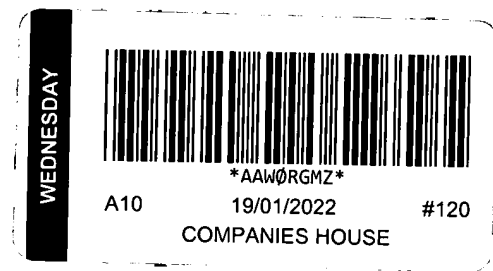


REGISTERED NUMBER: 03387976 (England and Wales)

**WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 AUGUST 2021



**WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

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FOR THE YEAR ENDED 31 AUGUST 2021**

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**WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2021**

DIRECTORS:

J N Harrison
C G Clarke

SECRETARY:

W B James

REGISTERED OFFICE:

Landmark House
Wirrall Park Road
Glastonbury
Somerset
BA6 9FR

REGISTERED NUMBER:

03387976 (England and Wales)

AUDITORS:

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

**WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The directors present their strategic report for the year ended 31 August 2021.

REVIEW OF BUSINESS

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 and product launches and enhancements have continued as planned.

The uncertainty as to the impact on the Business of the recent Covid-19 outbreak has been considered as part of the business' adoption of the going concern basis. The impact has been limited as the company's revenue is derived from providing services to the education sector who have continued to trade throughout the pandemic. Where necessary, the business has been able to transition to home working without compromising service capability.

The resilience of the business is underpinned by a large proportion of the Company revenue being generated by recurring software maintenance revenue as opposed to a requirement to make incremental sales.

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. 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.

FUTURE DEVELOPMENTS

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

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.

ON BEHALF OF THE BOARD:



.....
J N Harrison - Director

Date: 22/11/22

**WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2021**

The directors present their report with the financial statements of the company for the year ended 31 August 2021.

DIVIDENDS

No dividends will be distributed for the year ended 31 August 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2020 to the date of this report.

J N Harrison
C G Clarke

Other changes in directors holding office are as follows:

E L Goodwin ceased to be a director after 31 August 2021 but prior to the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and financial risk management.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 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.


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Watts Gregory LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
J N Harrison - Director

Date: 4.11.22

**REPORT OF THE INDEPENDENT AUDITORS 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 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, 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 2021 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 Auditors' 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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern in exceptional or unforeseen circumstances.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

Matters on which we are required to report by exception

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 Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

Auditors' 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 a Report of the Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements which result from such irregularities. Based on our understanding of both the company and industry, we identified the principal risks of non-compliance with laws and regulations, including those related to UK tax legislation and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inaccurate journals and management bias in accounting estimates. We addressed these risks by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- reading minutes of meetings of those charged with governance;
- challenging assumptions made by management in relation to significant accounting estimates;
- the appropriateness of journal entries and other adjustments;
- evaluating the reasons for any large or unusual transactions; and
- reviewing disclosures in the financial statements to underlying supporting documentation.

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion.

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 Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

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 a Report of the Auditors 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.

Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

13 January 2022

**WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	2021 £	2020 £
TURNOVER	3	3,788,349	3,738,416
Cost of sales		<u>(417,949)</u>	<u>(480,211)</u>
GROSS PROFIT		3,370,400	3,258,205
Administrative expenses		<u>(4,067,470)</u>	<u>(4,079,209)</u>
		(697,070)	(821,004)
Other operating income	4	<u>483,427</u>	<u>721,237</u>
OPERATING LOSS	6	(213,643)	(99,767)
Interest payable and similar expenses	7	<u>(4,742)</u>	<u>(1,987)</u>
LOSS BEFORE TAXATION		(218,385)	(101,754)
Tax on loss	8	<u>246,275</u>	<u>193,872</u>
PROFIT FOR THE FINANCIAL YEAR		27,890	92,118
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>27,890</u></u>	<u><u>92,118</u></u>

The notes form part of these financial statements

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

**BALANCE SHEET
31 AUGUST 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	9	1,306,250	1,567,500
Tangible assets	10	73,275	70,563
Investments	11	-	-
		<u>1,379,525</u>	<u>1,638,063</u>
CURRENT ASSETS			
Debtors	12	6,964,612	5,571,738
Cash at bank and in hand		24,230	211
		<u>6,988,842</u>	<u>5,571,949</u>
CREDITORS			
Amounts falling due within one year	13	(3,334,593)	(3,627,555)
NET CURRENT ASSETS			
		<u>3,654,249</u>	<u>1,944,394</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		5,033,774	3,582,457
CREDITORS			
Amounts falling due after more than one year	14	(3,934,046)	(2,505,573)
PROVISIONS FOR LIABILITIES			
	18	(2,086)	(7,132)
NET ASSETS			
		<u>1,097,642</u>	<u>1,069,752</u>
CAPITAL AND RESERVES			
Called up share capital	19	133,500	133,500
Share premium	20	40,750	40,750
Capital redemption reserve	20	45,750	45,750
Retained earnings	20	877,642	849,752
SHAREHOLDERS' FUNDS			
		<u>1,097,642</u>	<u>1,069,752</u>

