

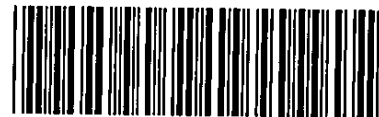
CASTLE COMPUTER SERVICES LIMITED

Registered number: SC080997

Directors' Report and Financial Statements

For the year ended 31 December 2013

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CASTLE COMPUTER SERVICES LIMITED
Company Information

Directors	A M Munro G A Strathie P McTaggart
Secretary	P Munro
Company number	SC080997
Registered office	Stewart House Pochard Way Strathclyde Business Park Bellshill ML4 3HB
Auditor	Scott-Moncrieff Exchange Place 3 Semple Street Edinburgh EH3 8BL
Bankers	Bank of Scotland 38 St Andrew Square Edinburgh EH2 2YR
Solicitors	HBJ Gateley Exchange Tower 19 Canning Street Edinburgh EH3 8EH

CASTLE COMPUTER SERVICES LIMITED
Contents

	Page
Strategic Report	1 – 2
Directors' Report	3 - 4
Independent Auditor's Report	5 - 6
Group Profit and Loss account	7
Group Balance Sheet	8
Company Balance Sheet	9
Group Cash Flow statement	10
Notes to the Financial Statements	11 – 22

CASTLE COMPUTER SERVICES LIMITED

Strategic Report

The directors present their strategic report and the financial statements of the company for the year ended 31 December 2013.

Principal activities, review of the business and future developments

The principal activity of the group in the year under review was the supply, implementation and support of Financial and Business Systems together with the provision of IT infrastructure design and support services including Data Hosting and Virtualisation.

Our clients range from small businesses to Corporate and Public Sector organisations. In all cases, Castle's mission is to help our customers serve their customers better using IT.

The year ended 31 December 2013 produced a healthy financial performance with turnover increasing to £7.6M for the Group and the Group as a whole, and as predicted, back into profitability following the two exceptional matters that impacted performance in 2012. This was a result of a very strong emphasis on providing first class customer service to existing and new clients as well as the integration of the acquired business in to the Castle way of doing things. This emphasis on customer service together with a proven track record in delivering projects on time and to budget while providing clients with a measurable return on investment provides Castle with a competitive edge and high customer retention levels. Performance for the first half of 2014 shows still further increase in turnover and profitability over 2013 levels.

Going forward, Castle remains totally committed to servicing our customers' needs and we continue as always to invest in our people, business infrastructure and customer services. Our aim is to differentiate ourselves from our competitors by offering the highest quality value added support service. We plan to grow via both acquisition and organically, with a focus both on our Financial Application and Technical divisions.

Results and dividends

The results for the year are shown on the group profit and loss account on page 7. The group's profit for the year after taxation was £51,030. Shareholders' funds totalled £608,440 at 31 December 2013 (2012: £574,174).

Dividends totalling £nil (2012: £106,819) were paid in respect of the year ended 31 December 2013.

Principal risks and uncertainties

The operation of the company involves a series of risks and uncertainties in the following areas:

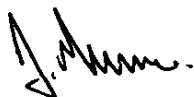
Customers and Competition: The company operates in a competitive market place and Castle addresses the risks in this area by focusing on working with its customers to provide them with a proven return on their investment. Every activity undertaken by Castle is underpinned by proven methodologies and a focus on providing the highest quality of service.

Technology: The company operates in a sector where technology is continually advancing. This creates both risks and opportunities and Castle is dedicated to keeping abreast of the latest technologies and identifying where they can be deployed to the benefit of its customers. It has a strong focus on internal training to ensure that its staff have the skills required to deliver quality services to its clients. A focus on training and career progression also helps it recruit and retain quality personnel which is important in the sector in which Castle operates.

Financing: The company currently funds its operation through its own resources, has a strong cash position and has no current requirement for external bank funding. This current position, together with strong internal financial systems, is of benefit to Castle in addressing the risks associated with the current economic and financial climate.

