer term strategy, this year we continued to invest heavily in the development of our next generation cloud native solutions. Our research and development activity has not been impacted by Covid-19 outbreak.

The uncertainty as to the future impact on the Business of the recent Covid-19 outbreak has been considered as part of the business' adoption of the going concern basis. Whilst there has been an impact on the business activities these have been mitigated by utilisation of the government furlough scheme and other support measures. The business as a whole has been able to transition fully to home working without compromising service capability.

WCBS is part of a group treasury function, headed up by its parent Westleigh Investments Holdings Limited. Due to not having its own funding facility, WCBS is reliant on the support of the group for its going concern.

The directors have assessed the Group's forecasts and projections, taking account of reasonably possible changes in trading performance and have concluded that the Group will be able to operate within its headroom for a forecast period of at least 12 months from the approval date of these financial statements, and be in a position to provide financial support to WCBS.

Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

The resilience of the business is underpinned by a large proportion of the Company revenue being generated by recurring software maintenance revenue with customers who provide services in the education sector and who have continued to trade throughout the pandemic.

We have performed several downside scenarios to consider the potential impact of Covid-19 on the Group's results, including performing reverse stress testing on our model.

In preparing our forecasts, the following key assumptions were used; the impact of reduced revenue using a worst case scenario basis across parts of our business and have forecast known reductions in expenditure within our business. Our business planning and mitigating activities are driven by our key priorities during the Covid-19 situation – having flexibility to respond to the needs of the customers and staff.

Principal risks and uncertainties

Global economy

In common with most Companies across all sectors, the ripple effect of the uncertainties in the Global markets and in Europe regarding Brexit represents a challenge. However, market share and customer retention remain strong.

Technology

Continuing to offer relevant and reliable solutions to the sector we operate in, remains a key strategic consideration. This is made more challenging by the ever-changing technological advances being made and the explosion in multiple small niche educational products in the market. Processes are in place to ensure we continue to offer our sector leading edge solutions though developing our own next generation solutions as well as developing key partnerships and considering appropriate technical acquisitions.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Financial key performance indicators

The directors use many performance indicators, both financial and non-financial, to monitor the group's position. These include, but are not limited to: revenue, margin, cash flow, measured monthly against budgets and forecasts. In addition, many of our teams employ agile methodologies which allows us to clearly monitor performance and progress toward agreed business objectives.

This report was approved by the board on 11/3/2021 and signed on its behalf.

Emma Goodwin

E L Goodwin
Director

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The directors present their report and the financial statements for the year ended 31 August 2020.

Results and dividends

The profit for the year, after taxation, amounted to £92,118 (2019 - £694,589).

No dividends were declared or paid during the year (2018: £Nil).

Directors

The directors who served during the year were:

C G Clarke
J N Harrison
E L Goodwin

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Future developments

The group continues to develop its product offering to support the education sector and looks forward to the future with confidence.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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

This report was approved by the board on 11/3/2021 and signed on its behalf.

Emma Goodwin

E L Goodwin
Director



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

Opinion

We have audited the financial statements of West Country Business Systems (Holdings) Limited (the 'Company') for the year ended 31 August 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as COVID-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

COVID-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED (CONTINUED)**

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as COVID-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED (CONTINUED)**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors for the financial statements

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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

Grant Thornton UK LLP

Rhian Owen BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cardiff
Date: 11/3/2021

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
Turnover	4	3,738,416	3,948,886
Cost of sales		(480,211)	(430,061)
Gross profit		3,258,205	3,518,825
Administrative expenses		(4,081,196)	(4,081,226)
Other operating income	5	721,237	868,588
Operating (loss)/profit	6	(101,754)	306,187
Tax on (loss)/profit	10	193,872	388,402
Profit for the year		92,118	694,589

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 12 to 28 form part of these financial statements.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED
REGISTERED NUMBER:03387976

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	11		1,567,500		1,828,750
Tangible assets	12		70,563		76,758
			1,638,063		1,905,508
Current assets					
Debtors: amounts falling due after more than one year	14	4,307,151		4,307,151	
Debtors: amounts falling due within one year	14	1,264,587		923,975	
Cash at bank and in hand	15	211		73,623	
			5,571,949		5,304,749
Creditors: amounts falling due within one year	16	(3,627,555)		(3,697,263)	
Net current assets			1,944,394		1,607,486
Total assets less current liabilities			3,582,457		3,512,994
Creditors: amounts falling due after more than one year	17	(2,505,573)		(2,524,056)	
Provisions for liabilities					
Deferred tax	19	(7,132)		(11,304)	
			(7,132)		(11,304)
Net assets			1,069,752		977,634
Capital and reserves					
Called up share capital	20		133,500		133,500
Share premium account	21		40,750		40,750
Capital redemption reserve	21		45,750		45,750
Profit and loss account	21		849,752		757,634
			1,069,752		977,634

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11/3/2021

Emma Goodwin

E L Goodwin
 Director

The notes on pages 12 to 28 form part of these financial statements.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2020**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 September 2018	133,500	40,750	45,750	63,045	283,045
Profit for the year	-	-	-	694,589	694,589
At 1 September 2019	133,500	40,750	45,750	757,634	977,634
Profit for the year	-	-	-	92,118	92,118
At 31 August 2020	133,500	40,750	45,750	849,752	1,069,752

The notes on pages 12 to 28 form part of these financial statements.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

West Country Business Systems (Holdings) Limited is a private company limited by shares incorporated in England and Wales. The registered head office is located at Landmark House, Wirrall Park Road, Glastonbury, Somerset, BA6 9FR.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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.

