

WBBS Computer Finance Limited

Directors' Report and financial statements

For the year ended 31 March 2011

Registered Number: 2964470

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COMPANIES HOUSE

WBBS Computer Finance Limited

Directors

J Westhoff
T Lynch

Secretary

S Bartleet-Cross

Auditors

KPMG Audit Plc
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Registered office

374 High Street
West Bromwich
West Midlands
B70 8LR

Registered number

2964470

WBBS Computer Finance Limited

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WBBS Computer Finance Limited

Directors' Report

The Directors present the annual report and the audited financial statements for the year ended 31 March 2011

Principal activities

WBBS Computer Finance Limited ("the Company") is domiciled and incorporated in the United Kingdom. During the year ended 31 March 2011 the Company did not trade.

Review of business

The result for the year is £nil (2010 £14,000 profit). The Directors do not recommend the payment of a dividend for the year (2010 nil).

Principal risks and uncertainties

The Company actively manages the various risks that arise from its operations. It is the responsibility of the Board to identify the principal risks which the Company faces and to establish an effective system of internal control. Management are charged with managing these risks within the control framework established by the West Bromwich Building Society ("the Society") Board. The control systems consist of plans and budgets together with regular internal management information, established risk limits, clear responsibilities and delegated authorities together with other control procedures.

The key risks and uncertainties faced by the Company, which are covered in detail in note 2 are

- Liquidity risk
- Operational risk
- Credit risk

Director

The Directors who held office during the year were as follows

J. Westhoff
T. Lynch

The Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Going concern

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions.

WBBS Computer Finance Limited

Directors' Report (continued)

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 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 ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of this information

Auditor

In accordance with the relevant sections of the Companies Act 2006, the Company has dispensed with the requirements to re-appoint the auditors annually

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

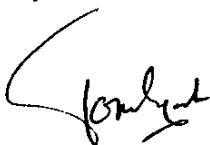
Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, 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

By order of the Board



TM Lynch
Director

WBBS Computer Finance Limited

Independent Auditor's Report to the Members of WBBS Computer Finance Limited

We have audited the financial statements of WBBS Computer Finance Limited for the year ended 31 March 2011 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities 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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2011 and of its result for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

WBBS Computer Finance Limited

Independent Auditor's Report to the Members of WBBS Computer Finance Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Jonathan Holt (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

12 December 2011

WBBS Computer Finance Limited

Income Statement

for the year ended 31 March 2011

	Notes	2011 £'000	2010 £'000
Revenue	3	-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses	4	-	-
Profit before taxation		-	-
Taxation	7	-	14
Result / Profit for the year		-	14

Statement of Comprehensive Income

for the year ended 31 March 2011

	2011 £'000	2010 £'000
Result / Profit for the year	-	14
Total comprehensive income for the year	-	14

Statement of Changes in Equity

for the year ended 31 March 2011

	Share capital £'000	2011 Retained earnings £'000	Total £'000	Share capital £'000	2010 Retained earnings £'000	Total £'000
Balance at 1 April	-	179	179	-	165	165
Total comprehensive income for the year	-	-	-	-	14	14
Balance at 31 March	-	179	179	-	179	179

WBBS Computer Finance Limited

Statement of Financial Position

at 31 March 2011

	Notes	2011 £'000	2010 £'000
Assets			
Current assets			
Cash and cash equivalents		40	40
Trade and other receivables	8	139	139
		<u>179</u>	<u>179</u>
Total assets		<u>179</u>	<u>179</u>
Net assets		<u>179</u>	<u>179</u>
Equity			
Share capital	9	-	-
Retained earnings	10	179	179
Total equity		<u>179</u>	<u>179</u>

These financial statements were approved by the Board of Directors on 12th December²⁰¹¹ and were signed on its behalf by



