



**BKSB Limited**

**Annual report and financial statements**

**Registered number 03311079**

**31 July 2019**

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## Company information

<b>Directors</b>	N McDonald (Chair) (appointed 16 June 2019) R I Baggaley (resigned 27 August 2019) H K Atwal P A Webber A E Broadhead J K Fryatt (resigned 24 April 2019) A Martin (resigned 30 September 2018) J Creed (appointed 13 December 2018) M Sim (appointed 3 April 2019 resigned 10 June 2019) A Cropley (appointed 16 June 2019) S Sutton (appointed 16 June 2019)
<b>Secretary</b>	M Bagshaw
<b>Auditor</b>	KPMG LLP One Snowhill Snowhill Queensway Birmingham B4 6GH
<b>Bankers</b>	Lloyds Bank Plc 1 <sup>st</sup> Floor Butt Dyke House 33 Park Row Nottingham NG1 6GY
<b>Solicitor</b>	Eversheds LLP 1 Royal Standard Place Nottingham NG1 6FZ
<b>Registered office</b>	I2 Centre Hamilton Court Mansfield NG18 5FB
<b>Registered number</b>	03311079

## Strategic report

BKSB Limited is wholly owned by West Nottinghamshire College in Mansfield, Nottinghamshire. It was incorporated on 31 January 1997. The principal activity of the company is to develop and promote English and Mathematics software products collectively known as bksb. BKSB India Private Limited is a wholly owned subsidiary of BKSB Limited that provides software support functions to BKSB Limited as well as a small level of sales within India. It has not been consolidated in these accounts on the grounds of materiality and BKSB Limited is exempt under CA2006 s401 from the obligation to prepare group accounts.

### Business review

BKSB Limited operates out of premises in Mansfield, Nottinghamshire from where its core products are developed and marketed. Product delivery and hosting is by way of a managed cloud service. The key performance measures that the Board of Directors and sole shareholder uses to monitor progress of the company against its objectives are:

- Margins at operational level;
- Turnover growth and customer acquisition in each of the core markets;
- Mix of customers and type of business;
- Solvency;
- Staff turnover; and
- Staff skills development.

During the year ended 31 July 2019 ('2019') the company agreed its business strategy and plans. Revenue rose 0.6% compared to previous year.

### Future prospects

The market BKSB Limited operates in continues to grow and it is viewed that the company has significant opportunity to grow within the market.

BKSB Limited's strategy is to grow the business through:

- Developing the current product portfolio for compliance with future curriculum developments;
- Developing new products to cover the needs and requirements of existing and new customers;
- Expanding operational capacity;
- Further geographical coverage;
- Developing the skills of existing employees; and
- Recruiting new employees to complement the skills of existing employees.

### Principal risks and uncertainties

Activities continue to generate healthy returns but are subject to the usual market and commercial risks. The company takes measures to mitigate these risks, such as changes in the regulatory environment of our main customers and assuring the capacity to maintain a consistently high level of product availability. A range of KPIs, such as sales volumes and growth by customer group, product availability and customer usage are maintained at both a financial and operational level to assist the directors in monitoring the company's performance.

**A Cropley**



Director

Date: 12<sup>th</sup> December

12 Centre  
Hamilton Court  
Mansfield  
NG18 5FB

## Directors' report

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

### Results and dividends

The profit for the year before taxation amounted to £975,145 (2018: £1,369,629). The directors do not recommend a dividend in respect of the year ended 31 July 2019 (2018: *£nil*).

### Principal activities and review of the business

The company's principal activity during the year continued to be that of developing and promoting the English and mathematics software products of bksb. The directors have reviewed the balance sheet at 31 July 2019 and events thereafter. They consider the results for the year ended and the position at 31 July 2019 to be positive. The 2019 result has been impacted by the decision to write off the value of funds invested in India and significant FRS102 service pension costs.

### Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position and the principle risks and uncertainties are described above. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### Directors

The directors who held office during the year were as follows:

H K Atwal (Appointed 30 March 2017)  
P A Webber (Appointed 5 June 2017)  
A E Broadhead (Appointed 5 June 2017)  
J M Creed (Appointed 13 December 2018)  
A Cropley (Appointed 10 June 2019)  
N J McDonald (Appointed 10 June 2019)  
S Sutton (Appointed 10 June 2019)  
R I Baggaley (Appointed 11 March 2010, resigned 27 August 2019)  
J K Fryatt (Appointed 14 December 2016, resigned 24 April 2019)  
A Martin (appointed 29 March 2018, resigned 30 September 2018)  
M Sim (appointed 3 April 2019, resigned 10 June 2019)

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

**A Cropley**

*Director*

Date: 12<sup>th</sup> December

12 Centre  
Hamilton Court  
Mansfield  
NG18 5FB

## **Statement of directors' responsibilities in respect of the Strategic report, the Directors' report, and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 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 estimates that are reasonable and prudent ;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## KPMG LLP

One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH  
United Kingdom

### **Independent auditor's report to the members of BKSB Limited**

We have audited the financial statements of BKSB Limited ("the Company") for the year ended 31 July 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and 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.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty 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 an association and this is particularly the case in relation to Brexit.

#### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. 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.

## **Independent auditor's report to the members of BKS Limited (continued)**

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

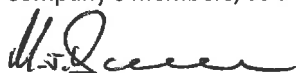
### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Mark Dawson (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*  
One Snowhill  
Snow Hill Queensway  
Birmingham, B4 6G

20 December 2019



**Profit and Loss Account**  
*for the year ended 31 July 2019*

	<i>Note</i>	<b>2019</b> £	2018 £
<b>Turnover</b>	2	<b>3,418,606</b>	3,397,808
Cost of sales		<b>(1,876,666)</b>	(1,867,957)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>1,541,940</b>	1,529,851
Administrative expenses		<b>(594,258)</b>	(170,474)
		<hr/>	<hr/>
<b>Operating profit</b>	3	<b>947,682</b>	1,359,377
Other interest receivable and similar income	6	<b>53,463</b>	34,667
Interest payable and similar charges	7	<b>(26,000)</b>	(29,000)
		<hr/>	<hr/>
<b>Profit before other gains and losses</b>		<b>975,145</b>	1,365,044
Gain on disposal of assets		<b>0</b>	4,250
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>975,145</b>	1,369,294
Taxation on profit on ordinary activities	8	<b>0</b>	54,428
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<b>975,145</b>	1,423,722
		<hr/>	<hr/>
Actuarial gain/(loss) in respect of Pension Schemes	14	<b>(285,000)</b>	312,000
Deferred taxation on actuarial gain/loss in respect of Pension Schemes	8	<b>(122,588)</b>	(70,960)
		<hr/>	<hr/>
<b>Total comprehensive income for the year</b>		<b>567,557</b>	1,664,762

All amounts relating to continuing activities.

The notes on pages 10 to 22 form part of the financial statements.

**Balance sheet**  
*at 31 July 2019*

	<i>Note</i>	<b>2019</b>	2018
		<b>£</b>	£
<b>Fixed assets</b>			
Tangible assets	9	<b>21,719</b>	11,568
Investments	10	<b>0</b>	165,540
		<hr/>	<hr/>
		<b>21,719</b>	177,108
<b>Current assets</b>			
Debtors	11	<b>2,546,050</b>	2,605,853
Cash at bank and in hand		<b>1,755,186</b>	511,582
		<hr/>	<hr/>
		<b>4,301,236</b>	3,117,435
<b>Creditors: amounts falling due within one year</b>	12	<b>2,801,954</b>	2,411,294
		<hr/>	<hr/>
<b>Net current assets</b>		<b>1,499,282</b>	706,141
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>1,521,001</b>	883,249
<b>Provision for Liabilities</b>	15	<b>1,496,000</b>	858,230
		<hr/>	<hr/>
<b>Net assets</b>		<b>25,001</b>	25,019
		<hr/> <hr/>	<hr/> <hr/>
<b>Capital and reserves</b>			
Called up share capital	13	<b>25,000</b>	25,000
Profit and loss account		<b>1</b>	19
		<hr/>	<hr/>
<b>Shareholder's funds</b>		<b>25,001</b>	25,019
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 10 to 21 form part of the financial statements.

