BKSB Limited

Annual report and financial statements

Registered number 03311079

31 July 2018

Contents

Company information

Directors	T J Clarke (resigned 31 March 2018) R I Baggaley (Chair) H K Atwal P A Webber A E Broadhead J K Fryatt A Martin (appointed 29 March 2018, resigned 30 September 2018) J Creed (appointed 13 December 2018)
Secretary	M Bagshaw
Auditor	KPMG LLP One Snowhill Snowhill Queensway Birmingham B4 6GH
Bankers	Lloyds Bank Plc 1st Floor Butt Dyke House 33 Park Row Nottingham NG1 6GY
Solicitor	Eversheds LLP 1 Royal Standard Place Nottingham NG1 6FZ
Registered office	I2 Centre Hamilton Court Mansfield NG18 5FB
Registered number	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.

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 2018 ('2018') the company agreed its business strategy and plans. Revenue was down .8% 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 with 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 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.

H K Atwal

Director
Date: 18 February 2019

I2 Centre
Hamilton Court
Mansfield
NG18 5FB

Directors' report

The directors present their directors' report and financial statements for the year ended 31 July 2018.

Results and dividends

The profit for the year before taxation amounted to £1,369,294 *(2017: £1,573,425)*. The directors do not recommend a dividend in respect of the year ended 31 July 2018 *(2017: £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 2018 and events thereafter. They consider the results for the year ended and the position at 31 July 2018 to be positive.

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:

T J Clarke (resigned 31 March 2018)
A Martin (appointed 29 March 2018, resigned 30 September 2018)
R I Baggaley
H K Atwal
P A Webber
A E Broadhead
J K Fryatt

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

H K Atwal

Director
Date: 18 February 2019

I2 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 2018 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 2018 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.

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 their 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 their 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..

Directors' report

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

Our responsibility is to read 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 Directors' report;

Independent auditor's report to the members of BKSB Limited (continued)

- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.

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.

M.J. Dawson

Mark Dawson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill, Snow Hill Queensway
Birmingham B4 6G

27 February 2019

Statement of Comprehensive Income
for the year ended 31 July 2018

	Note	2018	2017
		£	£
Turnover	2	**3,397,808**	3,426,818
Cost of sales		**(1,867,957)**	(1,709,640)
Gross profit		**1,529,851**	1,717,178
Administrative expenses		**(170,474)**	(166,774)
Operating profit	*3*	**1,359,377**	1,550,404
Other interest receivable and similar income	*6*	**34,667**	5,616
Interest payable and similar charges	*7*	**(29,000)**	(19,000)
Profit before other gains and losses		**1,365,044**	1,537,020
Gain on disposal of assets		**4,250**	36,405
Profit before taxation		**1,369,294**	1,573,425
Taxation on profit on activities	*8*	**54,428**	(39,956)
Profit for the financial year		**1,423,722**	1,533,469
Actuarial gain/(loss) in respect of Pension Schemes	*14*	**312,000**	(210,000)
Deferred taxation on actuarial gain/loss in respect of Pension Schemes	*8*	**(70,960)**	33,520
Total comprehensive income for the year		**1,664,762**	1,356,989

All amounts relating to continuing activities.

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

The Profit and Loss Account and Statement of Changes in Equity for the year ended 31 July 2017 are restated to reflect the changes in the Triennial Review of FRS 102.

Balance sheet
at 31 July

	Note	2018	2017
		£	£
Fixed assets			
Tangible assets	9	11,568	-
Investments	10	165,540	140,540
		177,108	140,540
Current assets			
Debtors	11	2,605,853	776,408
Cash at bank and in hand		511,582	2,043,966
		3,117,435	2,820,374
Creditors: amounts falling due within one year	12	2,411,294	2,000,007
Net current assets		706,141	820,367
Total assets less current liabilities		883,249	960,907
Provision for Liabilities	15	858,230	935,760
Net assets		25,019	25,147
Capital and reserves			
Called up share capital	13	25,000	25,000
Profit and loss account		19	147
Shareholder's funds		25,019	25,147

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

These financial statements were approved by the board of directors on 18 February 2019 and were signed on its behalf by:

H K Atwal
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
Balance at 1 August 2016	**25,000**	**6,795**	**31,795**
Total comprehensive income for the period			
Profit or loss	-	1,356,989	1,356,989
Total comprehensive income for the period	-	1,356,989	1,356,989
Gift Aid	-	(1,363,637)	(1,363,637)
Balance at 31 July 2017	**25,000**	**147**	**25,147**
Balance at 1 August 2017	**25,000**	**147**	**25,147**
Total comprehensive income for the period			
Profit or loss	-	1,664,762	1,664,762
Total comprehensive income for the period	-	**1,664,762**	**1,664,762**
Gift Aid	-	(1,664,890)	(1,664,890)
Balance at 31 July 2018	**25,000**	**19**	**25,019**

The Profit and Loss Account and Statement of Changes in Equity for the year ended 31 July 2017 are restated to reflect the changes in the Triennial Review of FRS 102.