TM Lynch

Director

Company Number: 2964470

WBBS Computer Finance Limited

Statement of Cash Flows

for the year ended 31 March 2011

	2011 £'000	2010 £'000
Cash flows from operating activities		
Profit before tax	-	-
Increase in trade and other receivables	-	(124)
Decrease in trade and other payables	-	(3)
Taxation	-	192
Net cash inflow from operating activities	-	65
Cash flows from financing activities		
Decrease in other loans and borrowings	-	(51)
Net cash flows from financing activities	-	(51)
Net increase in cash	-	14
Cash and cash equivalents at beginning of year	40	26
Cash and cash equivalents at end of year	40	40

All WBBS Computer Finance Limited taxation is paid by the Ultimate Parent Company and recharged through the intercompany account. For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following balances with less than 90 days maturity

	2011 £'000	2010 £'000
Cash and balances with banks	40	40
	40	40

WBBS Computer Finance Limited

Notes

(forming part of the financial statements)

1. Accounting policies

Basis of preparation

WBBS Computer Finance Limited ("the Company") is a company incorporated in the United Kingdom

The principal accounting policies of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRS")

The following standards and interpretations became effective in 2010/11, but were not relevant for the Company's operations

IFRS 3, (revised), 'Business combinations', and consequential amendments to IAS27, 'Consolidated and separate financial statements'

IAS 36, (Amendment) 'Impairment of assets'

IAS 39, 'Financial instruments: Recognition and measurement – Eligible hedged items'

The following standards and interpretations have been issued and are mandatory for the Company's accounting periods beginning on or after 1 April 2011 or later periods and are expected to be relevant to the Company

Development	Impact
IFRS 9, 'Financial instruments part 1: Classification and measurement' (not yet endorsed by the EU)	This standard is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. However, the standard has not yet been endorsed by the EU. It is not expected to impact the Company's financial statements.
Revised IAS 24 (revised), 'Related party disclosures'	Issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted. However, the standard has not yet been endorsed by the EU. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Company will apply the revised standard from 1 April 2011. This is not expected to impact the Company's financial statements.

The Company did not early-adopt new or amended standards in the 2011 financial year

The financial statements have been presented in pounds sterling, rounded to the nearest thousand (except where otherwise indicated) and prepared on an historical cost basis. The preparation of financial statements under IFRS may require the use of certain critical accounting estimates and judgements. There are no such judgements which impact this Company.

WBBS Computer Finance Limited

Notes

(forming part of the financial statements)

1. Accounting policies (continued)

Financial instruments

The Company recognises a financial asset or liability in the Statement of Financial Position when and only when it becomes a party to the contractual provisions of the instrument. In accordance with IAS39, the financial instruments of the Company have been classified into the following categories:

Financial assets

Financial assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Financial liabilities

Financial liabilities are recognised initially at fair value, being the issue proceeds net of premiums, discounts and transaction costs incurred and subsequently measured at amortised cost using the effective interest method.

Impairment of loans

The Company assesses at each Statement of Financial Position date whether there is objective evidence that a financial asset is impaired. Objective evidence of impairment can be defined as one or more events occurring after the initial recognition of the asset that have an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

The Company first assesses whether objective evidence of impairment exists for financial assets. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a class of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment, and for which an impairment loss is recognised, are not included in a collective assessment of impairment.

If there is objective evidence of an impairment of loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Income Statement.

Derecognition of financial assets and liabilities

The Company's policy is to derecognise financial assets when the contractual right to the cash flow from the financial asset expires. The Company also derecognises financial assets that it transfers to another party provided the transfer of the assets also transfers the right to receive cash flows of the financial asset and subsequently all the risks and rewards of ownership.

The Company derecognises financial liabilities only when the obligation specified in the contract is discharged, cancelled or has expired.

Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash comprises cash in hand. Cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value, with original maturities of three months or less.

WBBS Computer Finance Limited

Notes

(forming part of the financial statements)

1. Accounting policies (continued)

Taxation

Tax on the result for the year comprises current tax and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full, using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted by the Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

2. Risk management

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity. The financial risks of the Company are managed as part of a group arrangement with its parent, West Bromwich Building Society ("the Society") which uses wholesale financial instruments to invest liquid asset balances and raise wholesale funding, and to manage the risks arising from its and its subsidiary operations.