CASTLE COMPUTER SERVICES LIMITED
Strategic Report (continued)

This report was approved by the board on 18/9 2014 and signed on its behalf by:



A M Munro
Director

CASTLE COMPUTER SERVICES LIMITED

Report of the Directors

The directors are pleased to present their report and the consolidated financial statements for the year ended 31 December 2013.

Directors

The directors in office during the year and up to the date of signing these financial statements were as follows:

A M Munro
G A Strathie
P J McTaggart
G M Thomson (resigned 27 August 2013)

Employees

The success of Castle is a testament to the quality of its employees and the directors would like to thank all employees for their continued efforts, support and dedication. Going forward Castle will continue its investment in the highest levels of training for its staff.

It is group policy to offer the same opportunity to disabled people as to all others in matters of recruitment and career advancement, provided that they have the ability to perform the tasks required with or without training, and to institute re-training where practicable in cases where the disability was incurred during their employment with the group.

Environmental Policy

Castle makes every effort to protect and improve the environment in all areas of the Company's operations and has achieved environmental management system accreditation to ISO14001, the international standard for environmental management systems.

Statement of directors' responsibilities

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 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 group and of the profit or loss of the group for that period. In preparing those 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for maintaining adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

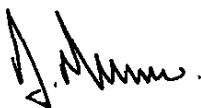
CASTLE COMPUTER SERVICES LIMITED
Report of the Directors (continued)

Disclosure of information to auditor

To the knowledge and belief of each of the persons who are directors at the time the report is approved:

- So far as the director is aware, there is no relevant information of which the company's auditor is unaware, and
- He has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information, and to establish that the company's auditor is aware of the information.

This report was approved by the board on 18/9 2014 and signed on its behalf by:



A M Munro
Director

CASTLE COMPUTER SERVICES LIMITED
Independent auditor's report to the members of Castle Computer Services Limited

We have audited the consolidated financial statements of Castle Computer Services Limited for the year ended 31 December 2013 which comprise the Group Profit and Loss account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the group'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 group'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 group and the group'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 3, 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 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 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 Financial Reporting Council'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 group's and of the parent company's affairs as at 31 December 2013 and of the group's 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.

Emphasis of matter

Without qualifying our opinion, we note that the directors have chosen not to disclose directors' remuneration in these financial statements. This disclosure is a requirement of section 412 of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

CASTLE COMPUTER SERVICES LIMITED
Independent auditor's report to the members of Castle Computer Services 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Donald C Forsyth

Donald C Forsyth (Senior Statutory Auditor)
for and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

18 Sept 2014

CASTLE COMPUTER SERVICES LIMITED
Group Profit and Loss Account
For the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover		7,646,425	7,049,709
Cost of sales		(3,346,342)	(2,983,404)
Gross profit		<u>4,300,083</u>	<u>4,066,305</u>
Administrative expenses		(4,252,367)	(4,245,554)
Operating profit/(loss)	2	<u>47,716</u>	<u>(179,249)</u>
Investment income	4	3,314	3,404
Profit/(loss) on ordinary activities before taxation		<u>51,030</u>	<u>(175,845)</u>
Tax on profit/(loss) on ordinary activities	5	(16,764)	(1,145)
Profit/(loss) on ordinary activities after taxation		<u><u>34,266</u></u>	<u><u>(176,990)</u></u>

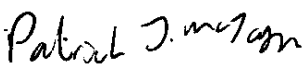
None of the group's activities were discontinued during either year. The group has no recognised gains or losses other than those included in the profit and loss account for either year.

The notes on pages 11 to 22 form part of these financial statements.