These financial statements were approved by the board of directors on 12<sup>th</sup> December 2019 and were signed on its behalf by:



**A Cropley**  
*Director*

Company registered number: 03311079

**Statement of Changes in Equity**  
*at 31 July*

	Called up Share capital £000	Profit and loss account £000	Total equity £000
<b>Balance at 31 July 2017</b>	<b>25,000</b>	<b>147</b>	<b>25,147</b>
Balance at 1 August 2017	25,000	147	25,147
<b>Total comprehensive income for the year</b>			
Profit or loss	-	1,664,762	1,664,762
Gift aid payment	-	(1,664,890)	(1,664,890)
Current tax credit	-	-	-
Total comprehensive income for the year	-	<b>(128)</b>	<b>(128)</b>
Dividends	-	-	-
<b>Balance at 31 July 2018</b>	<b>25,000</b>	<b>19</b>	<b>25,019</b>
Balance at 1 August 2018	25,000	19	25,019
<b>Total comprehensive income for the year</b>			
Profit or loss	-	567,557	567,557
Gift aid payment	-	(567,575)	(567,575)
Current tax credit	-	-	-
Total comprehensive income for the year	-	<b>567,576</b>	<b>567,576</b>
Dividends	-	-	-
<b>Balance at 31 July 2019</b>	<b>25,000</b>	<b>1</b>	<b>25,001</b>

**Share Capital**

Share capital represents the nominal value of allotted and fully paid ordinary share capital.

**Profit and Loss**

The profit and loss account represents cumulative profits or losses net of gift aid paid. The notes on pages 10 to 24 form part of the financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

bksb Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The presentation currency of these financial statements is sterling.

The amendments to FRS 102 issued in September 2015 have been applied, together with those relating to gift aid included in the Triennial Review of FRS 102, issued in December 2017. The effect of the adoption of the gift aid amendments was to change its tax treatment such that a corporation tax charge in the Profit and Loss Account and an associated tax credit in the Statement of Changes in Equity are no longer required.

The Profit and Loss Account and Statement of Changes in Equity for the year ended 31 July 2017 are restated in this respect.

The Company's ultimate parent undertaking, West Nottinghamshire College includes the Company in its consolidated financial statements. The consolidated financial statements of West Nottinghamshire College are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from West Nottinghamshire College. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of West Nottinghamshire College include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 19.

#### **Measurement convention**

The financial statements are prepared on the historical cost basis.

#### **Going concern**

In preparing these accounts the directors believe it is appropriate to adopt the going concern assumption based on the continued profitability of the company and their forecasts that the company will continue to have sufficient resources for its ongoing operations.

## Notes (continued)

### 1 Accounting policies (continued)

#### **Foreign currencies**

The presentation currency of these financial statements is Sterling.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### **Revenue recognition**

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured as the fair value of the consideration received, excluding any discounts and VAT. Revenue from licenced sales is included to the extent of the proportion of the licence fee attributable to the current financial period. Any income arising for licence fees relating to future periods is deferred within creditors.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Leasehold property	-	Over the life of the lease
Plant and machinery	-	3 years on straight line basis
Fixtures and fittings	-	5 years on a straight line basis
Computer equipment	-	3years on a straight line basis

The carrying values of tangible fixed assets are reviewed for impairment when events of changes in circumstances indicate the carrying value may not be recoverable.

#### **Basic financial instruments**

##### *Financial Assets- Trade and other debtors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. The assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period the financial assets are assessed for evidence of impairment. If an asset is impaired, the impairment loss is recognised in the profit and loss. Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### *Financial Liabilities- Trade and other creditors*

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Financial Liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances.

## Notes (continued)

### 1 Accounting policies (continued)

#### **Operating leases**

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

#### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

#### **Current taxation**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

#### **Deferred taxation**

Deferred taxation is provided in full in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in either an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax asset is recognised as recoverable only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The deferred tax balance has not been discounted.