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

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.

3 Operating profit

	2018	2017
Operating profit is stated after charging:	**£**	**£**
Auditor's remuneration:		
Audit of the company's financial statements	**4,770**	**4,770**
Other fees - taxation services	-	-
Depreciation	**4,141**	**30,794**

4 Director's remuneration

	2018	2017
	£	**£**
Directors' emoluments	110,689	41,145
Company contribution to defined benefit pension scheme	12,941	4,281
	123,600	**45,426**

The highest paid director received remuneration of £100,022 (2017 - £33,145)
During the year retirement benefits were accruing to one director (2017 - one) 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

	2018	2017
	£	**£**
Wages and salaries	1,005,093	892,015
Social security costs	88,013	85,455
Other pension costs	273,691	173,798
	1,366,797	**1,151,268**

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

	No.	*No.*
Operations	14.5	15.4
Sales	9.3	9.0
Finance and administration	2.8	1.6
	26.6	26.0

Notes *(continued)*

6 Other interest receivable and similar income

	2018	2017
	£	£
Interest	34,667	5,616

7 Interest payable and similar charges

	2018	2017
	£	£
Interest Payable	29,000	19,0000

8 Taxation

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

The tax assessed in the year is (£31,017) (2017: £49,964) the standard rate of corporation tax in the UK for small companies of 19% (2017: 19%). The difference are explained below:

The tax charge is made up as follows:	2018	2017
	£	£
Current tax		
UK corporation tax on the profit for the year	18,702	49,654
Under provision in prior years	(49,719)	-
Total current tax	**(31,017)**	**49,654**
Deferred tax		
Origination and reversal of timing differences	(23,784)	(9,977)
Effect of changes in tax rates	373	279
Total deferred tax	**(23,411)**	**(9,698)**
Total tax expense	**(54,428)**	**39,956**

8 Taxation (continued)

	2018	2017
	£	£
Profit on ordinary activities before tax	**1,369,294**	**1,573,425**
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% *(2017: 19%)*	260,166	298,951
Effects of		
Giftaid	**(268,354)**	**(268,172)**
Transfers of taxable losses from fellow subsidiaries	0	(1,924)
Adjustments in respect of previous years	(49,719)	-
Other disallowed items	0	(3)
Rate Change in deferred taxation	373	629
Change in rate of corporation tax	3,106	10,475
Taxation within total comprehensive income for the year	**(54,428)**	**39,956**

Deferred tax assets/(liabilities)	2018	2017
	£	£
Holiday Pay Accrual	-	-
Accelerated Capital Allowances	(3,919)	6,160
	(3,919)	**6,160**
Pension (Shown as a deduction from pension provision)	132,770	170,420
Total of balances related to deferred tax	**128,851**	**176,400**

The above note for the year ended 31 July 2017 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
	£	£	£	£
Cost				
At 1 August 2017	91,466	98,127	21,088	210,681
Additions	15,709	-	-	15,709
Disposals	(22,426)	-	(21,088)	(43,514)
At 31 July 2018	**84,749**	**98,127**	**-**	**182,876**
Depreciation				
At 1 August 2017	91,466	98,127	21,088	210,681
Charge for year	4,141	-	-	4,141
On disposals	(22,426)	-	(21,088)	(43,514)
At 31 July 2018	**73,181**	**98,127**	**-**	**171,308**
Net book value				
At 31 July 2018	**11,568**	-	-	**11,568**
At 1 August 2017	-	-	-	-

Notes *(continued)*

10 Investments

	2018	2017
	£	£
Investment in BKSB India Private Limited	**165,540**	**140,540**

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.