The financial statements were approved by the Board of Directors and authorised for issue on 11/1/22 and were signed on its behalf by:


.....
J N Harrison - Director

The notes form part of these financial statements

**WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2021**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 September 2019	133,500	757,634	40,750	45,750	977,634
Changes in equity					
Total comprehensive income	-	92,118	-	-	92,118
Balance at 31 August 2020	<u>133,500</u>	<u>849,752</u>	<u>40,750</u>	<u>45,750</u>	<u>1,069,752</u>
Changes in equity					
Total comprehensive income	-	27,890	-	-	27,890
Balance at 31 August 2021	<u>133,500</u>	<u>877,642</u>	<u>40,750</u>	<u>45,750</u>	<u>1,097,642</u>

The notes form part of these financial statements

**WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. STATUTORY INFORMATION

West Country Business Systems (Holdings) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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 following principal accounting policies have been applied:

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, although not legally binding, 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.

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of 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 paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about West Country Business Systems (Holdings) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Westleigh Investments Holdings Limited, Unit D, De Clare House, Sir Alfred Owen Way, Pontygwindy Industrial Estate, Caerphilly, Wales, CF83 3HU..

**WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

2. ACCOUNTING POLICIES - continued

Critical accounting judgements 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.

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.

Interest income

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

Borrowing costs

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

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 of 8 years.

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 provided on the following basis:

Fixtures & Fittings	- 20% reducing balance
Office Equipment	- 20% reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

2. ACCOUNTING POLICIES - continued

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.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

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

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.

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.

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.

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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

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.

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2021 £	2020 £
United Kingdom	3,781,191	3,724,175
Rest of the world	7,158	14,241
	<u>3,788,349</u>	<u>3,738,416</u>

4. OTHER OPERATING INCOME

	2021 £	2020 £
Sundry receipts	2,644	-
Government grants	19,367	253,069
Management charges receivable	<u>461,416</u>	<u>468,168</u>
	<u>483,427</u>	<u>721,237</u>

**WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

5. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	2,511,987	2,456,190
Social security costs	265,341	247,634
Other pension costs	<u>87,674</u>	<u>85,921</u>
	<u><u>2,865,002</u></u>	<u><u>2,789,745</u></u>

The average number of employees during the year was as follows:

2021	2020
<u>69</u>	<u>70</u>

	2021 £	2020 £
Directors' remuneration	99,923	87,916
Directors' pension contributions to money purchase schemes	3,651	3,269
Compensation to director for loss of office	<u>52,143</u>	<u>-</u>

During the year retirement benefits were accruing to 1 director (2020: 1) in respect of defined contribution pension schemes.

6. OPERATING LOSS

The operating loss is stated after charging:

	2021 £	2020 £
Other operating leases	50,753	113,709
Depreciation - owned assets	18,319	17,643
Goodwill amortisation	261,250	261,250
Auditors' remuneration	21,530	21,000
Auditors' remuneration - prior year underprovision	<u>2,895</u>	<u>-</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Interest payable	106	-
HMRC late payment interest	<u>4,636</u>	<u>1,987</u>
	<u><u>4,742</u></u>	<u><u>1,987</u></u>

WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

8. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2021 £	2020 £
Current tax:		
UK corporation tax	(249,577)	(192,622)
Adjustments in respect of previous periods	<u>8,348</u>	<u>2,922</u>
Total current tax	(241,229)	(189,700)
Deferred tax	<u>(5,046)</u>	<u>(4,172)</u>
Tax on loss	<u>(246,275)</u>	<u>(193,872)</u>

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Loss before tax	<u>(218,385)</u>	<u>(101,754)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(41,493)	(19,333)
Effects of:		
Expenses not deductible for tax purposes	581	(13,538)
Adjustments to tax charge in respect of previous periods	8,348	2,922
Fixed asset differences	49,544	49,692
Adjustments to tax charge in respect of previous periods - deferred tax	(4,340)	(872)
Remeasurement of deferred tax for changes in tax rates	-	370
Surrender of tax losses for R&D tax credit refund	77,455	59,780
Adjustment in R&D tax credit leading to a decrease in the tax charge	(336,370)	(274,127)
Deferred tax not recognised	<u>-</u>	<u>1,234</u>
Total tax credit	<u>(246,275)</u>	<u>(193,872)</u>

**WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

9. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 September 2020 and 31 August 2021	<u>2,090,000</u>
AMORTISATION	
At 1 September 2020	522,500
Amortisation for year	<u>261,250</u>
At 31 August 2021	<u>783,750</u>
NET BOOK VALUE	
At 31 August 2021	<u>1,306,250</u>
At 31 August 2020	<u>1,567,500</u>

