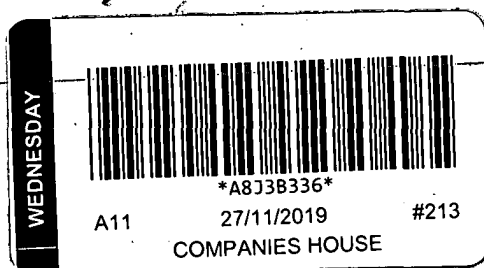


Registered number: 03387976

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



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	03387976
Registered office	Landmark House Wirrall 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 2019

Introduction

The Directors present their Strategic Report for the year.

Business review

This year has been one of consolidation and foundation building as we continue with our longer term investment in software development and move towards next generation solutions. We made significant progress with our strategy to include modern cloud options for the key products in our product suite.

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 through developing our own next generation solutions as well as developing key partnerships and considering appropriate technical acquisitions.

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 25 November 2019 and signed on its behalf.



E L Goodwin
Director

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

The directors present their report and the financial statements for the year ended 31 August 2019.

Results and dividends

The profit for the year, after taxation, amounted to £694,589 (2018 - loss £613,333).

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 2019**

Disclosure of information to auditor

The directors confirm that:

- so far as each director 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 *25 November 2019* and signed on its behalf.



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 2019, 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 2019 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.

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.

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.



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

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.

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.



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

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 2, 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.

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.



Rhian Owen BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cardiff

Date: 25 November 2019

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
Turnover	4	3,948,886	3,900,024
Cost of sales		(430,061)	(409,208)
Gross profit		3,518,825	3,490,816
Administrative expenses		(4,081,226)	(4,328,826)
Exceptional administrative expenses	11	-	(616,309)
Other operating income	5	868,588	527,892
Operating profit/(loss)	6	306,187	(926,427)
Tax on profit/(loss)	10	388,402	313,094
Profit/(loss) for the year		694,589	(613,333)

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 11 to 25 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	12		1,828,750		-
Tangible assets	13		76,758		89,572
Investments	14		-		2,090,000
			<u>1,905,508</u>		<u>2,179,572</u>
Current assets					
Debtors: amounts falling due after more than one year	15	4,307,151		-	
Debtors: amounts falling due within one year	15	923,975		5,086,170	
Cash at bank and in hand	16	73,623		142,639	
		<u>5,304,749</u>		<u>5,228,809</u>	
Creditors: amounts falling due within one year	17	(3,697,263)		(6,364,086)	
Net current assets/(liabilities)			<u>1,607,486</u>		<u>(1,135,277)</u>
Total assets less current liabilities			<u>3,512,994</u>		<u>1,044,295</u>
Creditors: amounts falling due after more than one year	18	(2,524,056)			(761,250)
Provisions for liabilities					
Deferred tax	19	(11,304)		-	
			<u>(11,304)</u>		<u>-</u>
Net assets			<u><u>977,634</u></u>		<u><u>283,045</u></u>
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		757,634		63,045
			<u><u>977,634</u></u>		<u><u>283,045</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25/11/19



E L Goodwin
Director

The notes on pages 11 to 25 form part of these financial statements.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2019

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 September 2017	133,500	40,750	45,750	676,378	896,378
Loss for the year	-	-	-	(613,333)	(613,333)
At 1 September 2018	133,500	40,750	45,750	63,045	283,045
Profit for the year	-	-	-	694,589	694,589
At 31 August 2019	133,500	40,750	45,750	757,634	977,634

The notes on pages 11 to 25 form part of these financial statements.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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 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 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 2019 and these financial statements may be obtained from Lakeside, Fountain Lane, St Mellons, Cardiff, Wales, CF3 0FB.

2.3 Going concern

At the balance sheet date, the Company is dependent on future short term and long term funding being available to enable it to continue operating and to meet its liabilities as they fall due. The Company is reliant on the support of the group for its continued operating. The shareholders have expressed their willingness to provide the necessary financial support in an appropriate form should the need arise.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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 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 the Statement of comprehensive income.

2.6 Valuation of investments

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

2.7 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

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 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 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.

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 the Statement of comprehensive income 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.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

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 the Statement of comprehensive income 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 the Statement of comprehensive income using the effective interest method.

2.15 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 Comprehensive Income 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 2019

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 2019**

4. Turnover

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	3,940,723	3,875,958
Rest of the world	8,163	24,066
	<u>3,948,886</u>	<u>3,900,024</u>

5. Other operating income

	2019 £	2018 £
Other operating income	197,500	-
Management charges receivable	671,088	527,892
	<u>868,588</u>	<u>527,892</u>

6. Operating profit/(loss)

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

	2019 £	2018 £
Depreciation of tangible fixed assets	19,188	16,265
Amortisation	261,250	-
Operating lease rentals	117,903	84,504
	<u>398,341</u>	<u>100,769</u>

7. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	18,450	15,965
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	4,000	3,000

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Employees

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

	2019 £	2018 £
Wages and salaries	2,368,111	2,692,195
Social security costs	260,110	278,350
Other pension costs	71,558	58,896
	<u>2,699,779</u>	<u>3,029,441</u>

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

2019 No.	2018 No.
<u>68</u>	<u>74</u>

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	108,059	207,475
Company contributions to defined contribution pension schemes	2,886	4,595
	<u>110,945</u>	<u>212,070</u>

During the year retirement benefits were accruing to 1 director (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £108,059 (2018 - £106,145).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,886 (2018 - £2,472).