11 Debtors

	2018	2017
	£	£
Trade debtors	689,103	691,595
Prepayments	78,688	26,486
Deferred Taxation	0	6,160
Amounts owed by group undertakings	1,838,062	52,167
	2,605,853	**776,408**

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

12 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	6,782	7,550
Corporation tax	18,702	49,720
Social security and other taxes	120,846	155,043
Deferred Taxation	3,919	0
Amounts owed to group undertakings	528,882	126,557
Accruals and deferred Income	1,732,163	1,661,137
	2,411,294	**2,000,007**

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

13 Issued share capital

	2017	2017
	£	£
Allotted and called up		
Ordinary shares of £1 each	**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.

	2018	2018	2017	2017
Total Pension cost for the Year	**£**	**£**	**£**	**£**
Local Government Pension Scheme: Contributions Paid	103,838		75,343	
FRS102 (28) Charge	168,000		104,000	
Charge to the Statement of Comprehensive Income		271,665		179,343
Total Pension cost for the year		**271,665**		**179,343**

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 2018 was £153,838, of which employer's contributions totalled £ 103,665 and employees' contributions totalled £50,173. 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 2018 by a qualified independent actuary

	At 31 July 2018	At 31 July 2017
Rate of increase in salaries	3.85%	4.20%
Future pensions increases	2.35%	2.70%
Discount rate for scheme liabilities	2.70%	2.70%
Inflation assumption (CPI)	2.35%	2.70%
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 2018	At 31 July 2017
Retiring today:		
Males	22.70	22.60
Females	25.60	25.50
Retiring in 20 years:		
Males	24.90	24.70
Females	28.00	27.80

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 2018	Fair Value at 31 July 2018	Long-term rate of return expected at 31 July 2017	Fair Value at 31 July 2017
		£000		£000
Equities	9.00%	832	7.00%	694
Bonds	9.00%	32	7.00%	33
Other Bonds	9.00%	150	7.00%	126
Property	9.00%	175	7.00%	122
Cash	9.00%	35	7.00%	22
Other	9.00%	76	7.00%	51
Total market value of assets		**1,300**		**1,048**

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

	2018	2017
	£000	£000
Fair value of plan assets	1,300	1,048
Present value of plan liabilities	2,291	2,154
Net pensions (liability)/asset (Note 19)	**(991)**	**(1,106)**

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

	2018	2017
	£000	£000
Amounts included in staff costs:		
Current service cost	274	174
Total	**274**	**174**
Amounts included in Interest costs:		
Net interest costs	29	19
Total	**29**	**19**
Amounts recognised in Other Comprehensive Income:		
Return on pension plan assets	75	101
Experience losses arising on defined benefit obligations	-	(115)
Changes in assumptions underlying the present value of plan liabilities	237	(196)
Amount recognised in Other Comprehensive Income	**312**	**(210)**

14 Pensions (continued)

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

	2018	2017
	£000	£000
Surplus/(deficit) in scheme at 1 August	**(1,106)**	**(773)**
Movement in year:		
Current service cost	(272)	(179)
Employer contributions	104	75
Past service cost	-	-
Net interest on the defined (liability)/asset	(29)	(19)
Actuarial gain or loss	312	(210)
Change in deferred tax	-	-
Net defined benefit (liability)/asset at 31 July	**(991)**	**(1,106)**

Asset and Liability Reconciliation

	2018	2017
Changes in the present value of defined benefit obligations	**£000**	**£000**
Defined benefit obligations at start of period	2,154	1,606
Current Service cost	272	179
Interest cost	59	42
Contributions by Scheme participants	50	41
Experience gains and losses on defined benefit obligations	-	-
Changes in financial assumptions	(237)	157
Change in demographic assumptions	-	39
Estimated benefits paid	(7)	(25)
Past Service cost	-	115
Curtailments and settlements	-	-
Defined benefit obligations at end of period	**2,291**	**2,154**

Reconciliation of Assets		
Fair value of plan assets at start of period	1,048	833
Interest on plan assets	30	23
Return on plan assets	75	108
Employer contributions	104	75
Contributions by Scheme participants	50	41
Estimated benefits paid	(7)	(25)
Other actuarial gains/(losses)	-	(7)
Assets at end of period	**1,300**	**1,048**

16 Provision for Liabilities

	2018	2017
	£	£
Net defined benefit (liability)/asset at 31 July	(991,000)	(1,106,000)
Deferred tax assets	132,770	170,240
Provision for Liabilities		
	(858,230)	**(935,760)**

17 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.

18 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.

19 Distributions

	2018	2017
	£	£
Gift Aid payments made to West Nottinghamshire College	1,664,890	1,363,637
Total Distributions	**1,664,890**	**1,363,637**

20 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.