CASTLE COMPUTER SERVICES LIMITED
Group Balance Sheet
As at 31 December 2013

	Note	2013 £	2012 £
Fixed assets			
Intangible fixed assets	6	403,340	435,971
Tangible fixed assets	7	152,617	170,631
Investments	8	198,181	198,181
		<u>754,138</u>	<u>804,783</u>
Current assets			
Stocks	9	24,627	25,163
Debtors	10	1,890,945	1,748,872
Cash at bank and in hand		1,200,516	1,464,169
		<u>3,116,088</u>	<u>3,238,204</u>
Creditors: amounts falling due within one year	11	<u>(3,235,723)</u>	<u>(3,468,813)</u>
Net current liabilities		<u>(119,635)</u>	<u>(230,609)</u>
Total assets less current liabilities		<u>634,503</u>	<u>574,174</u>
Creditors: amounts falling due in over one year	12	<u>(26,063)</u>	<u>-</u>
Net assets		<u><u>608,440</u></u>	<u><u>574,174</u></u>
Capital and reserves			
Called up share capital	14	100,024	100,024
Share premium account	15	26,996	26,996
Other reserves	15	78,025	78,025
Profit and loss account	15	403,395	369,129
		<u>608,440</u>	<u>574,174</u>

The financial statements were authorised for issue by the board on 18/1 2014 and signed on its behalf by:


P J McTaggart
 Director


G A Strathie
 Director

The notes on pages 11 to 22 form part of these financial statements.

Registered number: SC080997

CASTLE COMPUTER SERVICES LIMITED
Company Balance Sheet
As at 31 December 2013

		2013		2012	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	7		144,416		154,229
Investments	8		4		4
			<u>144,420</u>		<u>154,233</u>
Current assets					
Stocks	9	24,627		25,163	
Debtors	10	2,661,654		2,661,347	
Cash at bank and in hand		1,200,515		1,464,168	
		<u>3,886,796</u>		<u>4,150,678</u>	
Creditors: amounts falling due within one year	11	<u>(2,880,543)</u>		<u>(3,421,420)</u>	
Net current assets			<u>1,023,017</u>		<u>729,258</u>
Total assets less current liabilities			<u>1,167,437</u>		<u>883,491</u>
Creditors: amounts falling due in over one year	12		<u>(26,063)</u>		<u>-</u>
Net assets			<u><u>1,124,610</u></u>		<u><u>883,491</u></u>
Capital and reserves					
Called up share capital	14		100,024		100,024
Share premium account	15		26,996		26,996
Other reserves	15		78,025		78,025
Profit and loss account	15		919,565		678,446
			<u><u>1,124,610</u></u>		<u><u>883,491</u></u>

The financial statements were authorised for issue by the board on 18/1 2014 and signed on its behalf by:

Patrick J. McTaggart

P J McTaggart
Director

G A Strathie

G A Strathie
Director

The notes on pages 11 to 22 form part of these financial statements.

Registered number: SC080997

CASTLE COMPUTER SERVICES LIMITED
Group Cash Flow Statement
For the year ended 31 December 2013

	Note	£	2013	£	£	2012	£
Reconciliation of operating profit/(loss) to net cash flow							
Operating profit/(loss)				47,716		(179,249)	
Depreciation and amortisation				149,134		138,634	
Gain on disposal of fixed assets				(6,286)		(4,038)	
Decrease in stocks				536		4,622	
Increase in debtors				(142,073)		(46,322)	
(Decrease)/increase in creditors				(216,217)		539,595	
Operating cash flow				<u>(167,190)</u>		<u>453,242</u>	
Cash flow statement							
Operating cash flow				(167,190)		453,242	
Returns on investments and servicing of finance							
Interest received				3,314		3,404	
Taxation							
Corporation tax paid				-		(63,554)	
Capital expenditure and financial investment							
Payments to acquire fixed assets		(98,489)			(57,218)		
Receipts from sale of fixed assets		6,286			4,338		
Net cash flow from capital expenditure and financial investment				(92,203)		(52,880)	
Equity dividends paid				-		(106,819)	
Financing							
Repurchase of own shares		-			(228,079)		
Proceeds from issue of ordinary shares		-			30,000		
Decrease in hire purchase financing		(7,574)			(63,539)		
Net cash flow from financing				<u>(7,574)</u>		<u>(261,618)</u>	
Net cash flow for the year	21			<u>(263,653)</u>		<u>(28,225)</u>	

The notes on pages 11 to 22 form part of these financial statements.