#### **Pensions**

Post-employment benefits to employees of the College are provided by the Local Government Pension Scheme (LGPS). This is a defined benefit plan, which is externally funded and contracted out of the State Second Pension.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**Notes (continued)**

**2 Turnover**

Turnover, which is stated net of value added tax, represents the provision of goods and services which fall within the company's ordinary activities. The amount of turnover that relates to license sales in Australia is £302,000 (2018: £300,000).

**3 Operating profit**

	2019	2018
	£	£
<b>Operating profit is stated after charging:</b>		
Auditor's remuneration:		
Audit of the company's financial statements	5,750	4,770
Other fees - taxation services	-	-
Depreciation	2,489	4,141
	<u>          </u>	<u>          </u>

**4 Director's remuneration**

	2019	2018
	£	£
Directors' emoluments	92,918	110,689
Company contribution to defined benefit pension scheme	12,933	12,941
	<u>          </u>	<u>          </u>
	<b>105,851</b>	<b>123,600</b>
	<u>          </u>	<u>          </u>

The highest paid director received remuneration of £92,918 (2018: £100,022).

During the year retirement benefits were accruing to the highest-paid director with Employer contributions of £12,933 (2018: £12,941) in respect of a defined benefit scheme.

The company has applied the exemptions available in respect of the disclosure of Key Management Personnel compensation.

**5 Staff Costs**

	2019	2018
	£	£
Wages and salaries	949,557	1,005,093
Social security costs	83,927	88,013
Other pension costs	116,860	273,691
	<u>          </u>	<u>          </u>
	<b>1,150,344</b>	<b>1,366,797</b>
	<u>          </u>	<u>          </u>

The average monthly number of employees (including directors) during the year was made up as follows:

	No.	No.
Operations	16.6	14.5
Sales	7.1	9.3
Finance and administration	1.4	2.8
	<u>          </u>	<u>          </u>
	27.8	26.6
	<u>          </u>	<u>          </u>

**Notes (continued)**

**6 Other interest receivable and similar income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Interest	53,463	34,667
	<u>          </u>	<u>          </u>

**7 Interest payable and similar charges**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Interest Payable	26,000	29,000
	<u>          </u>	<u>          </u>

**8 Taxation**

**Total tax expense recognised in the statement of comprehensive income and equity**

The tax assessed in the year is £0 (2018: (£31,017)) the standard rate of corporation tax in the UK for small companies of 19% (2018: 19%). The difference are explained below:

The tax charge is made up as follows:	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on the profit for the year	-	18,702
Under provision in prior years	-	(49,719)
	<u>          </u>	<u>          </u>
Total current tax	-	<b>(31,017)</b>
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(23,784)
Effect of changes in tax rates	-	373
	<u>          </u>	<u>          </u>
Total deferred tax	-	<b>(23,411)</b>
	<u>          </u>	<u>          </u>
Total tax expense	-	<b>(54,428)</b>
	<u>          </u>	<u>          </u>



**8 Taxation (continued)**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<b>975,145</b>	<b>1,369,294</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	185,278	260,166
<b>Effects of</b>		
<i>Giftaid</i>	<b>(185,278)</b>	<b>(268,354)</b>
Transfers of taxable losses from fellow subsidiaries	-	-
Adjustments in respect of previous years	-	(49,719)
Other disallowed items	-	-
Rate Change in deferred taxation	-	373
Change in rate of corporation tax	-	3,106
<b>Taxation within total comprehensive income for the year</b>	<b>-</b>	<b>(54,428)</b>
Deferred tax assets/(liabilities)	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Holiday Pay Accrual	-	-
Accelerated Capital Allowances	-	(3,919)
	<b>-</b>	<b>(3,919)</b>
Pension (Shown as a deduction from pension provision)	-	132,770
Total of balances related to deferred tax	<b>-</b>	<b>128,851</b>

The above note for the year ended 31 July 2018 is restated to reflect the changes in the Triennial Review of FRS 102.