10. TANGIBLE FIXED ASSETS

	Fixtures and Fittings £	Office equipment £	Totals £
COST			
At 1 September 2020	78,167	230,599	308,766
Additions	<u>589</u>	<u>20,442</u>	<u>21,031</u>
At 31 August 2021	<u>78,756</u>	<u>251,041</u>	<u>329,797</u>
DEPRECIATION			
At 1 September 2020	50,829	187,374	238,203
Charge for year	<u>5,586</u>	<u>12,733</u>	<u>18,319</u>
At 31 August 2021	<u>56,415</u>	<u>200,107</u>	<u>256,522</u>
NET BOOK VALUE			
At 31 August 2021	<u>22,341</u>	<u>50,934</u>	<u>73,275</u>
At 31 August 2020	<u>27,338</u>	<u>43,225</u>	<u>70,563</u>

**WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 September 2020 and 31 August 2021	<u>616,309</u>
PROVISIONS	
At 1 September 2020 and 31 August 2021	<u>616,309</u>
NET BOOK VALUE	
At 31 August 2021	<u> -</u>
At 31 August 2020	<u> -</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Abattia Group Limited

Registered office: Landmark House, Wirrall Park Road, Glastonbury, Somerset, BA6 9FR
Nature of business: Supply and support of computer systems.

Class of shares:	%
Ordinary	holding 100.00

West Country Business Systems Limited

Registered office: Landmark House, Wirrall Park Road, Glastonbury, Somerset, BA6 9FR
Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

WCBS International Limited

Registered office: Suite D, 16/F, On Hing Building, 1-9 On Hing Terrace, Central, Hong Kong
Nature of business: Supply and support of computer systems.

Class of shares:	%
Ordinary	holding 100.00

KSM Online Limited

Registered office: Landmark House, Wirrall Park Road, Glastonbury, Somerset, BA6 9FR
Nature of business: Information technology services.

Class of shares:	%
Ordinary	holding 100.00

**WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

12. DEBTORS		
	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	519,951	928,214
Amounts owed by group undertakings	11,700	11,700
Other debtors	90	-
Tax	249,577	192,622
Prepayments and accrued income	<u>205,198</u>	<u>132,051</u>
	<u>986,516</u>	<u>1,264,587</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>5,978,096</u>	<u>4,307,151</u>
Aggregate amounts	<u>6,964,612</u>	<u>5,571,738</u>
13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2021	2020
	£	£
Bank loans and overdrafts (see note 15)	-	251,851
Other loans (see note 15)	8,733	3,143
Trade creditors	237,017	214,520
Social security and other taxes	71,233	177,183
VAT	266,711	315,476
Other creditors	266,168	13,278
Accruals and deferred income	<u>2,484,731</u>	<u>2,652,104</u>
	<u>3,334,593</u>	<u>3,627,555</u>
14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2021	2020
	£	£
Other loans (see note 15)	38,711	46,857
Amounts owed to group undertakings	3,645,335	1,958,716
Other creditors	<u>250,000</u>	<u>500,000</u>
	<u>3,934,046</u>	<u>2,505,573</u>
15. LOANS		
An analysis of the maturity of loans is given below:		
	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	251,851
Other loans	<u>8,733</u>	<u>3,143</u>
	<u>8,733</u>	<u>254,994</u>

**WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

15. LOANS - continued		
	2021	2020
	£	£
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>9,820</u>	<u>9,586</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>28,891</u>	<u>30,238</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Other loans more than 5yrs instalments	<u>-</u>	<u>7,033</u>
The bank borrowing is secured by a debenture including a fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future.		
16. LEASING AGREEMENTS		
Minimum lease payments under non-cancellable operating leases fall due as follows:		
	2021	2020
	£	£
Within one year	39,000	79,195
Between one and five years	<u>21,090</u>	<u>29,486</u>
	<u>60,090</u>	<u>108,681</u>
17. SECURED DEBTS		
The following secured debts are included within creditors:		
	2021	2020
	£	£
Bank overdraft	<u>-</u>	<u>251,851</u>
18. PROVISIONS FOR LIABILITIES		
	2021	2020
	£	£
Deferred tax		
Accelerated capital allowances	12,743	12,120
Other timing differences	<u>(10,657)</u>	<u>(4,988)</u>
	<u>2,086</u>	<u>7,132</u>
		Deferred tax
Balance at 1 September 2020		£
Credit to Statement of Comprehensive Income during year		7,132
		<u>(5,046)</u>
Balance at 31 August 2021		<u>2,086</u>

**WEST COUNTRY BUSINESS SYSTEMS
(HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£	£
133,500	Ordinary	£1	<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.

20. 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.

Retained earnings

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

21. 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 company made contributions of £87,674 (2020 - £85,921) during the year. At year end there were outstanding contributions of £16,168 (2020 - £13,278).

22. CONTINGENT LIABILITIES

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

23. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

24. ULTIMATE CONTROLLING PARTY

The Company is a wholly owned subsidiary of WCBS Group Limited (formerly Westleigh Investments Limited) 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, Pontywindy Industrial Estate, Caerphilly, Wales, CF83 3HU.

The ultimate controlling party of WIHL is director GC Clarke by virtue of his majority holding of the share capital.