CASTLE COMPUTER SERVICES LIMITED
Notes to the Financial Statements
For the year ended 31 December 2013

1. Accounting policies

Going concern

The directors are of the opinion that the group can continue to meet its obligations as they fall due for the foreseeable future. As a consequence the directors have prepared the financial statements on the going concern basis.

Basis of accounting

The financial statements are prepared under the historical cost basis of accounting and have been prepared in accordance with UK GAAP and the Companies Act 2006.

Basis of consolidation

The group financial statements consolidate the financial statements of the parent company and all undertakings over which the group exercises a dominant influence. Results of subsidiary undertakings are included from the date of acquisition. No profit and loss account has been prepared for the company as provided by section 408 of the Companies Act 2006.

Turnover and cost of sales

Turnover comprises the value of goods and services supplied by the group, exclusive of Value Added Tax and trade discounts. Turnover includes maintenance contract income that is recognised over the period of a contract on a straight line basis.

Maintenance contract costs are recognised over the period of a contract on a straight line basis and included in Cost of Sales.

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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	33% straight line
Motor vehicles	-	25% straight line
Furniture, fittings and equipment	-	20% straight line

Intangible assets

Goodwill representing the excess of the purchase price over the fair value of the net assets of any businesses acquired is capitalised in the Balance Sheet. Amortisation is charged at a rate calculated to write goodwill off over a period of 10 years, in line with Financial Reporting Standard 10.

Intellectual software property is recognised on the basis of the cost at initial recognition. Amortisation is then charged on a systematic basis. Amortisation is charged at a rate calculated to write it off over a period of 10 years, in line with Financial Reporting Standard 10.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs.

Finance leases and hire purchase contracts

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets and are depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

CASTLE COMPUTER SERVICES LIMITED
Notes to the Financial Statements
For the year ended 31 December 2013

1. Accounting policies (continued)

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight line basis over the lease term.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

Deferred tax

Deferred tax is recognised in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised 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 from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis, 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.

Government grants

Government grants in respect of revenue expenditure are recognised when the relevant expenditure is incurred. When income is received, this is credited against the relevant cost in the profit and loss account.

Investments

Fixed asset investments are stated at cost, less any provisions required where there has been a permanent diminution in value. Listed investments are stated at current market value.

Investment property

Investment properties are valued at their open market value at the balance sheet date. Any surplus on revaluation is transferred to the investment property revaluation reserve. Any deficit is deducted from the investment property revaluation reserve, except for permanent diminutions in value, which are charged to the profit and loss.

No depreciation is provided in respect of freehold investment property, in accordance with SSAP 19. This treatment is contrary to the requirements of the Companies Act 2006 to provide for depreciation but it is considered necessary to ensure the financial statements give a true and fair view. Depreciation is only one of the factors reflected at the balance sheet date valuation and the amount that might otherwise have been shown cannot be separately identified or quantified.

CASTLE COMPUTER SERVICES LIMITED
Notes to the Financial Statements
For the year ended 31 December 2013

2. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	Group	
	2013	2012
	£	£
Depreciation of tangible fixed assets	101,035	90,536
Amortisation of intangible assets	48,099	48,098
Gain on disposal of fixed assets	(6,286)	(4,038)
Auditor's remuneration	10,000	10,900
Other fees paid to auditor	2,000	
Pension costs	75,800	88,665
	<u>75,800</u>	<u>88,665</u>

3. Staff costs and numbers

	Group and company 2013 £	Group and company 2012 £
Wages and salaries	2,838,530	2,811,380
Social security costs	330,856	332,434
Pension costs	75,800	88,665
	<u>3,245,186</u>	<u>3,232,479</u>

The average monthly number of employees within the group and company was 75 (2012: 74).

