

# **buyingTeam Support Services Limited**

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number 06989280



# **buyingTeam Support Services Limited**

## **Report and financial statements for the year ended 31 December 2020**

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### **Directors**

M Eatough  
I Thompson

### **Company secretary**

D Marr

### **Registered office**

107 Cheapside, London, EC2V 6DN

### **Company number**

06989280

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# **buyingTeam Support Services Limited**

## **Directors' report for the year ended 31 December 2020**

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The directors present their report together with the audited financial statements for the year ended 31 December 2020.

### **Results and dividends**

The statement of comprehensive income is set out on page 7 and shows the profit for the year.

The directors do not recommend the payment of a dividend (2019 - £Nil).

### **Principal activities, trading review and future developments**

The principal activities of the company continued to be that of providing transactional processing and analysis services to fellow group companies.

Revenue for the year was £2.1m (2019 - £2.0m). Cost of sales relate to permanent and temporary staff costs, while overheads of £0.5m (2019 - £0.8m) were principally administrative and property expenses. Other operating income of £0.3m (2019 - £0.3m) consisted mainly of intercompany management fees which were earned in the year. The operating profit of £0.2m (2019 – profit of £0.2m) in the year is considered by the directors to be a satisfactory outcome.

A review of the group's business during the year and information relating to its financial and other instruments are given in the consolidated financial statements of the holding company, buyingTeam Holdings Limited.

After the year end, all employees were transferred to buyingTeam Ltd, another group company. As a result, the company will become operationally dormant. For details on events after the reporting date see note 15.

### **Going concern**

The Company meets its day-to-day working capital requirements through ongoing operating cash flows and working capital management. The Company's forecasts and projections, taking account of possible changes in trading performance due to factors such as the market uncertainties referenced above, as well as receipt of a letter of support from its parent company, show that the Company will be able to meet its obligations, and liabilities, as they fall due. Further details are provided in note 1 to the financial statements.

### **Directors**

The directors of the company during the year and after the year-end were:

M Eatough  
I Thompson

# **buyingTeam Support Services Limited**

## **Directors' report for the year ended 31 December 2020 (*continued*)**

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### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

### **On behalf of the Board**



M Eatough  
**Director**

Date: 11 August 2021

# **buyingTeam Support Services Limited**

## **Directors' responsibilities statement for the year ended 31 December 2020**

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The directors are responsible for preparing the report of the directors and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# buyingTeam Support Services Limited

## Independent auditor's report for the year ended 31 December 2020

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUYINGTEAM SUPPORT SERVICES LIMITED

#### Opinion on the 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 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of buyingTeam Support Services Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework*, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# buyingTeam Support Services Limited

## Independent auditor's report (*continued*) for the year ended 31 December 2020

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### Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

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

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

### Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiring of management and obtaining and reviewing supporting documentation relating to the Company's policies and procedures relating to:
  - compliance with laws and regulations and whether they were aware of any instances of non-compliance or any actual or potential litigation and claims; and
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.

# buyingTeam Support Services Limited

## Independent auditor's report (*continued*) for the year ended 31 December 2020

- Discussion within the engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud;
- Obtaining an understanding of the legal and regulatory frameworks the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements and operations of the Company;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC, if any; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments such as evaluating entries posted with unusual account combinations to Revenue, journals posted by specific users, rounded off journals, large material journals. This includes evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Further, the Company is also subject to various laws and regulations where the consequences of Non-compliance could have a material effect on amounts and disclosures in the Financial Statements, for instance through imposition of fines or litigation etc. Auditing standards limit the required audit procedure to identify non-compliance with these laws and regulations to enquiry of the Directors and the Management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify any actual or suspected non-compliance

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in 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.

DocuSigned by:



10C8EC880DC044  
Peter Smithson (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London

Date: 11 August 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# buyingTeam Support Services Limited

## Statement of comprehensive Income for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Revenue	3	2,110	1,998
Cost of sales		(1,650)	(1,346)
<b>Gross profit</b>		<b>460</b>	<b>652</b>
Administrative expenses		(491)	(764)
Other operating income		266	269
<b>Operating profit</b>	5	<b>235</b>	<b>157</b>
Finance expense		(3)	(6)
<b>Profit on ordinary activities before taxation</b>		<b>232</b>	<b>151</b>
Taxation	6	(38)	(29)
<b>Profit on ordinary activities after taxation and total comprehensive income for the year</b>		<b>194</b>	<b>122</b>

All amounts relate to continuing activities.