Notes (continued)

9 Tangible fixed assets

	Plant & Equipment £	Leasehold Improvements £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 August 2018	84,749	98,127	-	182,876
Additions	12,639	-	-	15,709
Disposals	-	-	-	-
At 31 July 2019	<b>97,388</b>	<b>98,127</b>	-	<b>195,515</b>
<b>Depreciation</b>				
At 1 August 2018	73,182	98,127	-	171,309
Charge for year	2,489	-	-	2,489
On disposals	-	-	-	-
At 31 July 2019	<b>75,670</b>	<b>98,127</b>	-	<b>173,797</b>
<b>Net book value</b>				
At 31 July 2019	<b>21,719</b>	-	-	<b>21,719</b>
At 1 August 2018	11,568	-	-	11,568

**Notes (continued)**

**10 Investments**

	2019	2018
	£	£
Investment in BKSB India Private Limited	0	165,540
	0	165,540

The company owns 100% of the ordinary share capital of its subsidiary BKSB India Private Limited. The share capital is held at its nominal value. The investment has been written-off in year in full.

**11 Debtors**

	2019	2018
	£	£
Trade debtors	707,319	689,103
Prepayments	42,650	78,688
Deferred Taxation	(3,919)	0
Amounts owed by group undertakings	1,800,000	1,838,062
	2,546,050	2,605,853

Amounts owed by group undertakings are trading balances repayable on demand and are non-interest bearing.

**12 Creditors: amounts falling due within one year**

	2019	2018
	£	£
Trade creditors	7,537	6,782
Corporation tax	18,702	18,702
Social security and other taxes	145,274	120,846
Deferred Taxation	-	3,919
Amounts owed to group undertakings	554,886	528,882
Accruals and deferred Income	2,075,555	1,732,163
	2,801,954	2,411,294

Amounts owed by group undertakings are trading balances repayable on demand and are non-interest bearing.

**13 Issued share capital**

	2019	2018
	£	£
<b><i>Allotted and called up</i></b>		
Ordinary shares of £1 each	25,000	25,000
	25,000	25,000

Notes (continued)

14 Pensions

The Company's employees belong to the Local Government Pension Scheme (LGPS) which is a defined benefit pension scheme managed by Nottinghamshire County Council.

	2019	2019	2018	2018
	£	£	£	£
<b>Total Pension cost for the Year</b>				
Local Government Pension Scheme:	150,349		103,838	
Contributions Paid				
FRS102 (28) Charge	194,000		168,000	
Charge to the Statement of Comprehensive Income		<u>344,349</u>		<u>271,838</u>
<b>Total Pension cost for the year</b>		<u><b>344,349</b></u>		<u><b>271,838</b></u>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the LGPS was 31 March 2016.

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Nottinghamshire County Council Local Authority. The total contribution made for the year ended 31 July 2019 was £150,349, of which employer's contributions totalled £98,497 and employees' contributions totalled £51,852. The agreed contribution rates for future years is 13.6% plus £8,106 for the employer and range from 5.5% to 12.5% cent for employees, depending on salary.

**Principal Actuarial Assumptions**

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2019 by a qualified independent actuary.

	At 31 July 2019	At 31 July 2018
Rate of increase in salaries	3.85%	3.85%
Future pensions increases	2.35%	2.35%
Discount rate for scheme liabilities	2.15%	2.70%
Inflation assumption (CPI)	2.35%	2.35%
Commutation of pensions to lump sums	50%	50%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 July 2019	At 31 July 2018
Retiring today:		
Males	21.60	22.70
Females	24.40	25.60
Retiring in 20 years:		
Males	23.30	24.90
Females	26.20	28.00

## 14 Pensions (continued)

The Company's share of the assets in the plan and the expected rates of return were:

	Long-term rate of return expected at 31 July 2019	Fair Value at 31 July 2019	Long-term rate of return expected at 31 July 2018	Fair Value at 31 July 2018
		£000		£000
Equities	9.00%	924	9.00%	832
Bonds	9.00%	49	9.00%	32
Other Bonds	9.00%	138	9.00%	150
Property	9.00%	202	9.00%	175
Cash	9.00%	36	9.00%	35
Other	9.00%	141	9.00%	76
Total market value of assets		<u>1,490</u>		<u>1,300</u>

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	2019	2018
	£000	£000
Fair value of plan assets	1,490	1,300
Present value of plan liabilities	2,986	2,291
<b>Net pensions (liability)/asset (Note 19)</b>	<u>(1,496)</u>	<u>(991)</u>