	2013 No.	2012 No.
The staff of the group worked in the following activities:		
- Distribution	64	63
- Administration	11	11
	<u>75</u>	<u>74</u>

4. Investment income and interest receivable

	Group and company 2013 £	Group and company 2012 £
Bank interest	<u>3,314</u>	<u>3,404</u>

CASTLE COMPUTER SERVICES LIMITED
Notes to the Financial Statements
For the year ended 31 December 2013

5. Tax on profit/(loss) on ordinary activities

	2013 £	2012 £
UK corporation tax – current year	6,612	-
UK corporation tax – adjustments in respect of prior years	10,152	1,145
	<u>16,764</u>	<u>1,145</u>
Factors affecting tax charge for the year		
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.00% (2012: 20.25%)	10,206	(35,609)
Effects of:		
Fixed asset differences	90	-
Expenses not deductible for tax purposes	2,819	436
Capital allowances in excess of depreciation	(3,713)	2,360
Other short term timing differences	(1,825)	-
Losses carried forward	-	32,813
Adjustments in respect of prior years	10,152	1,145
Utilisation of unrelieved tax losses	(965)	-
	<u>16,764</u>	<u>1,145</u>
Current tax charge for the year	<u>16,764</u>	<u>1,145</u>

There were no factors that may affect future tax charges.

6. Intangible fixed assets

Group	Goodwill £	Software Intellectual Property £	Total £
Cost			
At 1 January 2013	335,426	203,091	538,517
Additions	2,688	12,780	15,468
	<u>338,114</u>	<u>215,871</u>	<u>553,985</u>
At 31 December 2013	<u>338,114</u>	<u>215,871</u>	<u>553,985</u>
Amortisation			
At 1 January 2013	82,546	20,000	102,546
Charge for the year	28,099	20,000	48,099
	<u>110,645</u>	<u>40,000</u>	<u>150,645</u>
At 31 December 2013	<u>110,645</u>	<u>40,000</u>	<u>150,645</u>
Net book value			
At 31 December 2013	<u>227,469</u>	<u>175,871</u>	<u>403,340</u>
At 31 December 2012	<u>252,880</u>	<u>183,091</u>	<u>435,971</u>

CASTLE COMPUTER SERVICES LIMITED
Notes to the Financial Statements
For the year ended 31 December 2013

7. Tangible fixed assets

Group	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost				
At 1 January 2013	554,385	85,561	146,480	786,426
Additions	80,767	-	2,254	83,021
Disposals	-	(18,895)	-	(18,895)
At 31 December 2013	<u>635,152</u>	<u>66,666</u>	<u>148,734</u>	<u>850,552</u>
Depreciation				
At 1 January 2013	413,708	74,673	127,414	615,795
Charge for the year	83,524	10,888	6,623	101,035
On disposals	-	(18,895)	-	(18,895)
At 31 December 2013	<u>497,232</u>	<u>66,666</u>	<u>134,037</u>	<u>697,935</u>
Net book value				
At 31 December 2013	<u>137,920</u>	<u>-</u>	<u>14,697</u>	<u>152,617</u>
At 31 December 2012	<u>140,677</u>	<u>10,888</u>	<u>19,066</u>	<u>170,631</u>

CASTLE COMPUTER SERVICES LIMITED
Notes to the Financial Statements
For the year ended 31 December 2013

