

REGISTERED NUMBER: 03832964 (England and Wales)

Business Control Software Ltd
Audited Financial Statements
for the Year Ended 31 December 2020



Business Control Software Ltd

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for the Year Ended 31 December 2020**

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Business Control Software Ltd

**Company Information
for the Year Ended 31 December 2020**

Directors: P D Brock
R A Shepherd

Secretary: T J Brewer

Registered office: Ground Floor
Churchgate
New Road
Peterborough
Cambridgeshire
PE1 1TT

Registered number: 03832964 (England and Wales)

Senior statutory auditor: Ken Maggs

Auditors: Moore Thompson
Bank House
Broad Street
Spalding
Lincolnshire
PE11 1TB

Statement of Financial Position
31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
Intangible assets	5	386,092	514,789
Current assets			
Debtors	6	2,312,683	1,131,800
Cash at bank		<u>15</u>	<u>30</u>
		2,312,698	1,131,830
Creditors			
Amounts falling due within one year	7	<u>554,903</u>	<u>601,038</u>
Net current assets		<u>1,757,795</u>	<u>530,792</u>
Total assets less current liabilities		2,143,887	1,045,581
Creditors			
Amounts falling due after more than one year	8	<u>33,471</u>	<u>-</u>
Net assets		<u>2,110,416</u>	<u>1,045,581</u>
Capital and reserves			
Called up share capital		62	62
Retained earnings		<u>2,110,354</u>	<u>1,045,519</u>
Shareholders' funds		<u>2,110,416</u>	<u>1,045,581</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 23/6/21 and were signed on its behalf by:


.....
R A Shepherd - Director


.....
P D Brock - Director

1. Statutory information

Business Control Software Ltd 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. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity,

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Business Control Solutions Group Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. Accounting policies - continued

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided to external customers, stated net of discounts and of Value Added Tax.

The Company recognises revenue once evidence of a contract or a purchase order has been obtained, services are delivered, fees are fixed or determinable and collection is reasonably assured.

Software solutions

The Company licenses its software on either a perpetual licence fee or annual license fee basis.

Revenues are assigned to each clearly identifiable deliverable within the contract and revenues are then recognised as a percentage of completion of each of these contracted deliverables. Revenues from installation, consultancy and training services are chargeable on a time and materials basis and are recognised when the work is performed. Revenue on installed systems maintenance is recognised over the term of the maintenance contract.

Professional services

Revenues from contracts for the supply of professional services are based on a time and materials basis or a fixed price per contract. For fixed price contracts the Company recognises revenues as amounts become billable under the contract's terms provided the amounts are not contingent and are consistent with the services delivered.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that assets as follows:

Development costs - over 5 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

3. Accounting policies - continued

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the Balance Sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, tax is recognised in Other Comprehensive Income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Research and development

Research expenditure is written off in the period in which it is incurred.

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure which does not meet the above criteria is expensed as incurred.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the report date, with any gains or losses being taken to the profit and loss account.

3. Accounting policies - continued

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, is it probable that the entity will be required to transfer economic benefit in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the Statement of Financial Position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

4. Employees and directors

The average number of employees during the year was 12 (2019 - 13).

5. Intangible fixed assets

	Development costs £
Cost	
At 1 January 2020	2,652,895
Disposals	<u>(128,808)</u>
At 31 December 2020	<u>2,524,087</u>
Amortisation	
At 1 January 2020	2,138,106
Amortisation for year	128,697
Eliminated on disposal	<u>(128,808)</u>
At 31 December 2020	<u>2,137,995</u>
Net book value	
At 31 December 2020	<u>386,092</u>
At 31 December 2019	<u>514,789</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

6. Debtors: amounts falling due within one year

	2020	2019
	£	£
Amounts owed by Group undertakings	2,193,173	1,056,169
Deferred tax asset	119,510	48,450
Prepayments and accrued income	-	27,181
	<u>2,312,683</u>	<u>1,131,800</u>

7. Creditors: amounts falling due within one year

	2020	2019
	£	£
Accruals and deferred income	<u>554,903</u>	<u>601,038</u>

8. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Accruals and deferred income	<u>33,471</u>	<u>-</u>

9. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	57,500	57,658
Between one and five years	<u>135,536</u>	<u>193,036</u>
	<u>193,036</u>	<u>250,694</u>

10. Deferred tax

	£
Balance at 1 January 2020	(48,450)
Provided during year	<u>(71,060)</u>
Balance at 31 December 2020	<u>(119,510)</u>

The deferred tax asset relates to unused tax losses.

11. Disclosure under Section 444(5B) of the Companies Act 2006

The Report of the auditors was unqualified.

Ken Maggs (Senior Statutory Auditor)
for and on behalf of Moore Thompson

12. Parent undertakings

The Company is a wholly owned subsidiary of Business Control Solutions Group Limited, a Company incorporated in England and Wales. Business Control Solutions Group Limited is the largest Group in which the results of the Company are consolidated.

The consolidated financial statements are available to the public and may be obtained from Companies House.