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	2019	2018
	£000	£000
<i>Amounts included in staff costs:</i>		
Current service cost	252	274
<b>Total</b>	<u>252</u>	<u>274</u>
<i>Amounts included in Interest costs:</i>		
Net interest costs	26	29
<b>Total</b>	<u>26</u>	<u>29</u>
<i>Amounts recognised in Other Comprehensive Income:</i>		
Return on pension plan assets	2	75
Experience losses arising on defined benefit obligations	-	-
Changes in assumptions underlying the present value of plan liabilities	(287)	237
<b>Amount recognised in Other Comprehensive Income</b>	<u>(285)</u>	<u>312</u>

14 Pensions (continued)

**Movement in net defined benefit (liability)/asset during the year**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Surplus/(deficit) in scheme at 1 August	<b>(991)</b>	<b>(1,106)</b>
<i>Movement in year:</i>		
Current service cost	(252)	(272)
Employer contributions	122	104
Past service cost	(64)	-
Net interest on the defined (liability)/asset	(26)	(29)
Actuarial gain or loss	(285)	312
Change in deferred tax	-	-
<b>Net defined benefit (liability)/asset at 31 July</b>	<b><u>(1,496)</u></b>	<b><u>(991)</u></b>

**Asset and Liability Reconciliation**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Changes in the present value of defined benefit obligations</b>		
Defined benefit obligations at start of period	2,291	2,154
Current Service cost	252	272
Interest cost	63	59
Contributions by Scheme participants	52	50
Experience gains and losses on defined benefit obligations	-	-
Changes in financial assumptions	436	(237)
Change in demographic assumptions	(149)	-
Estimated benefits paid	(23)	(7)
Past Service cost	64	-
Curtailements and settlements	-	-
<b>Defined benefit obligations at end of period</b>	<b><u>2,986</u></b>	<b><u>2,291</u></b>

**Reconciliation of Assets**

Fair value of plan assets at start of period	1,300	1,048
Interest on plan assets	37	30
Return on plan assets	2	75
Employer contributions	122	104
Contributions by Scheme participants	52	50
Estimated benefits paid	(23)	(7)
Other actuarial gains/(losses)	-	-
<b>Assets at end of period</b>	<b><u>1,490</u></b>	<b><u>1,300</u></b>

## 15 Provision for Liabilities

	2019	2018
	£	£
Net defined benefit (liability)/asset at 31 July	(1,496,000)	(991,000)
Deferred tax assets	-	132,770
	<hr/>	<hr/>
<b>Provision for Liabilities</b>	<b>(1,496,000)</b>	<b>(858,230)</b>
	<hr/> <hr/>	<hr/> <hr/>

## 16 Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1a of the provisions of FRS102 Related Party Disclosures, on the grounds that it is a wholly owned subsidiary of a group headed by West Nottinghamshire College, whose financial statements are publicly available.

## 17 Ultimate parent undertaking and controlling party

The immediate parent undertaking is West Nottinghamshire College, a company incorporated under the Further and Higher Education Act 1992 which is also the ultimate controlling party. Copies of the ultimate parent undertaking's financial statements may be obtained from West Nottinghamshire College, Derby Road, Mansfield, Notts, NG18 5BH.

## 18 Distributions

	2019	2018
	£	£
Gift Aid payments made to West Nottinghamshire College	567,575	1,664,890
	<hr/>	<hr/>
<b>Total Distributions</b>	<b>567,575</b>	<b>1,664,890</b>
	<hr/> <hr/>	<hr/> <hr/>

## 19 Accounting estimates and judgements

### *Key sources of estimation uncertainty*

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

*Useful economic lives of tangible assets* - The annual depreciation charge for tangible assets is sensitive to change in the estimated useful economic lives of the assets so these are re-assessed annually and amended when necessary to reflect current estimates. See note 9 for the carrying amount of the property, plant and equipment, and note 1 for the useful economic lives for each class of assets.

*Impairment of debtors* - The company makes an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 11 for the net carrying amount of the debtors and associated impairment provision.

### *Critical accounting judgements in applying the Company's accounting policies*

There are no such judgements in either the current or prior year.