7. Tangible fixed assets (continued)

Company	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost				
At 1 January 2013	414,633	76,170	99,269	590,072
Additions	80,767	-	2,254	83,021
Disposals	-	(18,895)	-	(18,895)
At 31 December 2013	<u>495,400</u>	<u>57,275</u>	<u>101,523</u>	<u>654,198</u>
Depreciation				
At 1 January 2013	290,358	65,282	80,203	435,843
Charge for the year	75,323	10,888	6,623	92,834
On disposals	-	(18,895)	-	(18,895)
At 31 December 2013	<u>365,681</u>	<u>57,275</u>	<u>86,826</u>	<u>509,782</u>
Net book value				
At 31 December 2013	<u>129,719</u>	<u>-</u>	<u>14,697</u>	<u>144,416</u>
At 31 December 2012	<u>124,275</u>	<u>10,888</u>	<u>19,066</u>	<u>154,229</u>

Included within fixed assets (company and group) are plant and machinery assets held under hire purchase contracts with a net book value of £50,110 (2012: £67,734). Depreciation charged on these assets during the year was £2,100 (2012: £16,285).

CASTLE COMPUTER SERVICES LIMITED
Notes to the Financial Statements
For the year ended 31 December 2013

8. Fixed asset investments

Group

The group investment relates to an investment property. In the year the directors have applied professional judgement and have determined that the open market value of the property at the Balance Sheet date is not materially different to the cost of the property of £198,181. The directors have therefore deemed that no adjustment to the carrying value is required under SSAP19.

Company

	Listed Investments £	Total £
Cost		
At 1 January 2013 and at 31 December 2013	11,600	11,600
Provisions for diminution		
At 1 January 2013 and at 31 December 2013	11,600	11,600
Net book value		
At 31 December 2012 and 31 December 2013	-	-

The company holds investments as follows:

- £2 in Castle Computer Services (Edinburgh) Limited, a dormant company with a year end of 31 December.
- £1 in Castle Computer Services (Glasgow) Limited, a dormant company with a year end of 30 November.
- £1 in Castle Computer Services (Dynamics) Limited, a company with a year end of 31 December. The subsidiary's results for the year 31 December 2013 are incorporated into the group accounts using the acquisition method of accounting.

All of these investments represent 100% of the issued share capital of the respective companies.

These investments result in total investments at cost at the year end of £4 (2012: £4).

9. Stocks

	Company		Group	
	2013 £	2012 £	2013 £	2012 £
Finished goods and goods for resale	24,627	25,163	24,627	25,163

CASTLE COMPUTER SERVICES LIMITED
Notes to the Financial Statements
For the year ended 31 December 2013

10. Debtors

	Company		Group	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	779,788	975,379	936,708	986,090
Amounts due from group companies	1,039,360	975,728	-	-
Other debtors	842,507	710,240	954,237	762,782
	<u>2,661,654</u>	<u>2,661,347</u>	<u>1,890,945</u>	<u>1,748,872</u>

11. Creditors: amounts falling due within one year

	Company		Group	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	718,390	741,799	809,725	773,070
Tax and social security	243,108	301,668	243,108	301,668
Other creditors	95,641	169,538	127,508	169,562
Hire purchase agreements	26,063	59,700	26,063	59,700
Accruals and deferred income	1,797,341	2,148,715	2,029,319	2,164,812
	<u>2,880,543</u>	<u>3,421,420</u>	<u>3,235,723</u>	<u>3,468,813</u>

12. Creditors: amounts falling due in over one year

	Company		Group	
	2013	2012	2013	2012
	£	£	£	£
Hire purchase agreements	26,063	-	26,063	-
	<u>26,063</u>	<u>-</u>	<u>26,063</u>	<u>-</u>

13. Obligations under hire purchase agreements

Future obligations under hire purchase agreements are as follows:

	Company		Group	
	2013	2012	2013	2012
	£	£	£	£
Amounts payable within 1 year	26,063	59,700	26,063	59,700
Amounts payable in over 1-2 years	26,063	-	26,063	-
	<u>52,126</u>	<u>59,700</u>	<u>52,126</u>	<u>59,700</u>