All recognised gains and losses are included in the statement of comprehensive income.

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

# buyingTeam Support Services Limited

## Balance sheet at 31 December 2020

<b>Company number 06989280</b>	<b>Note</b>	<b>2020 £'000</b>	<b>2020 £'000</b>	<b>2019 £'000</b>	<b>2019 £'000</b>
<b>Fixed assets</b>					
Tangible assets	7	-		18	
Right-of-use assets	11	30		70	
			30		88
<b>Current assets</b>					
Debtors	8	698		1,409	
Cash at bank and in hand		61		32	
<b>Total current assets</b>		<b>759</b>		<b>1,441</b>	
<b>Creditors: amounts falling due within one year</b>	9	<b>(341)</b>		<b>(1,247)</b>	
<b>Net current assets</b>			<b>418</b>		<b>194</b>
<b>Non-current liabilities</b>					
Lease Liabilities	11	-			(28)
<b>Net assets</b>			<b>448</b>		<b>254</b>
<b>Capital and reserves</b>					
Share capital	12	-		-	
Retained earnings			<b>448</b>		<b>254</b>
<b>Shareholders' funds</b>			<b>448</b>		<b>254</b>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 11 August 2021.



M Eatough  
Director

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

# buyingTeam Support Services Limited

## Statement of changes in equity at 31 December 2020

	Share capital £'000	Retained earnings (as restated) £'000	Total equity (as restated) £'000
January 2019	-	168	168
Effect of adoption of IFRS 16	-	(36)	(36)
1 January 2019 (as restated)	-	132	132
	<hr/>	<hr/>	<hr/>
Total comprehensive profit for the year	-	122	122
	<hr/>	<hr/>	<hr/>
31 December 2019	-	254	254
	<hr/>	<hr/>	<hr/>
1 January 2020	-	254	254
	<hr/>	<hr/>	<hr/>
Total comprehensive profit for the year	-	194	194
	<hr/>	<hr/>	<hr/>
31 December 2020	-	448	448
	<hr/>	<hr/>	<hr/>

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

# buyingTeam Support Services Limited

## Notes forming part of the financial statements for the year ended 31 December 2020

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### 1 Accounting policies

#### *Basis of preparation*

The financial statements have been prepared in accordance with Financial Reporting Standard 100 *Application of Financial Reporting Requirements* and Financial Reporting Standard 101 *Reduced Disclosure Framework*. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The company is a private company which is limited by shares, incorporated in England with a registered address at 107 Cheapside, London, EC2V 6DN.

#### *Disclosure exemptions adopted*

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain comparative information as otherwise required by UK endorsed IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by buyingTeam Holdings Limited.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of buyingTeam Holdings Limited. These financial statements do not include certain disclosures in respect of:

- Share based payments;
- Financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value);
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value); and
- Impairment of assets.

The financial statements of buyingTeam Holdings Limited can be obtained as described in note 14.

#### *Going concern*

The financial statements have been prepared on a going concern basis. The Directors have at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors have plans and forecasts that, together with receipt of a letter of support from its parent company, show the Company will be able to continue as a going concern for at least a period of twelve months from the date of balance sheet approval. This is in turn dependent on the parent and thus the group of which the company is a subsidiary of maintaining sufficient working capital to support its activities.

# buyingTeam Support Services Limited

## Notes forming part of the financial statements for the year ended 31 December 2020 (*continued*)

### 1 Accounting policies (*continued*)

#### *Going concern (continued)*

The global pandemic due to COVID-19 which in March 2020 caused governments across the world to place restrictions on people's movements, international travel and many other restrictions continues to be in place, albeit with some positivity now due to the vaccination programme that is currently being administered. This has had a widespread impact economically, with potential for causing delays in contract negotiations and/or cancelling of anticipated sales and an uncertainty over cash collection from certain customers. As a consequence, the parent company has carried out detailed forecast stress testing at the group level in order to consider how much forecasts have to reduce by in order to cause cash constraints, and also to consider the likelihood of this scenario occurring. In light of all of this analysis, the directors are comfortable that a scenario which would cause these cash restrictions is deemed to be remote. This assessment has also included the Group's actual cash holdings as of the date of the approval of these financial statements and financing alternatives available to the group. The company has utilised the exemptions provided under FRS 101 and has not presented a cash flow statement. A consolidation cash flow statement has been presented in the group accounts of the ultimate parent undertaking. The group's cash flow statement is projected to be at a sufficient level to allow the group, and the companies within the Group, to meet their obligations, and liabilities, as they fall due. Thus, the directors of the company continue to adopt the going concern basis of accounting in preparing the financial statements.