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	(141,609)	-
Adjustments in respect of previous periods	(258,097)	(313,094)
Total current tax	<u>(399,706)</u>	<u>(313,094)</u>
Deferred tax		
Origination and reversal of timing differences	11,304	-
Total deferred tax	<u>11,304</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>(388,402)</u>	<u>(313,094)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	<u>306,187</u>	<u>(926,427)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	58,176	(176,021)
Effects of:		
Expenses not deductible for tax purposes	51,622	122,983
Income not deductible for tax purposes	(37,525)	-
Adjustments to tax charge in respect of prior periods	(258,097)	(313,094)
Deferred tax not recognised	12,044	53,038
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(214,622)	-
Total tax charge for the year	<u>(388,402)</u>	<u>(313,094)</u>

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Exceptional items

	2019 £	2018 £
Impairment of investment	-	616,309

12. Intangible assets

	Goodwill £
Cost	
Reclass	2,090,000
At 31 August 2019	2,090,000
Amortisation	
Charge for the year	261,250
At 31 August 2019	261,250
Net book value	
At 31 August 2019	1,828,750
At 31 August 2018	-

During the year the investment balance in KSM Online Limited was reclassified to goodwill.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

13. Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation			
At 1 September 2018	78,167	212,777	290,944
Additions	-	6,374	6,374
At 31 August 2019	<u>78,167</u>	<u>219,151</u>	<u>297,318</u>
Depreciation			
At 1 September 2018	35,451	165,921	201,372
Charge for the year on owned assets	8,542	10,646	19,188
At 31 August 2019	<u>43,993</u>	<u>176,567</u>	<u>220,560</u>
Net book value			
At 31 August 2019	<u>34,174</u>	<u>42,584</u>	<u>76,758</u>
At 31 August 2018	<u>42,716</u>	<u>46,856</u>	<u>89,572</u>

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2018	2,706,309
Reclass to goodwill	(2,090,000)
At 31 August 2019	616,309
Impairment	
At 1 September 2018	616,309
At 31 August 2019	616,309
Net book value	
At 31 August 2019	-
At 31 August 2018	2,090,000

The company owns 100% of the share capital of:

Abattia Group Limited
WCBS International Limited
KSM Online Limited
West Country Business Systems Limited (dormant)

During the year the investment balance in KSM Online Limited was reclassified to goodwill.

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. Debtors

	2019 £	2018 £
Due after more than one year		
Amounts owed by group undertakings	4,307,151	-
	<u>4,307,151</u>	<u>-</u>
	2019 £	2018 £
Due within one year		
Trade debtors	646,197	684,098
Amounts owed by group undertakings	11,700	4,318,851
Prepayments and accrued income	124,469	83,221
Tax recoverable	141,609	-
	<u>923,975</u>	<u>5,086,170</u>

16. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>73,623</u>	<u>142,639</u>

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	175,517	129,523
Amounts owed to group undertakings	-	2,080,920
Other taxation and social security	330,237	336,019
Other creditors	325,000	795,000
Accruals and deferred income	2,866,509	3,022,624
	<u>3,697,263</u>	<u>6,364,086</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 2019**

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

	2019 £	2018 £
Amounts owed to group undertakings	2,024,056	-
Other creditors	500,000	761,250
	<u>2,524,056</u>	<u>761,250</u>

Other creditors relates to deferred consideration for the acquisition of KSM Online Limited.

19. Deferred taxation

	2019 £
Charged to the profit or loss	(11,304)
At end of year	<u>(11,304)</u>

The deferred taxation balance is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(12,659)	-
Other timing differences	1,355	-
	<u>(11,304)</u>	<u>-</u>

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Share capital

	2019 £	2018 £
Authorised		
179,250 (2018 - 179,250) ordinary shares of £1 each	<u>179,250</u>	<u>179,250</u>
Allotted, called up and fully paid		
133,500 (2018 - 133,500) ordinary shares of £1 each	<u>133,500</u>	<u>133,500</u>

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

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 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	83,113	80,452
Later than 1 year and not later than 5 years	236,116	241,939
Later than 5 years	19,149	136,915
	<u>338,378</u>	<u>459,306</u>

WEST COUNTRY BUSINESS SYSTEMS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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.

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 Fountain Lane, St Mellons, Cardiff, CF3 0FB.

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