CASTLE COMPUTER SERVICES LIMITED
Notes to the Financial Statements
For the year ended 31 December 2013

14. Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000
30 A Ordinary shares of £1 each	20	20
4 B Ordinary shares of £1 each	4	4
	<u>100,024</u>	<u>100,024</u>

Rights attaching to share capital

Ordinary £1 shares

Holders of Ordinary £1 shares are entitled to any profits the company chooses to distribute, pari passu amongst all such shareholders, but only after a distribution has been made to A Ordinary Shares. On winding up the holders are entitled to the balance of assets distributed pari passu. The holders of these shares are entitled to vote at a general meeting of the company.

A Ordinary shares

Holders of A Ordinary £1 shares are entitled to any profits the company chooses to distribute, pari passu amongst all shareholders. On winding up the holders are not entitled to any return on assets. The holders of these shares are not entitled to vote at a general meeting of the company.

B Ordinary shares

Holders of B Ordinary £1 shares are entitled to any profits the company chooses to distribute to that class of shares, but only after a distribution has been made to A Ordinary Shares. On winding up the holders are not entitled to any return on assets. The holders of these shares are not entitled to vote at a general meeting of the company.

CASTLE COMPUTER SERVICES LIMITED
Notes to the Financial Statements
For the year ended 31 December 2013

15. Reserves

	Company £	Group £
Share premium account		
At 1 January 2013 and 31 December 2013	26,996	26,996
	<u> </u>	<u> </u>
Capital redemption reserve	£	£
At 1 January 2013 and 31 December 2013	78,025	78,025
	<u> </u>	<u> </u>
Profit and loss account	£	£
At 1 January 2013	678,446	369,129
Profit after tax for the year	241,119	34,266
	<u> </u>	<u> </u>
At 31 December 2013	919,565	403,395
	<u> </u>	<u> </u>

CASTLE COMPUTER SERVICES LIMITED
Notes to the Financial Statements
For the year ended 31 December 2013

16. Reconciliation of movement in shareholders' funds

Group	2013 £	2012 £
Profit/(loss) for the year after tax	34,266	(176,990)
Dividends paid	-	(106,819)
Opening shareholders' funds	574,174	1,056,062
Purchase of own share capital	-	(228,079)
Proceeds of shares issued	-	30,000
	<u>608,440</u>	<u>574,174</u>
Closing shareholders' funds		

Company	2013 £	2012 £
Profit for the year after tax	241,119	132,327
Dividends paid	-	(106,819)
Opening shareholders' funds	883,491	1,056,062
Purchase of own share capital	-	(228,079)
Proceeds of shares issued	-	30,000
	<u>1,124,610</u>	<u>883,491</u>
Closing shareholders' funds		

17. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £75,800 (2012: £88,665).

18. Operating lease commitments

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2013 £	2012 £	2013 £	2012 £
Expiry date:				
Within 1 year	-	6,772	22,729	-
Between 2 and 5 years	52,895	52,895	23,455	46,184
	<u>52,895</u>	<u>59,667</u>	<u>46,184</u>	<u>46,184</u>

19. Controlling party

The ultimate controlling party is Mr A M Munro.

CASTLE COMPUTER SERVICES LIMITED
Notes to the Financial Statements
For the year ended 31 December 2013

20. Reconciliation of net cash flow to movement in net funds

Group	2013 £	2012 £
Change in cash in the year	(263,653)	(28,225)
Net funds brought forward	1,464,169	1,492,394
Net funds carried forward	<u>1,200,516</u>	<u>1,464,169</u>

21. Analysis of net funds

Group	At 1 January 2013 £	Cash flow £	Other Changes £	At 31 December 2013 £
Cash at bank and in hand	<u>1,464,169</u>	<u>(263,653)</u>	<u>-</u>	<u>1,200,516</u>

22. Related party transactions

The company has taken advantage of the exemption available under paragraph 3(a) of Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with other group companies.