The financial statements are prepared in sterling which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

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

The following principal accounting policies have been applied:

2.2 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 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 11.42, 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 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Westleigh Investments Holdings Limited as at 31 August 2020 and these financial statements may be obtained from Unit D, De Clare House Sir Alfred Owen Way, Pontywindy Industrial Estate, Caerphilly, Wales, CF83 3HU.

2.3 Going concern

WCBS is part of a group treasury function, headed up by its parent Westleigh Investments Holdings Limited. Due to not having its own funding facility, WCBS is reliant on the support of the parent for its going concern.

The directors have assessed the ability of Westleigh Investments Holdings Limited to provide the necessary financial support as the need arises, and have concluded that a letter of support can be relied upon for a period of at least 12 months from the signing of the financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)**2.4 Turnover**

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Software sales are recognised in the period in which the software is installed. Hardware sales are recognised in the period in which the hardware is delivered.

Software maintenance income is invoiced periodically in advance. It is held as deferred income in the balance sheet and released to turnover on a straight line basis over the period to which it relates.

Training income is invoiced in advance and released to turnover on delivery of service.

2.5 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 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 Statement of Comprehensive Income over its useful economic life.

The estimated useful lives range as follows:

Goodwill	8	years
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2.6 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.

Depreciation is provided on the following basis:

Fixtures & fittings	- 15 and 25% straight line
Office equipment	- 15 and 25% straight line

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 profit or loss.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment, and includes deferred consideration.

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.

2.10 Financial instruments

The Company only enters into basic financial instrument 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 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 Statement of comprehensive income.

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.

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.

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.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)**2.12 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.13 Pensions**Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.15 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.16 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 profit or loss 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.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

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

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regards to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements.

The areas where the directors consider there to be significant areas of judgements or estimation are:

Investments

The directors exercise judgement in determining whether investments are impaired.

Going concern

The directors exercise judgement when preparing and reviewing forecasts, and considering whether the company is a going concern.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Turnover

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	3,724,175	3,940,723
Rest of the world	14,241	8,163
	<u>3,738,416</u>	<u>3,948,886</u>

5. Other operating income

	2020 £	2019 £
Other operating income	-	197,500
Government grants receivable	253,069	-
Management charges receivable	468,168	671,088
	<u>468,168</u>	<u>671,088</u>

6. Operating (loss)/profit

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

	2020 £	2019 £
Depreciation of tangible fixed assets	17,643	19,188
Amortisation	261,250	261,250
Operating lease rentals	113,709	117,903
	<u>113,709</u>	<u>117,903</u>

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	21,000	18,450
	<u>21,000</u>	<u>18,450</u>

Fees payable to the Company's auditor and its associates in respect of:

Taxation compliance services	5,000	4,000
Accounts preparation	1,000	-
	<u>1,000</u>	<u>-</u>

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Employees

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

	2020 £	2019 £
Wages and salaries	2,456,190	2,368,111
Social security costs	247,634	260,110
Other pension costs	85,921	71,558
	<u>2,789,745</u>	<u>2,699,779</u>

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

	2020 No.	2019 No.
	<u>70</u>	<u>68</u>

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	87,916	108,059
Company contributions to defined contribution pension schemes	3,269	2,886
	<u>91,185</u>	<u>110,945</u>

During the year retirement benefits were accruing to 1 director (2019 - 1) in respect of defined contribution pension schemes.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	(192,622)	(141,609)
Adjustments in respect of previous periods	2,922	(258,097)
Total current tax	<u>(189,700)</u>	<u>(399,706)</u>
Deferred tax		
Origination and reversal of timing differences	(4,527)	11,304
Changes to tax rates	1,227	-
Adjustments in respect of prior periods	(872)	-
Total deferred tax	<u>(4,172)</u>	<u>11,304</u>
Taxation on loss on ordinary activities	<u>(193,872)</u>	<u>(388,402)</u>

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	<u>(101,754)</u>	<u>306,187</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(19,333)	58,176
Effects of:		
Expenses not deductible for tax purposes	(13,538)	51,622
Income not deductible for tax purposes	-	(37,525)
Fixed asset differences	49,692	-
Adjustments to tax charge in respect of prior periods	2,922	(258,097)
Deferred tax not recognised	1,234	12,044
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(274,127)	(214,622)
Adjustment to deferred tax charge in respect of previous periods	(872)	-
Remeasurement of deferred tax for changes in tax rates	370	-
Surrender of tax losses for R&D tax credit refund	59,780	-
Total tax charge for the year	<u><u>(193,872)</u></u>	<u><u>(388,402)</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Intangible assets