#### *Revenue*

##### *IFRS 15 - Revenue is recognised by fellow group companies as follows:*

The customer contracts are broken down into distinct services in order to identify the separate performance obligations within. Services are considered distinct if they are separately identifiable in the context of the contract. The company occasionally has a performance fee element to these contracts. The performance fees are not considered as separate performance obligations under IFRS 15, as neither the customer nor the company will be able to benefit from this separately. This element is as a result combined with the service element of the contract with the customer.

Transaction prices are the amounts of consideration the company expects to be entitled to in exchange for the transfer of the performance obligations agreed within the contracts, exclusive of VAT or any applicable sales taxes.

The transaction prices are allocated to these contractual performance obligations based on the pricing within the contract. This is based on the fair value allocated to each performance obligation.

Revenue is recognised over time, due to the customer simultaneously receiving and consuming the benefits of the contractual performance obligation within the contract. Revenue is only recognised when the contractual performance obligation has been satisfied.

##### *Revenue is recognised by the company according to the group's transfer pricing policy as follows:*

Revenue recognised is the company's share of revenue recognised by fellow group companies under IFRS 15, which is calculated pro-rata according to the company's share of total input costs incurred to deliver the obligations of each customer contract.

# **buyingTeam Support Services Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)**

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## **1 Accounting policies (continued)**

### *Grants*

Grants relating to expenditure on tangible fixed assets and employee costs are credited to the statement of comprehensive income at the same rate as the depreciation on the assets and to the staff costs to which the grant relates. The deferred element of the grant is included in creditors as deferred income. Grants of a revenue nature are credited to the statement of comprehensive income in the period to which they relate.

#### *(a) Government Grants*

Grants are accounted for under the accruals model as permitted by IAS 20. Grants of a revenue nature are recognised in "other operating income" within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ("furlough claim").

# buyingTeam Support Services Limited

## Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

### 1 Accounting policies (continued)

#### *Other operating income*

Other operating income comprises fees charged for management services provided to other group companies. This income is recognised as earned when, and to the extent that, the company obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to group companies, but excluding value added tax.

#### *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	-	33% straight line
Fixtures, fittings and equipment	-	25% straight line
Leasehold improvements	-	over the life of the lease

#### *Leases*

The implementation of IFRS 16 replaced the existing guidance in IAS 17: Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and the company adopted the new standard with effect from 1 January 2019.

Prior to the 2019 financial year, the company classified its leases either as finance leases or operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

IFRS 16 changes the previous guidance in IAS 17 and requires lessees to recognize a lease liability that reflects the net present value of future lease payments and a corresponding "right-of-use asset" in all lease contracts, although lessees may elect not to recognize lease liabilities and right-of-use assets in respect of short-term leases or leases of assets of low value.

The company has elected not to recognize right-of-use assets and lease liabilities in respect of certain leases of office equipment of low value or of short term. The lease payments associated with these leases is recognised as an expense on a straight-line basis over the lease term.

IFRS 16 also changes the definition of a "lease" and the manner of assessing whether a contract contains a lease. At inception of a contract, the company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company recognizes a right-of-use asset and a corresponding lease liability at the lease commencement date. The lease liability is initially measured at the present value of the following lease payments:

- fixed payments;
- variable payments that are based on index or rate;
- the exercise price of any extension or purchase option if reasonably certain to be exercised; and
- penalties for terminating the lease, if relevant.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. The company has used its incremental borrowing rate as the discount rate.

The right-of-use assets are initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs.

# buyingTeam Support Services Limited

## Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

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### 1 Accounting policies (continued)

#### *Leases (continued)*

The right-of-use assets are depreciated over the period of the lease term, or, if earlier, the useful life of the asset, using the straight-line method. The lease term includes periods covered by an option to extend, if the company is reasonably certain to exercise that option. In addition, the right-of-use assets may during the lease term be reduced by impairment losses, if any, or adjusted for certain remeasurements of the lease liability.