As a result of these activities, the Company is exposed to a variety of risks, the most significant of which are liquidity risk, operational risk and credit risk.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due, or can only do so at excessive cost. The Company's liquidity policy is to maintain sufficient liquid resources to cover cash flow imbalances and fluctuations in funding and to enable the Company to meet its financial obligations. This is achieved as part of the Society liquidity management process, through maintaining a prudent level of liquid assets, wholesale funding facilities, intergroup loans and through management control of the growth of the business. For more information on the risk management process see the West Bromwich Building Society Accounts.

WBBS Computer Finance Limited

Notes

(forming part of the financial statements)

2. Risk management (continued)

Operational risk

Operational risk is the risk of financial loss or impairment to reputation arising from inadequate or failed processes, people or systems, or from external events. Responsibility for managing operational risks lies with individual business areas who identify and assess risks in line with predefined processes. These risks are managed as an integral part of the operations of each of the Group's business units.

Management have a responsibility to understand how operational risk impacts their area of the business and for putting in place controls or mitigating activities. They are supported in this role by the Society Business Risk Department which enforces and ensures co-ordination of the Company's risk assessment and resulting control activities. The Society Business Risk Department makes regular reports to the Society Audit and Risk Committee.

Credit risk

Credit risk is the risk that a customer or counterparty will not be able to meet its obligations to the Company as they become due. The Company's only transactions are with other Group undertakings.

3. Revenue

The total amount charged to revenue for operating lease rental income is £nil (2010 £nil).

4. Administrative expenses

All administration expenses are borne by the parent company West Bromwich Building Society.

5. Staff numbers and costs

The average number of persons employed by the Company (excluding Directors) during the year was nil (2010 nil).

6. Remuneration of Directors

None of the Directors received any emoluments for their services to WBBS Computer Finance Limited during the year ended 31 March 2011 or the preceding year.

7. Taxation

	2011 £'000	2010 £'000
UK corporation tax at 28% (2010 28%)	-	-
Adjustment to tax charge in respect of previous periods	-	(14)
Total current tax	-	(14)
Deferred tax	-	-
Total tax charge / (credit)	-	(14)

WBBS Computer Finance Limited

Notes

(forming part of the financial statements)

7. Taxation (continued)

The tax charge / (credit) for the year can be reconciled to the accounting profit as follows

	2011 £'000	2010 £'000
Profit before taxation	-	-
Profit before tax multiplied by the standard rate of tax of 28% (2010 28%)	-	-
Adjustment to tax charge in respect of previous periods	-	(14)
Total tax charge / (credit)	-	(14)

8. Trade and other receivables

	2011 £'000	2010 £'000
Other receivables	139	139
	<u>139</u>	<u>139</u>

The other receivables in 2011 and 2010 relate to intercompany loans between West Bromwich Building Society and the Company

9. Called up share capital

	2011 £	2010 £
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company

10. Retained earnings

	2011 £'000	2010 £'000
At 1 April	179	165
Result / Profit for the financial year	-	14
At 31 March	<u>179</u>	<u>179</u>

WBBS Computer Finance Limited

Notes

(forming part of the financial statements)

11. Capital commitments

Capital commitments at the end of the financial year for which no provision has been made totalled £nil (2010 £nil)

12. Ultimate parent undertaking

The entire share capital of the Company is owned by West Bromwich Building Society ("the Society"), the ultimate parent undertaking and controlling party. A copy of the Group financial statements may be obtained from the registered office, 374 High Street, West Bromwich, England, being the Society's principal place of business.

13. Related party transactions

i) Parent and ultimate controlling party

The parent and ultimate parent company are disclosed in note 12.

ii) Transactions and compensation with key management personnel

The Board considers key management personnel to comprise Directors. Details of Directors' remuneration is disclosed in Note 6. There have been no transactions with key management personnel and their close families.

iii) Transactions with Group companies

	2011 £'000	2010 £'000
	Loans owed by parent £'000	Loans owed by parent £'000
West Bromwich Building Society	139	139