	Goodwill £
Cost	
At 1 September 2019	2,090,000
At 31 August 2020	<u>2,090,000</u>
Amortisation	
At 1 September 2019	261,250
Charge for the year on owned assets	261,250
At 31 August 2020	<u>522,500</u>
Net book value	
At 31 August 2020	<u>1,567,500</u>
<i>At 31 August 2019</i>	<u>1,828,750</u>

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation			
At 1 September 2019	78,167	219,151	297,318
Additions	-	11,448	11,448
At 31 August 2020	<u>78,167</u>	<u>230,599</u>	<u>308,766</u>
Depreciation			
At 1 September 2019	43,993	176,567	220,560
Charge for the year on owned assets	6,836	10,807	17,643
At 31 August 2020	<u>50,829</u>	<u>187,374</u>	<u>238,203</u>
Net book value			
At 31 August 2020	<u>27,338</u>	<u>43,225</u>	<u>70,563</u>
At 31 August 2019	<u>34,174</u>	<u>42,584</u>	<u>76,758</u>

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2019	616,309
At 31 August 2020	<u>616,309</u>
Impairment	
At 1 September 2019	616,309
At 31 August 2020	<u>616,309</u>
Net book value	
At 31 August 2020	<u><u>-</u></u>
At 31 August 2019	<u><u>-</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Abattia Group Limited	UK	The supply and support of computer systems for administration and accounts within the independent educational sector.	Ordinary	100%
West Country Business Systems Limited	UK	Dormant	Ordinary	100%
WCBS International Limited	Hong Kong	The supply and support of computer systems for administration and accounts within the independent educational sector.	Ordinary	100%
KSM Online Limited	UK	Information technology services	Ordinary	100%

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

14. Debtors

	2020 £	2019 £
Due after more than one year		
Amounts owed by group undertakings	<u>4,307,151</u>	<u>4,307,151</u>

	2020 £	2019 £
Due within one year		
Trade debtors	928,214	646,197
Amounts owed by group undertakings	11,700	11,700
Prepayments and accrued income	132,051	124,469
Tax recoverable	192,622	141,609
	<u>1,264,587</u>	<u>923,975</u>

15. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	211	73,623
Less: bank overdrafts	(251,851)	-
	<u>(251,640)</u>	<u>73,623</u>

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	251,851	-
Other loans	3,143	-
Trade creditors	214,520	175,517
Other taxation and social security	505,937	330,237
Other creditors	-	325,000
Accruals and deferred income	2,652,104	2,866,509
	<u>3,627,555</u>	<u>3,697,263</u>

There is a cross guarantee in place in relation to all members of the group headed by Westleigh Investments Holdings Limited.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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

	2020 £	2019 £
Other loans	46,857	-
Amounts owed to group undertakings	1,958,716	2,024,056
Other creditors	500,000	500,000
	<u>2,505,573</u>	<u>2,524,056</u>

18. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Other loans	3,143	-
Amounts falling due 1-2 years		
Other loans	9,586	-
Amounts falling due 2-5 years		
Other loans	30,238	-
Amounts falling due after more than 5 years		
Other loans	7,033	-
	<u>50,000</u>	<u>-</u>

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Deferred taxation

	2020 £
At beginning of year	(11,304)
Charged to the profit or loss	4,172
At end of year	(7,132)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(12,120)	(12,659)
Other timing differences	4,988	1,355
	(7,132)	(11,304)

20. Share capital

	2020 £	2019 £
Authorised		
179,250 (2019 - 179,250) ordinary shares of £1 each	179,250	179,250
Allotted, called up and fully paid		
133,500 (2019 - 133,500) ordinary shares of £1 each	133,500	133,500

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Reserves**Share premium account**

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital redemption reserve

The *capital redemption reserve* includes amounts transferred following redemption or purchase of a company's own shares.

Profit & loss account

Profit and loss account includes all current and prior period profits and losses.

22. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

23. Commitments under operating leases

At 31 August 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	64,888	83,113
Later than 1 year and not later than 5 years	230,162	236,116
Later than 5 years	23,617	19,149
	<u>318,667</u>	<u>338,378</u>

24. Related party transactions

The Company has not disclosed transactions entered into between two or more members of the group headed by Westleigh Investments Holdings Limited, as permitted by FRS 102.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

25. Controlling party

The Company is a wholly owned subsidiary of Westleigh Investments Limited ("WIL") and its ultimate parent company is Westleigh Investments Holdings Limited ("WIHL"). Both companies are incorporated in England and Wales.

WIHL is the parent of the largest and smallest group of which the Company is a member and for which group financial statements are drawn up. Copies of the group accounts can be obtained from Unit D, De Clare House Sir Alfred Owen Way, Pontygwindy Industrial Estate, Caerphilly, Wales, CF83 3HU.

The Company is exempt from preparing group accounts under s.400 of the Companies Act 2006.