#### *Impact of IFRS 16*

Under IAS 17 the company did not recognize related assets or liabilities, but instead disclosed the total amount of commitments under operating leases calculated on a straight-line basis over the respective lease terms. The new standard requires the company to recognize interest on its lease liabilities and amortization of its right-of-use assets, instead of recognizing lease payments as part of operating costs. Accordingly, this change has increased operating profit in the year to 31 December 2020 by £0.014m (2019: £0.01m) but has not had a material effect on the company's profit for the year.

Further details of the practical expedients used by the group in adopting IFRS 16 Leases are set out in Note 11.

#### *Taxation*

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### *Deferred taxation*

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing can be deducted. The deferred tax balance has not been discounted.

#### *Pensions*

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the statement of comprehensive income in the year they are payable.

#### *Foreign currency translation*

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to statement of comprehensive income.



# buyingTeam Support Services Limited

## Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

### 1 Accounting policies (continued)

#### *Financial instruments*

IFRS 9 Financial Instruments is effective for annual periods beginning on or after 1 January 2019 and has been applied in the financial statements in respect of the current year. The adoption of this standard has had no significant impact on the statement of financial position and equity.

#### *Financial assets*

The company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The company has not classified any of its financial assets as held to maturity.

#### *Receivables*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to fellow subsidiary undertakings, but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current amounts owed by fellow subsidiary undertakings are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the amounts owed by fellow subsidiary undertakings is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the amounts owed by fellow subsidiary undertakings. For amounts owed by fellow subsidiary undertakings, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the amounts owed by fellow subsidiary undertakings will not be collectable, the gross carrying value of the asset is written off against the associated provision.

From time to time, the company elects to renegotiate the terms of amounts owed by fellow subsidiary undertakings with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

The company's receivables comprise amounts owed by fellow subsidiary undertakings and other receivables in the balance sheet.

#### *Financial liabilities*

The company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

#### *Other financial liabilities*

Other financial liabilities include the following items:

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.
- Loans from group companies are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

# buyingTeam Support Services Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)

## 2 Critical accounting estimates and judgements

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

### (a) Recoverability of amounts owed by group undertakings

Provisions for the expected credit loss to be recognised against the carrying value of amounts owed by group undertakings are made based on management's estimate of the prospect of recovering the amounts due, which includes considering the solvency of the counterparty and its future outlook, based on budgets and forecast prepared by management.

### (b) Leases

The recognition of leases in line with IFRS 16 requires significant judgement in respect of the interest rate applied in deriving the discount rate used in the calculation of the present value of future cash flows.

## 3 Revenue

Revenue is wholly attributable to the principal activity of the company and arises within the United Kingdom and the United States.

<b>2020</b>		<b>Support Services for other group Companies £'000</b>
<b>Geographical area</b>		
UK and Europe		<b>2,041</b>
United States		<b>69</b>
		<hr/>
		<b>2,110</b>
		<hr/>
<b>2019</b>		
UK and Europe		1,603
United States		395
		<hr/>
		1,998
		<hr/>

## buyingTeam Support Services Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 *(continued)*

### 4 Employees

	2020 £'000	2019 £'000
Staff costs consist of:		
Wages and salaries	1,325	1,260
Social security costs	120	104
Other pension costs	77	63
	<u>1,522</u>	<u>1,427</u>

The average number of employees, including directors, during the year was 49 (2019 - 49).

The directors' salaries are borne by buyingTeam Limited.

### 5 Operating profit

	Note	2020 £'000	2019 £'000
This has been arrived at after charging			
Depreciation	7	9	9
Auditors' remuneration – audit		7	6
		<u>          </u>	<u>          </u>

### 6 Taxation

	2020 £'000	2019 £'000
<i>Current tax</i>		
UK corporation tax on profit of the year	43	24
	<u>          </u>	<u>          </u>
Current tax charge	43	24
<i>Deferred tax (note 10)</i>		
Origination and reversal of timing differences	-	5
Adjustment in respect of previous years	(5)	-
	<u>          </u>	<u>          </u>
Taxation on profit on ordinary activities	<u>38</u>	<u>29</u>

# buyingTeam Support Services Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)

## 6 Taxation (continued)

Tax reconciliation:

	2020 £'000	2019 £'000
Profit on ordinary activities before tax	232	151
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 19.00% (2019 – 19.00%)	44	29
Effects of:		
Expenses not deductible for tax purposes	-	1
Adjustments to brought forward values	(1)	-
Other tax adjustments, reliefs and transfers	1	-
Adjust opening deferred tax to average rate	-	(1)
Unexplained difference	-	-
Remeasurement of deferred tax for changes in tax rate	(1)	-
Adjustment in respect of previous years	(5)	-
Total tax charge for year	38	29

## 7 Tangible assets

	Computer equipment £'000	Fixtures, fittings and equipment £'000	Leasehold improvements £'000	Total £'000
<b>Cost</b>				
At 1 January 2020	168	83	143	394
Disposals	(168)	(83)	(143)	(394)
At 31 December 2020	-	-	-	-
<b>Depreciation</b>				
At 1 January 2020	161	72	143	376
Charge for the year	4	5	-	9
Disposals	(165)	(77)	(143)	(385)
At 31 December 2020	-	-	-	-
<b>Net book value</b>				
At 31 December 2020	-	-	-	-
At 31 December 2019	7	11	-	18

# **buyingTeam Support Services Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)**

## **8 Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by fellow subsidiary undertakings	<b>672</b>	<b>1,381</b>
Prepayments and contract assets	<b>23</b>	<b>20</b>
Other receivables	<b>-</b>	<b>5</b>
Deferred tax asset (see note 10)	<b>3</b>	<b>3</b>
	<b>698</b>	<b>1,409</b>

All amounts shown under debtors fall due for payment within one year.

## **9 Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Trade payables	<b>-</b>	<b>-</b>
Lease liability (note 11)	<b>28</b>	<b>68</b>
Other payables	<b>3</b>	<b>2</b>
Accruals and contract liabilities	<b>162</b>	<b>128</b>
Other taxes and social security costs	<b>115</b>	<b>89</b>
Corporation tax	<b>33</b>	<b>30</b>
Amounts owed to fellow subsidiary undertakings	<b>-</b>	<b>930</b>
	<b>341</b>	<b>1,247</b>

## **10 Deferred tax**

The deferred tax asset (included in debtors, note 8) is made up as follows:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Accelerated capital allowances	<b>3</b>	<b>3</b>

# buyingTeam Support Services Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)

## 11 Leases

With effect from January 1, 2019, the company adopted IFRS 16 Leases, which specifies how to recognise, measure, present and disclose leases.

On initial application, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17: Leases.

In applying IFRS 16 for the first time in the comparative year, the company used the following practical expedients permitted by the standard:

- reliance on previous assessments on whether leases are onerous;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The company also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the application date, the company has relied on its assessment made applying IAS 17 and IFRIC 4 in determining whether an arrangement is or contains a lease.

### Right of use assets

	Leased buildings £'000
At 1 January 2020	70
Additions for the year	-
Amortisation	(40)
	<hr/>
31 December 2020	30
	<hr/>

### Lease liabilities

	Leased buildings £'000
At 1 January 2020	96
Additions for the year	-
Interest expense	3
Lease payments	(71)
	<hr/>
31 December 2020	28
	<hr/>

# buyingTeam Support Services Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)

## 11 Leases (continued)

The maturity of the lease liabilities is as follows:

	Carrying amount £'000	Contractual cash-flow £'000	Less than one year £'000	One to two years £'000	Two to five years £'000
At 31 December 2020	28	28	28	-	-
At 31 December 2019	96	99	71	28	-

## 12 Share capital

	Allotted, called up and fully paid			
	2020 Number	2019 Number	2020 £	2019 £
Ordinary shares of £1 each	100	100	100	100

*Share capital* – Nominal value share capital subscribed for.

*Retained earnings* – All other net gains and losses and transactions with owners not recognised.

## 13 Related party transactions

The company has taken advantage of the exemption conferred by FRS 101 not to disclose transactions with members of the group headed by buyingTeam Holdings Limited on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

## 14 Control

The immediate and ultimate parent company and controlling party is buyingTeam Holdings Limited, a company in which M Eatough is a director and has a controlling interest. Copies of the financial statements of buyingTeam Holdings Limited can be obtained from Companies House.

## 15 Events after the reporting date

After the year end, all employees were transferred to buyingTeam Ltd, another group company. As a result, the company will become operationally dormant.